

RESOLUTION NO. 20 (SAS) Oversight Board

A RESOLUTION OF THE SANTA MONICA SUCCESSOR AGENCY OVERSIGHT BOARD RATIFYING THE FORMER REDEVELOPMENT AGENCY'S TRANSFER OF CERTAIN REAL PROPERTY ASSETS THAT WERE CONSTRUCTED AND USED FOR A GOVERNMENTAL PURPOSE TO THE CITY PURSUANT TO EXISTING AGREEMENTS RELATING TO THE CONSTRUCTION OR USE OF SUCH ASSETS.

RECITALS:

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) (the "Redevelopment Law"), the City Council of the City of Santa Monica (the "Council") adopted the Earthquake Recovery Redevelopment Project by Ordinance No. 1747 (CCS) on June 21, 1994, the Downtown Redevelopment Project by Ordinance No. 1021 (CCS) on January 13, 1976, the Ocean Park 1A Project by Ordinance No. 497 (CCS) on June 30, 1960, and the Ocean Park 1B Project by Ordinance No. 516 (CCS) on January 24, 1961 (collectively the "Redevelopment Plans"); and

WHEREAS, the California Legislature adopted, and the Governor signed, Assembly Bill Nos. 26 and 27 (2011-2012 1st Ex. Sess.) enacted as Stats. 2011, 1st Ex. Sess. 2011-2012, chs. 5-6 (hereinafter AB1x 26 and AB1x 27) into law; and

WHEREAS, in July 2011, *California Redevelopment Agency v. Matosantos* was filed in the California Supreme Court, challenging the constitutionality of AB1x 26 and AB1x 27, and on December 29, 2011, the Supreme Court issued its opinion in *Matosantos*, upholding AB1x 26 and exercising its power of reformation to revise and extend each effective date or deadline for performance of an obligation in part 1.85 of division 24 of the Redevelopment Law, and

invalidating AB1x 27; and

WHEREAS, effective on February 1, 2012, the City of Santa Monica ("City") became the designated Successor Agency of the Redevelopment Agency of the City of Santa Monica, within the meaning of AB1x 26; and

WHEREAS, after January 1, 2011, but prior to the enactment of AB1x 26, the former Redevelopment Agency of the City of Santa Monica ("RDA") transferred certain real property assets ("Real Property Assets") to the City in accordance with authorizing provisions of the Redevelopment Law; and

WHEREAS, a description of these Real Property Assets along with a description of the construction and use of these assets for a governmental purpose in accordance with existing agreements relating to the construction or use of such assets is included in the staff report attached hereto as Exhibit "A" (hereinafter referenced as "Staff Report") and incorporated herein by this reference; and

WHEREAS, the existing agreements referenced in the Staff Report have been made available to the Oversight Board for review; and

WHEREAS, the Oversight Board has reviewed the information presented in the Staff Report and considered any oral presentations made, if any, at the public meeting of the Oversight Board on June 16, 2014; and

WHEREAS, based upon the record before it, including the Staff Report, the existing agreements referenced in the Staff Report, and the oral presentations, if any, made at the public meeting of the Oversight Board on June 16, 2014, the Oversight Board finds and determines that the RDA's transfer of the Real Property Assets to the City was proper under applicable law and that those Real Property Assets were constructed and used for a governmental purpose pursuant to existing agreements relating to the construction or use of such assets, in accordance with Health and Safety Code Section 34181(a); and

WHEREAS, in accordance with Health and Safety Code section 34181(f), at least 10 days' notice to the public of the specific proposed actions to be considered by the Oversight

Board at the June 16, 2014 meeting was made by publication in the Santa Monica Daily Press on June 5, 2014, attached as Exhibit "B";

NOW, THEREFORE, THE OVERSIGHT BOARD DOES RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Oversight Board hereby ratifies the transfer of 1700 Main Street, excluding the 100' strip designated as public right of way for Olympic Drive, 1665 Ocean Avenue, and 1673 Ocean Avenue to the City as proper under applicable law and as assets constructed and used for a governmental purpose pursuant to existing agreements relating to the construction or use of such assets pursuant to Health and Safety Code Section 34181(a).

SECTION 3. The staff of the Successor Agency is hereby directed to transmit this Resolution to the Department of Finance on behalf of the Oversight Board, in accordance with Health and Safety Code section 34179(h).

SECTION 4. The Oversight Board authorizes the Successor Agency's Chief Administrative Officer or his designee to take such actions and execute such documents as are necessary or appropriate to effectuate the intent of this Resolution on behalf of the Oversight Board and any such actions previously taken are hereby ratified.

SECTION 5. The Secretary of the Oversight Board shall certify the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect in accordance with applicable law.

SECTION 6. Nothing herein is intended to waive any constitutional, statutory, legal, or equitable rights of the Oversight Board, Successor Agency, City of Santa Monica, or any third parties with interests in and to any of the Real Property Assets referenced in the Staff Report.

APPROVED BY A MAJORITY OF THE TOTAL MEMBERSHIP OF THE OVERSIGHT BOARD:



CHAIR OF THE OVERSIGHT BOARD

Exhibit A

Santa Monica Redevelopment Successor Agency Oversight Board

Memorandum

Date: June 16, 2014
To: Oversight Board
From: Successor Agency staff
Subject: Item 4-A Government-Purpose Assets and Item 4-B Additional Housing Assets Transferred to the Successor Agency

Government-Purpose Properties:

At its May 8, 2013 meeting, the Oversight Board ratified the former Redevelopment Agency's transfer to the City of Santa Monica ("City") of certain real property assets that were constructed and used for a governmental purpose [Oversight Board Resolution No. 13]. Successor Agency staff transmitted Resolution No. 13 to the Department of Finance ("DOF") on behalf of the Oversight Board, in accordance with Health and Safety Code section 34179(h) along with supporting documentation included in the April 22, 2013 staff report to the Oversight Board.

On August 21, 2013, DOF rejected the Oversight Board's designation of certain properties as government-purpose assets. However, after meeting with City representatives in Sacramento and considering the Successor Agency's request for reconsideration, on December 16, 2013, the DOF accepted the government-purpose designation as to all properties except the following:

Address	Government Purpose
1700 Main Street, 1673 Ocean Avenue, 1665 Ocean Avenue	Public Park (Tongva Park)
1677 and 1683 Ocean Avenue	Public Street (Olympic Drive)

According to the DOF, the public improvements on these properties were not completed and used by the public at the time of the Oversight Board's designation. The Successor Agency does not agree with DOF's determination that the improvements must be completed and used at the time of the Oversight Board's determination since Health and Safety Code section 34181(a) does not expressly require this. Nevertheless, the Successor Agency desires to work cooperatively with the DOF since the public improvements on these assets have been completed.

The properties at 1700 Main Street, 1673 Ocean Avenue, and 1665 Ocean Avenue have been constructed as a public park (named "Tongva Park"). Tongva Park has been open for public use since August 2013.

The properties at 1677 and 1683 Ocean Avenue have been constructed as an extension of Olympic Drive ("Olympic Drive Extension"), which serves as a public street and entrance to the I-10 freeway. The Olympic Drive Extension was required as a condition to the development of private housing, which has been constructed adjacent to Olympic Drive. The City's engineering department anticipates accepting the public improvement as complete by early July. Staff will therefore return to the Oversight Board in the near future with a resolution ratifying the transfer of the Olympic Drive Extension properties.

Recommendation

Because the properties comprising Tongva Park were constructed and used for a government purpose in accordance with Health and Safety Code section 34180(a), staff recommends that the Oversight Board adopt a resolution ratifying the transfer of ownership of the Tongva Park properties to the City in accordance with Health and Safety Code section 34181(a).

Housing Assets:

On January 10, 2012, the City of Santa Monica elected to retain the housing assets of the former Redevelopment Agency in accordance with Health and Safety Code section 34176(a) [Resolution 10648 CCS]. The City subsequently submitted to the DOF the Housing Asset Transfer List [Housing Asset List, Exhibit A] required per Health and Safety Code 34176(a)(2), which included affordable housing real property assets transferred from the former Redevelopment Agency to the City from February 1, 2012 through July 31, 2012 ("Housing Assets").

At its June 24, 2013 meeting, the Oversight Board ratified the transfer of the Housing Assets to the City [Oversight Board Resolution No. 14], including the Housing Assets List, Exhibit A and Supplemental List of Housing Assets, Exhibit A-1. On June 27, 2013, Successor Agency staff transmitted Resolution No. 14 to the DOF on behalf of the Oversight Board, in accordance with Health and Safety Code section 34179(h). DOF approved the Oversight Board's adoption of Resolution No. 14 on October 2, 2013.

Following the Oversight Board action, staff determined that the following three (3) housing assets were omitted from the list of Housing Assets approved by the DOF and ratified by the Oversight Board (collectively, "Additional Housing Assets"):

Address	Housing Asset
2819 19 th Street	Vacant Affordable Housing Parcel
3100 Neilson Way	Senior Low-Income Housing
3356 Barnard Way	Senior Low-Income Housing

A "housing asset" is defined in Health and Safety Code section 34176(e) as "any real property, interest in, or restriction on the use of real property, whether improved or not, ..., that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or part, with any source of funds." Because the Additional Housing Assets were acquired for low- and moderate-income housing purposes and each meets the definition of "housing asset" within the meaning of Health and Safety Code section 34176(e), staff recommends that the Oversight Board adopt a resolution ratifying the transfer of the following Additional Housing assets to the City.

These Additional Housing Assets should be formally acknowledged as housing assets within the meaning of Health and Safety Code section 34176(e) so that they can be properly managed by the City, along with its other affordable housing inventory, in accordance with Health and Safety Code section 34176(a).

2819 19th Street

This is a vacant residential property. The former Redevelopment Agency made a loan of the former Redevelopment Agency's low and moderate income housing funds to Habitat for Humanity to purchase the property for development of affordable housing on the property. Habitat for Humanity used the loan proceeds to purchase the property but

was unable to move forward with the development of the property and transferred title to the Agency in 2009. Given the limiting physical constraints of this property, the City does not believe that the property is suitable for development of affordable housing.

Recently enacted SB 341 added Health and Safety Code section 34176.1. Among other things, SB 341 (specifically Health and Safety Code section 34176.1(e)) clarifies that for real property acquired by the redevelopment agency prior to February 1, 2012, "the time periods described in Health and Safety Code section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset." This means that if property acquired with low and moderate income housing funds is not developed for affordable housing purposes within the required five year period, the property must be sold and the money from the sale, less the costs of sale, must be deposited into the City's low and moderate income housing fund and spent in accordance with Health and Safety Code section 34176.1.

In light of this newly mandated time limit, and the limited development potential of this property, the City's housing staff will seek approval from the City Council to sell the property and deposit the net sales proceeds into the City's low and moderate income housing fund once the Department of Finance approves this property as a housing asset. Successor Agency staff will return to the Oversight Board to advise the board of the status of this property once the Department of Finance renders its determination.

3100 Neilson Way- Neilson Villas

Built in 1977, Neilson Villas is a privately owned, 100-unit, low-income senior apartment complex at 3100 Nielson Way that is 100-percent occupied. The property was deeded to the owners by the former Redevelopment Agency and the improvements were funded under the HUD Section 236 program. Under the terms of the Contract for Sale of Land for Private Redevelopment by and between the Redevelopment Agency and Shapell Government Housing, Inc., the units are to remain affordable for 35 years from the date of the Grant Deed (August 5, 1976) or until maturity of the HUD mortgage (October 1, 2017), whichever is longer. Under the Contract for Sale Agreement, both the City and former Redevelopment Agency have the option in 2018 to re-purchase the land for one dollar (\$1.00) and the improvements at fair market value ("FMV").

Since the City and Successor Agency each has a reverter interest which can be exercised in the near future on the property, the owner of the property is seeking to extend the option to purchase the property and improvements in return for owner's

extension of affordable housing covenants. The extension would allow the owner to upgrade the improvements on the property, which would not otherwise be possible.

3356 Barnard Way- Barnard Park Villas

Built in 1981, Barnard Park Villas is a privately owned, 61-unit, low-income senior apartment complex at 3356 Barnard Way that is 100-percent occupied.

The development was financed with a California Housing Finance Agency (CHFA) loan and subsidized with HUD Section 8 project-based rental-assistance vouchers. Under the covenants of the Grant Deed recorded December 11, 1981 between the Redevelopment Agency and the U.S. Condominium Corporation, Inc., the City and the former Redevelopment Agency each has the option to repurchase the project for one dollar (\$1.00), 45 years from the recordation of the Grant Deed (December 11, 2026). Under the Declaration of Covenants and Restrictions recorded February 14, 1978, the real property shall be limited solely for subsidized housing for low- and moderate-income senior citizens.

Since the City and Successor Agency each has a reverter interest which can be exercised in the near future on the property, the owner of the property is seeking to extend the option to purchase the property and improvements in return for owners' extension of affordable housing covenants. The extension would allow the owner to upgrade the improvements on the property, which would not otherwise be possible.

Recommendation

Because the Additional Housing Assets were acquired for low- and moderate income housing purposes and each meets the definition of "housing asset within the meaning of Health and Safety Code section 34176(e)," staff recommends that the Oversight Board adopt a resolution ratifying the transfer of the Additional Housing assets to the City.

STOCKS
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below zero in an effort to further stimulate Europe's economy.

The unusual move would mean banks would have to pay to park money with the European Central Bank. The goal is to push banks to lend the money to companies and individual borrowers.

While the eurozone pulled out of an 18-month recession last year, growth remains sluggish and inflation is low. Eurozone inflation was 0.7 percent in May, well below ECB's target of 2 percent.

"Europe is barely growing, inflation is low, and it cries out for more stimulus," said Bob Doll, chief equity strategist at Nuveen Investments. "The question is: Will the ECB do enough to satisfy investors?"

Speculation over the ECB's interest rate decision has sent foreign buyers into the U.S. bond market in recent weeks. The yield on the 10-year Treasury note was little changed at 2.60 percent. It went as low as 2.44 percent last week, the lowest level in almost a year.

Investors also waiting for the monthly jobs report from the U.S. Labor Department, out Friday.

Economists believe U.S. employers added 220,000 jobs in May and the unemployment rate remained steady at 6.3 percent.

Payroll processor ADP said Wednesday that U.S. businesses slowed their hiring last month, adding just 179,000 workers to their payrolls. It was the weakest hiring in four months and well below what economists had expected.

"Just when investors were getting comfortable with the positive data trend, the U.S. economy hands them a monkey wrench," said Doug Cote, chief market strategist for Voya Investment Management, in a note to investors.

In company news:
— Protective Life jumped \$10.64, or 18 percent, to \$69.36 after Japanese insurance company Dai-ichi Life said it would buy the company for \$70 a share, or \$5.7 billion.

— First Solar rose \$2.46 or 4 percent, to \$65.39 after the company announced it was buying German electric power operator Skytron Energy for an undisclosed amount.

Photography by Brandon Wise



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CITY OF SANTA MONICA
NOTICE INVITING BIDS

NOTICE IS HEREBY GIVEN that the City of Santa Monica invites sealed bids for:

BID #4159 PROVIDE ELECTRICAL CONTRACTOR SERVICES AS REQUIRED BY FACILITIES SERVICES.

- A mandatory job walk will be held on June 17, 2014 at Beach Parking Lot #5 South, 2600 Barnard Way at 9:00 AM Pacific Time.
- Submission Deadline is June 24, 2014 at 3:00 PM Pacific Time.

BID #4160 PROVIDE GRAFFITI REMOVAL CONTRACTOR SERVICES AS REQUIRED BY FACILITIES SERVICES.

- A pre-bid meeting will be held on June 11, 2014 at City Yards Paint Shop, 2500 Michigan Avenue at 9:00 AM Pacific Time.
- Submission Deadline is June 20, 2014 at 3:00 PM Pacific Time.

BID #4164 PROVIDE PLUMBING CONTRACTOR SERVICES AS REQUIRED BY FACILITIES SERVICES.

- A mandatory job walk will be held on June 10, 2014 at Santa Monica Swim Center, 2225 16th Street at 9:00 AM Pacific Time.
- Submission Deadline is June 20, 2014 at 3:00 PM Pacific Time.

The bid packets can be downloaded at:
• <http://vendors.planetbids.com/SantaMonica/QuickSearch.cfm>

Request for bid forms and specifications may be obtained by e-mailing your request to Regina.Benavides@smgov.net. Bids must be submitted on forms furnished by the City of Santa Monica.

NOTICE OF PROPOSED ACTION BY THE SANTA MONICA REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

NOTICE OF PROPOSED ACTION BY THE SANTA MONICA REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD TO RATIFY THE TRANSFER OF OWNERSHIP OR INTEREST OF CERTAIN HOUSING ASSETS TO THE CITY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176(A)(1)

On June 16, 2014, the Santa Monica Redevelopment Successor Agency Oversight Board ("Oversight Board") will consider a proposed action to ratify the transfer of ownership or interest of certain housing assets to the City pursuant to Health and Safety Code Section 34176(a)(1) ("Proposed Action").

Address*	Housing Asset
2819 19th Street	Vacant Residential Parcel
3100 Neilson Way	Senior Affordable Housing
3356 Barnard Way	Senior Affordable Housing

WHAT: Santa Monica Redevelopment Successor Agency Oversight Board Public Meeting to consider the Proposed Action

WHERE: Ken Edwards Center
1527 4th Street, Room 100 B
Santa Monica, 90401

WHEN: Monday, June 16, 2014 5:30 p.m.

NOTICE OF PROPOSED ACTION BY THE SANTA MONICA REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

NOTICE OF PROPOSED ACTION BY THE SANTA MONICA REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD TO AUTHORIZE THE TRANSFER OF OWNERSHIP OF CERTAIN REAL PROPERTY ASSETS CONSTRUCTED AND USED FOR A GOVERNMENTAL PURPOSE TO THE CITY OF SANTA MONICA PURSUANT TO SUBDIVISION (A) OF HEALTH AND SAFETY CODE SECTION 34181

On June 16, 2014, the Santa Monica Redevelopment Successor Agency Oversight Board ("Oversight Board") will consider a proposed action to authorize the transfer of ownership of real property assets constructed and used for a governmental purpose to the City pursuant to any existing agreements relating to the construction or use of that asset ("Proposed Action").

Address*	Government Purpose
1700 Main, 1665 Ocean Avenue, and 1673 Ocean Avenue	Public Park
1677 and 1683 Ocean Avenue	Public Street

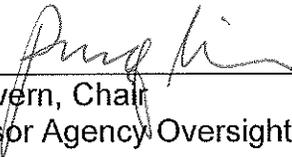
*All addresses are located within the City of Santa Monica, California

WHAT: Santa Monica Redevelopment Successor Agency Oversight Board Public Meeting to consider the Proposed Action

WHERE: Ken Edwards Center
1527 4th Street, Room 100B
Santa Monica, 90401

WHEN: Monday, June 16, 2014
5:30 p.m.

Adopted and approved this 16th day of June 2014.



Paul Silvern, Chair
Successor Agency Oversight Board

I, Denise Anderson-Warren, Secretary to the Successor Agency Oversight Board, do hereby certify that the foregoing Resolution No. 20 (SAS-Oversight Board) was duly adopted at a meeting of the Oversight Board meeting held on the 16th day of June 2014, by the following vote:

AYES: Board Members Dijkstra, Lawson, Varon,
Vice Chair Moran, Chair Silvern

NOES: None

ABSENT: Board Members Maez, Kanschat

ATTEST:



Denise Anderson-Warren, Secretary
Successor Agency Oversight Board