



CITY COUNCIL REPORT

7F

DATE: NOVEMBER 21, 2017

TO: MAYOR AND COUNCIL MEMBERS

FROM: MICHELLE FITZER, CITY MANAGER
STEPHANIE DOWNS, ASSISTANT CITY ATTORNEY

SUBJECT: APPROVE A RESOLUTION EXTENDING THE PERIOD FOR DEVELOPMENT OR DISPOSITION OF PROPERTIES TRANSFERRED FROM THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF PINOLE TO THE CITY OF PINOLE AS THE HOUSING SUCCESSOR, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176.1(e)

RECOMMENDATION

It is recommended that the City Council approve a resolution extending the period for development or disposition of properties transferred from the former Redevelopment Agency of the City of Pinole to the City of Pinole as the Housing Successor, pursuant to Health and Safety Code Section 34176.1(e).

BACKGROUND

The City of Pinole ("City") serves as the successor housing agency to the former Redevelopment Agency of the City of Pinole ("RDA"). When the City assumed the RDA's housing assets and functions, the former RDA transferred three properties to the City pursuant to the Housing Asset Transfer list approved by the Department of Finance. These property assets include the PALC Land located at 2850 Estates Ave (APN 360-010-017-0), the Collins House located at 612 Tennent Avenue (APN 401-142-011) and vacant land (the "Vacant Land") located at 811 San Pablo Avenue (APN 402-166-030).

The PALC Land is ground leased to the Pinole Assisted Living Community, which has constructed and operates an assisted living facility for seniors at an affordable housing cost. Therefore the PALC Land is not subject to this resolution. The Collins House and the Vacant Land are currently not developed with affordable housing. Health and Safety Code ("HSC") Sections 33334.16 and 34176.1(e) require the City to initiate activities to develop affordable housing on the Collins House and the Vacant Land within five years from the date the Department of Finance approved the transfer of the properties as housing assets from the former RDA to the City, which is February 15, 2018. If affordable housing development activities are not initiated

by the deadline, the properties may be sold and the sales proceeds must be deposited into the City's Low and Moderate Income Housing Asset Fund ("Housing Asset Fund") to fund other affordable housing activities. The HSC allows for an extension of the property development and disposition deadline for a period up to an additional five years.

REVIEW AND ANALYSIS

The proposed resolution attached to this staff report extends the deadline by five years, to February 15, 2023. The City would then have until 2023 to ensure that physical development of the sites had begun. This will give staff additional time to carry out plans to develop the Collins House and the Vacant Land with affordable housing or to sell the properties and deposit the proceeds into the Housing Asset Fund to be used for future affordable housing development.

FISCAL IMPACT

The City will continue to pay for the maintenance of the properties until they are sold or developed for affordable housing.

ATTACHMENT:

Attachment A: Resolution

RESOLUTION NO. 2017-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PINOLE EXTENDING THE PERIOD FOR DEVELOPMENT OR DISPOSITION OF PROPERTIES TRANSFERRED FROM THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF PINOLE TO THE CITY OF PINOLE AS THE HOUSING SUCCESSOR PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176.1(e)

WHEREAS, pursuant to Health and Safety Code (“HSC”) Section 34176, the City of Pinole (“City”), as the entity that authorized the creation of the now dissolved Redevelopment Agency of the City of Pinole (the “RDA”), elected to retain the housing assets and functions previously performed by the RDA; including all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the RDA, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, as provided in Resolution No 2012-07 adopted on January 25, 2012; and

WHEREAS, HSC Section 34176.1(e) requires all real properties acquired by the RDA prior to February 1, 2012 and transferred to the City pursuant to HSC Section 34176 to be developed pursuant to the requirements detailed in HSC Section 33334.16, with time periods commencing on the date the Department of Finance approved such properties as a housing asset; and

WHEREAS, HSC Section 33334.16 provides that within five years from the date a property is acquired with Low and Moderate Income Housing Funds, activities must be initiated consistent with the development of the property for affordable housing purposes, or the property must be sold and sales proceeds shall be deposited into the Low and Moderate Income Housing Fund (now the Low and Moderate Income Housing Asset Fund established pursuant to HSC Section 34176(d)); and

WHEREAS, HSC Section 33334.16 further states that the legislative body may extend the aforementioned property development or disposition deadline for one additional period not to exceed five years; and

WHEREAS, the former RDA transferred three real properties purchased with Low and Moderate Income Funds to the City, commonly referred to as the PALC Land located at 2850 Estates Ave (APN 360-010-017-0), the Collins House located at 612 Tennent Avenue (APN 401-142-011) and vacant land (the “Vacant Land”) located at 811 San Pablo Avenue (APN 402-166-030); and

WHEREAS, the Collins House and the Vacant Land are currently not developed with affordable housing; and

WHEREAS, the PALC Land is ground leased to the Pinole Assisted Living Community, which operates an assisted living facility for seniors at affordable housing costs; and

WHEREAS, under HSC Section 34176.1(e), the property development and disposition deadline imposed by HSC Section 33334.16 for the Collins House and the

Vacant Land is February 15, 2018, which is five years from the date the Department of Finance approved the housing assets transferred from the RDA to the City; and

WHEREAS, the Council desires to retain the Collins House and the vacant land for up to an additional five years, or February 15, 2023, to develop or dispose of the property as required by HSC Sections 33334.16 and 34176.1(e).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pinole:

Section 1. The City Council hereby finds that the foregoing Recitals are true and correct.

Section 2. The City Council finds and determines it is the City's intention that the Collins House and the Vacant Land be developed for affordable housing purposes, or sold to fund other affordable housing activities as permitted under the HSC.

Section 3. The City Council finds and determines that the City may retain the Collins House and the Vacant Land for an additional period not to exceed five years, or February 18, 2023, for the purpose of initiating affordable housing development activities.

Section 4. City staff are authorized to take such other and further action as necessary to carry out the intent of this Resolution.

Section 5. If any provision, sentence, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts.

PASSED AND ADOPTED at a regular meeting of the Pinole City Council held on the **21st day of November 2017** by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

I hereby certify that the foregoing resolution was regularly introduced, passed, and adopted on the 21st day of November, 2017.

Rosa G. Acosta
City Clerk

2886363.1