



CITY OF  
**LA MESA**  
JEWEL of the HILLS

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**INTEROFFICE MEMO**

DATE: May 9, 2017  
TO: Mayor and City Council  
VIA: Yvonne Garrett, City Manager *W*  
FROM: Carol Dick, Community Development Director *cd*  
SUBJECT: Resolution extending the time period for development of certain real property commonly known as the Old Police Station Site located at 8181 Allison Avenue, La Mesa, California (APN 470-572-22-00) for affordable housing purposes, pursuant to Health & Safety Code Sections 33334.16 and 34176.1

The attached City Council Resolution (Attachment A) would extend the time period to develop the Old Police Station Site with an affordable housing component by an additional five years, commencing on August 30, 2017 and expiring on August 30, 2022.

On December 10, 2008, the former La Mesa Community Redevelopment Agency (former Redevelopment Agency) acquired from the City of La Mesa (City) fee title to the Old Police Station Site (Property) by using and committing funds from the Low and Moderate Income Housing Fund of the former Redevelopment Agency. Health & Safety Code Section 33334.16 of the California Redevelopment Law (Redevelopment Law) provides that, if affordable housing activities have not been initiated within the first five (5) year period, the legislative body (City Council) may, by resolution, extend the time period another five (5) years within which to initiate activities for development of housing for persons and families of low and moderate income on the Property, provided that the City Council, by resolution, affirms its intention that the Property be developed for such use.

Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) (AB 26) was enacted and signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and other provisions of the Health and Safety Code by dissolving all redevelopment agencies and establishing a process for winding down their business and fiscal affairs. AB 26 has since been amended by various assembly and senate bills enacted and signed by the Governor. AB 26 as amended is hereinafter referred to as the Dissolution Law.

Due to the impending dissolution of the former Redevelopment Agency under the Dissolution Law, on January 27, 2012, the Property was transferred from the Redevelopment Agency to the City pursuant to City Council Resolution No. 2012-007 and Redevelopment Agency Resolution No. 370-RA.

Pursuant to the Dissolution Law, the City Council of the City adopted Resolution No. 2012-005 on January 10, 2012, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency (Successor Agency), and electing for the City to retain the responsibility for performing housing functions of the Redevelopment Agency upon the dissolution of the Redevelopment Agency (Successor

Housing Entity). On February 1, 2012, the Redevelopment Agency was dissolved by operation of law and both the Successor Agency and the Successor Housing Entity were established.

Health and Safety Code Section 34176.1(e) of the Dissolution Law amended the time periods set forth in Health and Safety Code Section 33334.16 of the Redevelopment Law. Specifically, with respect to real property interests acquired by the former Redevelopment Agency prior to February 1, 2012, the five (5) year time period set forth in Section 33334.16 for the initiation of development activities on such property are deemed to have commenced on the date that the Department of Finance approves the property as a "housing asset".

By letter dated August 30, 2012, the Department of Finance approved the Property as a housing asset, and by letter dated January 29, 2014, the Department of Finance approved and confirmed the transfer of the Property to the City in its capacity as the Successor Housing Entity.

As such, pursuant to Health and Safety Code Section 34176.1(e) of the Dissolution Law, the five (5) year time period set forth in Health and Safety Code Section 33334.16 to initiate development activities on the Property for affordable housing to persons and families of low and moderate income had commenced on August 30, 2012 when the Department of Finance approved the Property as a housing asset. This five (5) year time period is set to expire on August 30, 2017.

The dissolution of the former Redevelopment Agency has impacted and delayed development of the Property. The extension of the period by an additional five (5) years during which the City in its capacity as the Housing Successor Entity may retain the Property for the purpose of beginning the physical development of the Property with housing affordable to persons and families of low and moderate income is in the best interests of the City and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local laws and requirements.

In light of the above, the City Council of the City may, by this Resolution, extend the time period by an additional five (5) years during which the City in its capacity as the Successor Housing Entity may retain the Property, provided that the City Council, by this Resolution, affirms its intention that the Property be used for the development of housing affordable to persons and families of low and moderate income.

This Resolution will supersede City Council Resolution 2013-109, which intended to extend the five (5) year time period set forth in Health and Safety Code Section 33334.16 of the Redevelopment Law before the commencement of such time periods were amended by the Dissolution Law as discussed above.

### RECOMMENDATION

Adopt the attached Resolution extending the time period for development of certain real property commonly known as the Old Police Station Site located at 8181 Allison Avenue, La Mesa, California (APN 470-572-22-00) for affordable housing purposes, pursuant to Health & Safety Code Sections 33334.16 and 34176.1.

Attachments:        A - City Council Resolution

RESOLUTION NO. 2017-\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MESA EXTENDING THE PERIOD FOR DEVELOPMENT OF CERTAIN REAL PROPERTY COMMONLY KNOWN AS THE OLD POLICE STATION SITE (ASSESSOR PARCEL NUMBER 470-572-22-00) AND LOCATED AT 8181 ALLISON AVENUE IN THE CITY OF LA MESA, CALIFORNIA, FOR AFFORDABLE HOUSING PURPOSES, PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 33334.16 AND 34176.1

WHEREAS, the La Mesa Community Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of La Mesa ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, California Health and Safety Code ("Health and Safety Code") Section 33334.16 of the Redevelopment Law requires that, for each interest in real property acquired using moneys in the Low and Moderate Income Housing Fund, the Redevelopment Agency shall, within five years from the date of acquisition of the property interest for the development of affordable housing to persons and families of low and moderate income, initiate activities consistent with the development of the property for that purpose; and

WHEREAS, Health and Safety Code ("Health and Safety Code") Section 33334.16 of the Redevelopment Law provides that, if these activities have not been initiated within the five year period, the legislative body (i.e. the City Council of the City) may, by resolution, extend the period during which the Redevelopment Agency may retain the property for an additional five year period and that such resolution shall affirm the intention of the legislative body that the property be used for the development of housing affordable to persons and families of low and moderate income; and

WHEREAS, on December 10, 2008, by using and committing funds from the Low and Moderate Income Housing Fund, the Redevelopment Agency acquired from the City fee title to certain real property commonly known as the Old Police Station Site, referenced by Assessor Parcel Number 470-572-22-00 (formerly referenced by Assessor Parcel Numbers 470-572-07, 470-572-08, 470-572-09, and 470-572-16), and located at 8181 Allison Avenue in the City of La Mesa, California, within the Civic Center zone ("Property"), for affordable housing purposes; and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26") was enacted and signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the Health and Safety Code, including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies, including the transfer of housing assets; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-005 on January 10, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"), and electing for the City to retain the responsibility for performing housing functions of the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Housing Entity"); and

WHEREAS, due to the impending dissolution of the Redevelopment Agency and in accordance with AB 26, on January 27, 2012, the Property was transferred from the Redevelopment Agency to the City pursuant to City Council Resolution No. 2012-007 and Redevelopment Agency Resolution No. 370-RA; and

WHEREAS, on February 1, 2012, the Redevelopment Agency was dissolved by operation of law and the Successor Agency and Successor Housing Entity were established pursuant to AB 26; and

WHEREAS, AB 26 has since been amended by various assembly and senate bills enacted and signed by the Governor. AB 26 as amended is hereinafter referred to as the "Dissolution Law"; and

WHEREAS, pursuant to Health and Safety Code Section 34176(a)(1) of the Dissolution Law, all rights, powers, duties, obligations, and housing assets as defined in Section 34176(e) (which includes interests in real property) associated with the housing activities of the former Redevelopment Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund and enforceable obligations retained by the Successor Agency, shall be transferred to the City in its capacity as the Successor Housing Entity; and

WHEREAS, Health and Safety Code Section 34176.1(e) of the Dissolution Law provides that, with respect to real property interests acquired by the former Redevelopment Agency prior to February 1, 2012, the time periods described in Health and Safety Code Section 33334.16 of the Redevelopment Law for the initiation of development activities shall be deemed to have commenced on the date that the California Department of Finance ("Department of Finance") approved the real property interest as a "housing asset"; and

WHEREAS, by letter dated August 30, 2012, the Department of Finance approved the Property as a housing asset, and by letter dated January 29, 2014, the Department of Finance approved and confirmed the transfer of the Property to the City in its capacity as the Successor Housing Entity; and

WHEREAS, pursuant to Health and Safety Code Section 34176.1(e) of the Dissolution Law, the five (5) year time period set forth in Health and Safety Code Section 33334.16 to initiate development activities on the Property for affordable housing to persons and families of low and moderate income commenced on August 30, 2012 when the Department of Finance approved the Property as a housing asset; and

WHEREAS, the five (5) year time period set forth in Health and Safety Code Section 33334.16 of the Redevelopment Law to initiate development activities on the Property is set to expire on August 30, 2017. Therefore, the City Council of the City desires, by this resolution, to extend the time period by an additional five (5) years during which the City in its capacity as the Successor Housing Entity may retain the Property and, by this resolution, affirms the intention of

the City Council that the Property be used for the development of housing affordable to persons and families of low and moderate income; and

WHEREAS, the City Council of the City has duly considered the facts and circumstances and determines that the retention of the Property by the City in its capacity as the Successor Housing Entity for development with low and moderate income housing is in the best interests of the City and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local laws and requirements; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of La Mesa, as follows:

Section 1. The City Council hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The City Council hereby affirms its intention that the Property be used for the development of housing affordable to persons and families of low and moderate income, in accordance with Health and Safety Code Section 33334.16 of the Redevelopment Law.

Section 3. The City Council hereby determines that the City in its capacity as the Successor Housing Entity may retain the Property for an additional five (5) year period commencing on August 30, 2017 for the purpose of beginning the physical development of the Property with housing affordable to persons and families of low and moderate income, in accordance with Health and Safety Code Section 33334.16 of the Redevelopment Law.

Section 4. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. The City Council hereby determines that this Resolution shall supersede City Council Resolution 2013-109 adopted on December 10, 2013.

Section 6. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the City Council of the City of La Mesa held the 9<sup>th</sup> of May 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CERTIFICATE OF CITY CLERK

I, MEGAN WIEGELMAN, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2017- , duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MEGAN WIEGELMAN, CMC, City Clerk

(SEAL OF CITY)