

RESOLUTION NO. _____ (CM)
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A JOINT RESOLUTION OF THE CITY COUNCIL AND CITY COUNCIL IN ITS CAPACITY AS THE SUCCESSOR TO THE HOUSING ASSETS AND FUNCTIONS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE FINDING THAT THE USE OF THE FORMER AGENCY'S FUNDS AND OTHER ASSETS GENERATED FROM THE WATSONVILLE 2000 REDEVELOPMENT PROJECT AREA FOR THE PURPOSE OF IMPROVING, INCREASING, AND PRESERVING THE COMMUNITY'S SUPPLY OF LOW AND MODERATE INCOME HOUSING OUTSIDE THE PROJECT AREA WILL BENEFIT THE PROJECT AREA

WHEREAS, in accord with the California Community Redevelopment Law (Health and Safety Code sections 33000, et seq.) (the "CRL"), the City Council of the City of Watsonville ("City") previously established the Redevelopment Agency of the City of Watsonville ("Agency"); and

WHEREAS, in accord with CRL section 33334.2(a), not less than twenty percent (20%) of all tax increment that was allocated to the Agency from the Watsonville 2000 Redevelopment Project Area ("Project Area") was placed into the Agency's Low and Moderate Income Housing Fund ("LMIHF") and used to increase, improve and preserve the community's supply of low and moderate income housing; and

WHEREAS, in accord with Assembly Bill 1X26 ("AB26") and Assembly Bill 1484 ("AB1484") (AB26 and AB1484, collectively, the "Dissolution Acts"), the Agency was dissolved and its assets, functions, and obligations were assumed by other public agencies; and

WHEREAS, in accord with CRL section 34176, the City of Watsonville ("City") elected to become the Agency's housing successor agency ("Housing Successor") and to assume the Agency's low and moderate income housing responsibilities, including those related to the LMIHF and the income attributable to the repayment of loans made

from the LMIHF and the sale of assets purchased with LMIHF funds (all of the foregoing, collectively, "Housing Assets"); and

WHEREAS, in accord with CRL section 34176(d), the Housing Successor has established in its accounts a separate "Low and Moderate Income Housing Asset Fund" ("LMIHAF") and has placed all Housing Assets which it received from the Agency into the LMIHAF and will likewise place any future Housing Assets it receives into the LMIHAF; and

WHEREAS, under the Dissolution Acts, the Housing Successor's use of the LMIHAF is subject to the CRL's housing-related requirements; and

WHEREAS, CRL section 33334.2(g) provides that funds in the LMIHF may be used outside the Project Area only if the Agency's governing and legislative bodies determined that the proposed use would benefit the Project Area; and

WHEREAS, as the Housing Successor's legislative and governing body, the City Council may make the findings required by CRL section 33334.2(g) with respect to the use of funds in the LMIHAF outside of the Project Area; and

WHEREAS, the General Plan of the City of Watsonville demonstrates a need for affordable housing throughout the community; and

WHEREAS, the Housing Successor proposes to use funds in the LMIHAF outside of the Project Area for various projects designed to increase, improve, and preserve the City's supply of decent, safe, and sanitary affordable housing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AND THE CITY COUNCIL IN ITS CAPACITY AS THE SUCCESSOR TO THE HOUSING ASSETS AND

FUNCTIONS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE :

Section 1. Based on the written and oral information presented to it, the City Council determines as follows:

A. The use of LMIHAF funds for the development of low and moderate income housing outside of the Project Area will benefit the Project Area, since there is the need for additional affordable housing throughout the community, as indicated by the City of Watsonville General Plan, and since more land is needed to develop sufficient affordable housing in the community than is available within the Project Area.

B. The use of LMIHAF funds outside the Project Area is authorized. The Housing Successor's use of LMIHAF funds is subject to the same CRL requirements as the Agency's use of LMIHF funds would have been.

Section 2. The findings and determinations set forth in this Resolution are final and conclusive.

Section 3. The City Clerk will certify the adoption of this Resolution and will cause it to be processed in the manner required by law.
