

RESOLUTION NO. _____ (SHA)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE IN ITS CAPACITY AS THE SUCCESSOR TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE FINDING THAT THE USE OF FUNDS FROM THE LOW AND MODERATE INCOME HOUSING ASSET FUND FOR PLANNING AND GENERAL ADMINISTRATIVE COSTS IS NECESSARY FOR THE PURPOSE OF PRODUCING, IMPROVING, AND PRESERVING THE COMMUNITY'S SUPPLY OF LOW AND MODERATE-INCOME HOUSING

WHEREAS, in accord with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, et seq. ("**CRL**"), the City Council of the City of Watsonville ("**City**") previously established the Redevelopment Agency of the City of Watsonville, a public body, corporate and politic ("**Agency**") to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) ("**AB 26**"), and its rights, powers, duties and obligations were transferred to a "successor agency" (as defined by CRL Section 34171(j) and Section 34173); and

WHEREAS, CRL Section 34176 provides that the City, as the former Agency's creating entity, could elect to retain the housing assets and functions of the former Agency and to assume its rights, powers, duties, obligations; and

WHEREAS, in accord with Section 34176, the City elected to retain the former Agency's housing assets and functions and to become the successor ("**Housing Successor**") to the former Agency's housing rights and duties; and

WHEREAS, as the Housing Successor, the City holds the former Agency's housing funds and assets; and

WHEREAS, as required by CRL section 34176(d), the City has created among the City's accounts a "**Low and Moderate Income Housing Asset Fund**" ("**LMIHAF**") and has deposited the former Agency's housing funds (and income from the former Agency's housing assets) into the LMIHAF; and

WHEREAS, CRL Section 34176 provides that the funds in the LMIHAF may be used only in accord with the CRL's applicable housing-related provisions; and

WHEREAS, the City, as Housing Successor, proposes to expend funds from the LMIHAF for the purposes allowed under the CRL's housing-related provisions, including for planning and administrative expenses directly related to programs and activities authorized by CRL Section 33334.2(e) and Section 33334.3(e); and

WHEREAS, in accordance with CRL Section 33334.3(d), the Housing Successor may expend money from the LMIHAF for planning and general administrative activities directly associated with the development, improvement and preservation of affordable housing which is not disproportionate to the amount actually spent for the costs of the production, improvement, or preservation of that housing; and

WHEREAS, CRL Section 33334.3(d) requires that the Housing Successor determine annually that the planning and administrative expenses paid for with housing funds are necessary for the production, improvement, or preservation of low- and moderate-income housing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE IN ITS CAPACITY AS THE SUCCESSOR TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE , CALIFORNIA, AS FOLLOWS:

Section 1. In accord with CRL Section 33334.3(d), the City Council determines that the Housing Successor's use of funds from the LMIHAF to pay for planning and administrative expenses is necessary for the production, improvement, or preservation of low- and moderate-income housing.

Section 2. In accord with CRL Section 33334.3(e), the City Council authorizes the Housing Successor's use of funds from the LMIHAF for planning and administrative costs directly related to programs and activities authorized by CRL Section 33334.2(e) and Section 33334.3(e).

Section 3. The findings and determinations set forth in this Resolution are final and conclusive.

Section 4. The City Clerk will certify the adoption of this Resolution and cause it to be processed in the manner required by law.
