

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: FRANK KASIMOV, PROGRAM SPECIALIST
HOUSING AND COMMUNITY SERVICES
SUBJECT: CONVEYANCE OF FOUR PARCELS LOCATED AT 6th AND “A”
STREETS TO THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SANTA ROSA

AGENDA ACTION: Resolution

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, convey the four Remnant Parcels located at 6th and “A” Streets to the Successor Agency to the Redevelopment Agency of the City of Santa Rosa.

EXECUTIVE SUMMARY

In 2011, the former Redevelopment Agency of the City of Santa Rosa (the “RDA”) conveyed four parcels to the Housing Authority to increase the stock of affordable housing in Santa Rosa. The parcels were left over from development of the Santa Rosa Plaza and realignment of 6th Street (the “Remnant Parcels”), a major downtown redevelopment project. Three years after the official dissolution of redevelopment agencies in California, the State Controller found that the transfer of the Remnant Parcels was not allowable and ordered the Housing Authority to reverse the land transfer and turn over the assets to the RDA Successor Agency (the “Successor Agency”) for disposition in accordance with Redevelopment Dissolution Law.

BACKGROUND

The Remnant Parcels are located on 6th Street between “A” Street and Morgan Street, as shown in Attachment 1, and are identified as Assessor Parcel Numbers 010-041-008, 010-041-009, 010-041-010 and 010-041-019.

The Remnant Parcels are adjacent to two single family homes and an approximately two-acre site owned by Catholic Charities of the Diocese of Santa Rosa (“Catholic Charities”). On this site (which has been referred to over time as the “General Hospital Site” and “The Block”), Catholic Charities operates affordable housing, the Family Support Center homeless shelter, and the Homeless Services Center. Catholic Charities is currently preparing plans to expand these uses in a development named “Caritas Village.”

On October 26, 2009, the Housing Authority and RDA entered into the Agreement for Affordable Housing Services pursuant to which the Housing Authority would carry out the RDA's obligations under the Community Redevelopment Law to provide affordable housing opportunities for low- and moderate-income households (the "Housing Services Agreement").

On March 7, 2011, the RDA adopted Resolution No. 1658 authorizing the conveyance of the Remnant Parcels to the Housing Authority for affordable housing purposes, and the Authority adopted Resolution No. 1510 authorizing acceptance of the Remnant Parcels.

In June 2011, the California Legislature approved the dissolution of the state's redevelopment agencies as part of the 2011 Budget Act.

On January 24, 2012, the City Council adopted Resolution No. 28036, selecting the Housing Authority to be the designated housing successor under Redevelopment Dissolution Law.

On February 1, 2012, all redevelopment agencies in California were officially dissolved.

In January 2015, the State Controller's Office issued *Redevelopment Agency of the City of Santa Rosa Asset Transfer Review Report January 1, 2011, through January 31, 2012* (the "SCO Report") which requires reversal of the property transfer.

PRIOR HOUSING AUTHORITY REVIEW

On October 26, 2009, the Housing Authority adopted Resolution No. 1459 approving and authorizing the execution of the Housing Services Agreement.

On March 7, 2011, the Housing Authority adopted Resolution No. 1510 authorizing acceptance of the Remnant Parcels from the RDA.

ANALYSIS

The RDA transferred the Remnant Parcels to the Housing Authority to increase the stock of affordable housing in the city. Specifically, RDA Resolution No. 1658 stated that the conveyance of the parcels will assist the Housing Authority in preserving affordable housing opportunities that the parcels provide and/or provide for other affordable housing units as the Authority may deem appropriate and consistent with the terms of the Housing Services Agreement.

Three years after the official dissolution of Redevelopment in California, the SCO Report found that the transfer of the four parcels was not allowable and that the Housing Authority was ordered to reverse the transfer and turn over the property assets to the Successor Agency for disposition in accordance with Redevelopment Dissolution Law.

The Remnant Parcels were intended and are still intended to be used for affordable housing purposes. The SCO Report also referenced Health & Safety Code Section 34177(g), which states that successor agencies must effectuate transfer of housing functions and assets to the housing successor agency.

The Successor Agency may reconfigure the Remnant Parcels such that a portion can be conveyed to the City for governmental purposes (i.e., right-of-way), and the remainder can be conveyed to the Housing Authority, as the former Redevelopment Agency's housing successor, for affordable housing purposes, consistent with Section 34177(g) and the original intent of the transfer of parcels to the Housing Authority. The conveyance of the Remnant Parcels to the Housing Authority is subject to the approval of the Oversight Board to the Successor Agency and the Department of Finance.

The Successor Agency's legal counsel, Best Best & Krieger, LLP, has been advising staff on the disposition of the property and how to proceed.

FISCAL IMPACT

Because the Remnant Parcels are considered housing assets of the former Redevelopment Agency, proceeds from the sale of the Remnant Parcels, if any, are to be retained by the Housing Authority, as the housing successor, to be used for affordable housing purposes.

ENVIRONMENTAL IMPACT

The activity is a transfer of land ownership, as required by the SCO, and does not involve a commitment to any specific project. This activity is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) in that there is no possibility that it may have significant effects on the environment. Furthermore, this activity is not a project defined in CEQA Guidelines section 15378 because it does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Notification of this agenda item was mailed to adjacent property owners who share a lot line with the Remnant Parcels.

ATTACHMENTS

- Attachment 1 – Map of Remnant Parcels
- Attachment 2 – Aerial View of Remnant Parcels
- Resolution

CONTACT

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