

OVERSIGHT BOARD FOR SUCCESSOR AGENCY
TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY

AGENDA

City Council Chambers
Montclair Civic Center
5111 Benito Street
Montclair, CA

Special Meeting
Tuesday, January 29, 2013
6:00 p.m.

As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.

William Ruh – Chairman, Montclair Mayor Paul Eaton Appointee
Tenice Johnson – Vice Chairperson, County of San Bernardino Citizen Appointee
Terry Catlin – Inland Empire Utilities Agency Appointee
Kim Erickson – Chaffey Community College District Appointee
Janet Kulbeck – City of Montclair Employee Organization Appointee
John Richardson – County of San Bernardino Appointee
Kim Stallings – Ontario–Montclair School District Appointee

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I. PRELIMINARY MATTERS

- A. Call to Order
- B. Roll Call

II. PUBLIC COMMENT

Any person wishing to address the Oversight Board on any matter, whether or not it appears on this agenda, is requested to complete a "Speaker Request" form, available at the door. The form should be completed and submitted to the Secretary prior to the beginning of this meeting or prior to an individual agenda item being heard by the Oversight Board. Each speaker will be afforded five minutes to address the Oversight Board. No action will be taken on any item not listed on the agenda pursuant to the Ralph M. Brown Act.

III. APPROVAL OF MINUTES

- A. Minutes of the Special Oversight Board Meeting of December 19, 2012
- B. Minutes of the Regular Oversight Board Meeting of January 9, 2013

IV. BUSINESS ITEMS

- A. Consider Adoption of Resolution No. 13-02, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Retroactively Approving Actions Taken by the City of Montclair Redevelopment Agency and the Montclair Housing Corporation as Requested by the State Controller's Office 3
- B. Consider Adoption of Resolution No. 13-03, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Directing the Transfer of Housing Functions and Assets 11

V. COMMUNICATIONS

- A. Staff
- B. Chairman and Members

VI. ADJOURNMENT

The above actions of the Oversight Board shall not become effective for three business days, pending any request for review by the DOF. If DOF requests review of the above Board actions, it will have ten days from the date of the request to approve the Oversight Board action or return it to the Oversight Board for reconsideration; and the action, if subject to review by DOF, will not be effective until approved by DOF.

The next regularly scheduled Oversight Board meeting will be held on February 13, 2013, at 6:00 p.m. in the City Council Chambers.

Reports, backup materials, and additional materials related to any item on this Agenda distributed to the Successor Agency Board after distribution of the Agenda packet are available for public inspection in the Office of the Secretary located at 5111 Benito Street, Montclair, California, between 7:00 a.m. and 6:00 p.m., Monday through Thursday.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary at (909) 625-9416. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

I, Yvonne L. Smith, Secretary, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 24 hours prior to this meeting on the bulletin board adjacent to the north door of Montclair City Hall on January 24, 2013.

AGENDA REPORT

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 13-02, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY RETROACTIVELY APPROVING ACTIONS TAKEN BY THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AND THE MONTCLAIR HOUSING CORPORATION AS REQUESTED BY THE STATE CONTROLLER'S OFFICE	DATE: January 29, 2013 SECTION: BUSINESS ITEMS ITEM NO.: A FILE I.D.: OBO050 DEPT.: OVERSIGHT BOARD
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REASON FOR CONSIDERATION: The State Controller's Office has requested the Oversight Board retroactively approve a transfer of assets from the City of Montclair Redevelopment Agency to the Montclair Housing Corporation that occurred on April 4, 2011. The Oversight Board's adoption of proposed Resolution No. 13-02 would retroactively approve the Redevelopment Agency's action to transfer 99 affordable housing units to the Montclair Housing Corporation.

BACKGROUND: As the Oversight Board is aware, the provisions of the redevelopment dissolution legislation, AB 1X 26, became effective on June 27, 2011. However, the legislation retroactively included actions of redevelopment agencies conducted after January 1, 2011. On April 4, 2011, the Redevelopment Agency Board of Directors took action to transfer 99 units of affordable housing to the Montclair Housing Corporation. This action was completed on the advice of Redevelopment Agency Special Counsel, who opined that the Montclair Housing Corporation was a nonprofit California corporation separate from the City or Redevelopment Agency. The Montclair Housing Corporation purchased the subject affordable housing units for \$12,141,000. The purchase price was to be repaid to the Redevelopment Agency on a residual receipts basis. The Redevelopment Agency accepted a Promissory Note for the payment.

Provisions of AB 1X 26 required the State Controller's Office to conduct an audit of each redevelopment agency to determine if former redevelopment agency assets had been transferred in a manner contrary to the provisions of the dissolution legislation from January 1, 2011, through February 1, 2012. During the State Controller's audit, State Controller's Office staff found no issue with the asset transfer to the Montclair Housing Corporation. However, after issuing its draft report of findings for the audit of the City of Montclair Redevelopment Agency in November 2012, the audit indicated the transfer of properties to the Montclair Housing Corporation should be reversed. The report indicated the properties should be returned to the Successor Agency for disposition because the State considers the Montclair Housing Corporation to be a governmental entity.

Staff contacted the State Controller's Office regarding this matter to object to the transfer of the properties to the Successor Agency for disposition. Staff indicated that if the State

Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>Gonnel Smith</u>	Presented by: <u>M. STAATS</u>

Controller's Office wanted the properties transferred, there would be no objection to transfer of the properties to the housing successor, the Montclair Housing Authority. Staff further explained that the properties were affordable housing units with 55-year affordability covenants. Eighty percent of the 99 units are deed-restricted to occupancy by persons of very low income. The units are occupied by over 300 residents. Proposed sale of housing units with affordability covenants that restrict rents, especially at the very low-income level, means that the units have very little market value. Theoretically, the sale of the housing units by the Successor Agency could mean the displacement of the 300 low- and moderate-income residents.

The State Controller's Office considered staff's comments related to the transfer of housing units to the Successor Agency. The State Controller's Office indicated that if the Oversight Board retroactively approved the transfer of affordable housing units to the Montclair Housing Corporation, the State would consider the transfer of units acceptable.

For a further understanding of the Oversight Board, a brief history of the Montclair Housing Corporation has been included as Exhibit A to this report. Exhibit B includes a list of the properties transferred to the Montclair Housing Corporation.

FISCAL IMPACT: Staff believes there would be no fiscal impact associated with the Oversight Board adoption of proposed Resolution No. 13-02.

RECOMMENDATION: Staff recommends the Oversight Board adopt Resolution No. 13-02 approving actions taken by the City of Montclair Redevelopment Agency and the Montclair Housing Corporation as requested by the State Controller's Office.

EXHIBIT A

MONTCLAIR HOUSING CORPORATION

In the early 1980s, the area roughly between Orchard Street, Monte Vista Avenue, Holt Boulevard, and Mills Avenue was overrun with crime, physical neglect, and any variety of social ills. The area largely contained small-scale multifamily units owned by absentee property owners. The sale of illegal drugs was rampant, leading to violence including a number of homicides. Physical deterioration of the area left properties abandoned. Property owners feared their own tenants and neglected to collect rents. Approximately 30 percent of all calls for Police service and 33 percent of calls for fire service were generated from this area. The solutions needed to fix the problems in this area went well beyond just law enforcement efforts.

The City developed a multipronged approach to the cleanup of the area including development of a redevelopment project area and establishment of a special team of City staff members called the Housing Improvement Task Force. The Task Force was authorized to develop programs geared to cleanup of the area. Code Enforcement, law enforcement, Planning, Engineering, Fire, and Redevelopment staff came together to develop various strategies to attack specific problems. One concept developed by the Task Force was called the "Foundation Area" Program. A Foundation Area consisted of units in a specific block. City staff worked with property owners in the Foundation Area to form a property owners association with rules, regulations, and covenants affecting property maintenance and rental practices. Federal Block Grant and redevelopment funds were used to gate alleys that had previously been used to conduct drug deals. The property owners association bears responsibility for certain maintenance functions and tenant-screening practices. In essence, the property owners must become engaged in the operation of their investment properties.

When property owners refused to join a Foundation Area to become part of the solution for betterment of the area, the redevelopment agency would approach the owners to see if there was willingness to sell their properties. Without the use of eminent domain, the Redevelopment Agency managed to acquire a number of multifamily units and to complete the formation of property owners associations and the Foundation Area concept. Since Community Redevelopment Law prevented a redevelopment agency from owning and operating property for any extended period of time, the Montclair Housing Corporation was formed to administer and operate the rental units owned by the Redevelopment Agency. The Montclair Housing Corporation was formed in 1994. The City Council acts as the Board of Directors for the Montclair Housing Corporation.

In most cases, the properties acquired by the Redevelopment Agency were in need of major rehabilitation. The Montclair Housing Corporation would lease the units at a minimal rate. The Redevelopment Agency would then lend the Montclair Housing Corporation funds to rehabilitate the units. The units were deed-restricted for use by low- and moderate-income tenants. Without the subsidy from the Redevelopment Agency, major repairs to the housing units would not have been possible. Because rent rates are restricted, the rental

income received from the units barely covers general operating and maintenance costs. Over time, the Redevelopment Agency came to own 99 units. The units are occupied and currently contain more than 300 tenants.

On April 4, 2011, the Redevelopment Agency sold the 99 units to the Montclair Housing Corporation. The Agency took this action because of the possibility that redevelopment would be eliminated. Agency Special Counsel indicated this sales transaction was appropriate because the Montclair Housing Corporation was a separate entity from the City and Redevelopment Agency.

EXHIBIT B

List of Properties Transferred to the Montclair Housing Corporation

4811 Canoga Street	14 units	June 2066	Montclair Housing Corp. (MHC)
4820 Canoga Street	14 units	June 2066	MHC
4791 Canoga Street	4 units	June 2066	MHC
10333 Pradera Avenue	4 units	June 2066	MHC
10380 Pradera Avenue	4 units	June 2066	MHC
10390 Pradera Avenue	4 units	June 2066	MHC
4275 Kingsley Street	4 units	June 2066	MHC
10313 Amherst Avenue	4 units	June 2066	MHC
10323 Amherst Avenue	4 units	June 2066	MHC
10330 Amherst Avenue	4 units	June 2066	MHC
10333 Amherst Avenue	4 units	June 2066	MHC
10380 Amherst Avenue	4 units	June 2066	MHC
10383 Amherst Avenue	4 units	June 2066	MHC
10390 Amherst Avenue	4 units	June 2066	MHC
10410 Amherst Avenue	4 units	June 2066	MHC
10079 Central Avenue	1 unit	June 2066	MHC
10087 Central Avenue	1 unit	June 2066	MHC
9815 Central Avenue	1 unit	June 2066	MHC
5290 Orchard Street	1 unit	June 2066	MHC
10215 Central Avenue	1 unit	June 2066	MHC
10235 Central Avenue	1 unit	June 2066	MHC
9741 Central Avenue	1 unit	June 2066	MHC
9751 Central Avenue	1 unit	June 2066	MHC
9761 Central Avenue	1 unit	June 2066	MHC
9644 Central Avenue	1 unit	June 2066	MHC
9945 Central Avenue	1 unit	June 2066	MHC
9963 Central Avenue	1 unit	June 2066	MHC
5225 Palo Verde Street	1 unit	June 2066	MHC
5444 Palo Verde Street	2 units	June 2066	MHC
10291 Greenwood Avenue	1 unit	June 2066	MHC
9448 Carrillo Avenue	1 unit	June 2066	MHC
9010 Fremont Avenue	1 unit	June 2066	MHC

RESOLUTION NO. 13-02

**A RESOLUTION OF THE OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE CITY OF
MONTCLAIR REDEVELOPMENT AGENCY RETRO-
ACTIVELY APPROVING ACTIONS TAKEN BY THE
CITY OF MONTCLAIR REDEVELOPMENT AGENCY
AND THE MONTCLAIR HOUSING CORPORATION
AS REQUESTED BY THE STATE CONTROLLER'S
OFFICE**

WHEREAS, Assembly Bill 1X 26 (AB 26) was signed by the Governor on June 28, 2011 and upheld as constitutional by the California Supreme Court. On June 27, 2012, the Governor signed Assembly Bill 1484 (AB 1484). AB 26 and AB 1484 (together called the Dissolution Bills) eliminated California Redevelopment agencies statewide and established successor agencies to pay, perform, and effectuate the enforceable obligations of the former redevelopment agencies and to wind down the affairs of the former redevelopment agencies; and

WHEREAS, pursuant to Section 34167.5 of the Health and Safety Code, the State Controller was charged with conducting a review of the activities of each redevelopment agency in the state to determine whether an asset transfer occurred after January 1, 2011; between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency; and

WHEREAS, if the State Controller concludes an asset transfer did occur during the period from January 1, 2011, and the date at which the redevelopment agency ceased on January 31, 2012, and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the extent not prohibited by state and federal law, the Controller shall order the available assets be returned to the redevelopment agency or successor agency; and

WHEREAS, to meet the requirement of Health and Safety Code Section 34167.5, the State Controller's Office conducted a transferred asset review of the Successor Agency to the City of Montclair Redevelopment Agency and issued a draft report of the findings dated November 2012; and

WHEREAS, a portion of the State Controller's draft report indicated that on April 4, 2011, the City of Montclair Redevelopment Agency sold property to the Montclair Housing Corporation, a California Corporation, for \$12,141,000. The City of Montclair Redevelopment Agency accepted a promissory note for payment. Such sale occurred before the law eliminating redevelopment agencies was adopted and was accomplished between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation; and

WHEREAS, the State Controller's Office indicated in its finding that these properties must be returned to the Successor Agency for disposition in accordance with the Health and Safety Code; and

WHEREAS, the Montclair Housing Corporation administered the operation of 99 affordable rental housing units owned by the City of Montclair Redevelopment Agency prior to the sale of such units on April 4, 2011; and

WHEREAS, the 99 rental units contain 55-year affordability covenants restricting use of the properties to persons of Low and Moderate Income and approximately 80 percent of the 99 units are restricted to rental by persons with Very Low Income; and

WHEREAS, the rental units contain a tenant population of over 300 persons; and

WHEREAS, Successor Agency staff responded to the draft findings of the State Controller's Office and indicated disagreement with such finding indicating that the sale of the units to the Montclair Housing Corporation was a valid sale of the properties that preceded the law eliminating redevelopment agencies and that, in the opinion of the Successor Agency and its legal counsel, the validity of such a sale should be a recognized legal transaction; and

WHEREAS, after discussion with the State Controller's Office, the State Controller has indicated that the State Controller will not seek return of the housing assets to the Successor Agency if the Oversight Board retroactively approves the actions taken by the former City of Montclair Redevelopment Agency and the Montclair Housing Corporation in accomplishing the sale; and

WHEREAS, the Oversight Board to the Successor Agency of the City of Montclair Redevelopment Agency desires to recognize the prior action of the former City of Montclair Redevelopment Agency and Montclair Housing Corporation related to the sale of these housing assets; and

WHEREAS, pursuant Health and Safety Code Sections 34179(f) and 34181(f), notice of this action was posted on the City's website on January 24, 2013.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Successor Agency of the City of Montclair Redevelopment Agency does hereby find, determine, and order as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Sections 34177(g) and 34181(c).

Section 3. As requested by the State Controller's Office, the Successor Agency retroactively approves the sale of housing properties to the Montclair Housing Corporation by the City of Montclair Redevelopment Agency which occurred on April 4, 2011.

Section 4. The staff of the Successor Agency is hereby directed to provide the Department of Finance and the State Controller's Office with written notice and

information regarding the action taken by the Oversight Board pursuant to this Resolution. Such notice and information shall be provided by electronic means and in a manner acceptable to the Department of Finance.

Section 5. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which may be deemed necessary or advisable to effectuate this Resolution.

APPROVED AND ADOPTED this XX day of XX, 2013.

Chairman

ATTEST:

Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 13-02 was duly adopted by the Oversight Board of said successor agency and was approved by the Chairman of said Oversight Board at a special meeting thereof held on the XX day of XX, 2013, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Yvonne L. Smith
Secretary

AGENDA REPORT

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 13-03, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY DIRECTING THE TRANSFER OF HOUSING FUNCTIONS AND ASSETS	DATE: January 29, 2013 SECTION: BUSINESS ITEMS ITEM NO.: B FILE I.D.: OBO050 DEPT.: OVERSIGHT BOARD
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REASON FOR CONSIDERATION: As a matter of official action after final consideration by the Department of Finance (DOF), the Oversight Board is requested to consider adoption of Resolution No. 13-03 directing the transfer of housing assets and functions to the Montclair Housing Authority. A list of the housing assets is attached to proposed Resolution No. 13-03, a copy of which is attached for the Oversight Board's review and consideration.

BACKGROUND: The implementation of AB 1484 required the Oversight Board to consider transfer of the housing assets of a former redevelopment agency to a housing successor. The Montclair City Council named the Montclair Housing Authority as the housing successor to the City of Montclair Redevelopment Agency on January 12, 2012. The Montclair Housing Authority was established by the City Council on July 18, 2011.

Section 34176 of the Health and Safety Code added by AB 1484 states that by August 1, 2012, the housing successor is required to submit a list of all housing assets to DOF in a form prescribed by DOF. The list must include an explanation of why each asset qualifies as a housing asset and include a list of assets that transferred between February 1, 2012, and the date the list is made. The DOF has 30 days to object to any asset placed on the housing asset list. The housing successor may request a meet and confer with DOF within five business days of receiving any objection from DOF. Any asset determined not to be a housing asset is returned to the Successor Agency and subject to the redistribution provision of Health and Safety Code Section 34178.8.

Housing assets are defined in Health and Safety Code Section 34176(e). In general, housing assets include the following:

1. Any real property; interest in, or restriction on the use of, real property, whether improved or not; and any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low- and moderate-income housing purposes, in whole or in part, with any source of funds.

Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>Yvonne L. Smith</u>	Presented by: <u>M. STAATS</u>

2. Any funds that are encumbered by an enforceable obligation to build or acquire low- and moderate-income housing.
3. Any loan or grant receivable, funded with the Low- and Moderate-Income Housing Fund, from homebuyers, homeowners, nonprofit or for-profit developers, and other parties that require occupancy by persons of low or moderate income.
4. Any funds derived from rents or operation of properties acquired for low-and moderate-income housing purposes by other parties that were financed with any source of funds including residual receipts payments from developers, conditional grant repayments, cost savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.
5. A stream of rents or other payments from housing tenants or operators of low- and moderate-income housing financed with any source of funds that are used to maintain, operate, and enforce the affordability of housing or for enforceable obligations associated with low- and moderate-income housing.

On July 25, 2012, the Oversight Board approved the Housing Asset List prepared by Successor Agency staff. The Housing Asset list has been included in the agenda packet for review. In a letter dated August 25, 2012, DOF objected to the consideration of the property at 4113 Kingsley Street as a housing asset and objected to a \$1 million loan from the former Redevelopment Agency to the Montclair Housing Corporation. Successor Agency staff filed a "Meet and Confer" request with DOF to discuss the items rejected in the August 25 letter. The "Meet and Confer" took place on November 21, 2012. As a consequence of the "Meet and Confer," DOF reversed its decision regarding the property at 4113 Kingsley Street. This action was confirmed by DOF in a letter dated December 21, 2012, that was provided to the Oversight Board on January 9, 2013. The Successor Agency has made the payment of \$1 million from the Housing Fund previously designated for the loan to the San Bernardino County Auditor-Controller for distribution to the taxing agencies.

Since DOF has fully completed its review of the Housing Asset List, staff requests that the Oversight Board approve proposed Resolution No. 13-03 directing the transfer of housing assets to the Montclair Housing Authority.

FISCAL IMPACT: There would be no fiscal impact associated with adoption of proposed Resolution No. 13-03.

RECOMMENDATION: Staff recommends the Oversight Board adopt Resolution No. 13-03 directing the transfer of housing functions and assets.

RESOLUTION NO. 13-03

**A RESOLUTION OF THE OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE CITY
OF MONTCLAIR REDEVELOPMENT AGENCY
DIRECTING THE TRANSFER OF HOUSING
FUNCTIONS AND ASSETS**

WHEREAS, Assembly Bill 1X 26 (AB 26) was signed by the Governor on June 28, 2011 and upheld as constitutional by the California Supreme Court. On June 27, 2012, the Governor signed Assembly Bill 1484 (AB 1484). AB 26 and AB 1484 (together called the Dissolution Bills) eliminated California Redevelopment agencies statewide and established successor agencies to pay, perform, and effectuate the enforceable obligations of the former redevelopment agencies and to wind down the affairs of the former redevelopment agencies; and

WHEREAS, pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books, records, buildings, and equipment of the former City of Montclair Redevelopment Agency (the "Agency") transferred to the control of the Successor Agency to the City of Montclair Redevelopment Agency (the "Successor Agency") by operation of law; and

WHEREAS, pursuant to Health and Safety Code Section 34176(a), the City Council of the City of Montclair adopted Resolution No. 12-2934 on January 12, 2012, electing the Montclair Housing Authority (the "Housing Successor") to retain the housing assets, as allowed by law, and functions previously performed by the former Agency; and

WHEREAS, pursuant to Resolution No. 12-01 adopted on January 12, 2012, the Montclair Housing Authority elected to serve as the Housing Successor to the former Agency and sought to retain the housing assets, as allowed by law, and functions previously performed by the former Agency; and

WHEREAS, Health and Safety Code Section 34177(g) directs the successor agency to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code Section 34176, being the Montclair Housing Authority, and Health and Safety Code Section 34181(c) provides that the oversight board of the successor agency shall direct the successor agency to transfer housing assets pursuant to Health and Safety Code Section 34176; and

WHEREAS, the Oversight Board previously approved the transfer of housing assets to the Montclair Housing Authority on July 25, 2012, pursuant to Resolution No. 12-11; and

WHEREAS, pursuant to Health and Safety Code Section 34176(a)(2), the Successor Agency submitted to the State Department of Finance (the "DOF") a list of all housing assets (the "Housing Assets List") including any assets transferred on or after

February 1, 2012, a summary of which is attached hereto as Exhibit A and incorporated herein by reference. DOF does not have any objection to the items listed in Exhibit A as indicated in letters received from DOF on August 25, 2012, and December 21, 2012; and

WHEREAS, the State Controller's Office indicated in its finding that these properties must be returned to the Successor Agency for disposition in accordance with the Health and Safety Code; and

WHEREAS, the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency (the "Oversight Board") desires to direct the transfer of all assets identified on the Housing Assets List, heretofore and hereafter approved or deemed approved by DOF pursuant to Health and Safety Code Section 34176(a)(2); and

WHEREAS, pursuant Health and Safety Code Sections 34179(f) and 34181(f), notice of this action was posted on the City's website on January 24, 2013.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency does hereby find, determine, and order as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Sections 34177(g) and 34181(c).

Section 3. The Successor Agency is hereby authorized and directed to transfer to the Montclair Housing Authority:

- (i) The housing assets identified on the Housing Asset List, heretofore or hereafter approved or deemed approved by DOF pursuant to Health and Safety Code Section 34176(a)(2); and
- (ii) All rights, powers, duties, and obligations associated with the housing activities of the former Agency related to the housing assets transferred pursuant to this Section 3.

Section 4. The staff of the Successor Agency is hereby directed to provide DOF and any other appropriate governmental entity with written notice and information regarding the action taken by the Oversight Board pursuant to this Resolution. Such notice and information shall be provided by electronic means and in a manner acceptable to DOF.

Section 5. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things that may be deemed necessary or advisable to effectuate this Resolution.

APPROVED AND ADOPTED this XX day of XX, 2013.

Chair

ATTEST:

Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 13-03 was duly adopted by the Oversight Board of said successor agency and was approved by the Chairman of said Oversight Board at a special meeting thereof held on the XX day of XX, 2013, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Yvonne L. Smith
Secretary

Exhibit A

**List of Property for Transfer to Montclair Housing Authority
Pursuant to Health and Safety Code Section 34176**

Properties Containing Deed Restrictions Limiting Occupancy to Low- to Moderate-Income Persons

<i>Address</i>	<i>Total Affordable Units</i>	<i>Expiration of Covenants</i>	<i>Property Owner</i>
10327 Fremont Avenue	1 unit	2039	Habitat for Humanity
10410 Pradera Avenue	74 units	2061	National Community Renaissance
10355 Mills Avenue	84 units	2064	National Community Renaissance
10319 Mills Avenue	49 units	2065	National Community Renaissance
10350 Kimberly Avenue	2 units	2063	Jose and Deborah Dominguez
Villa Montclair Mobile Homes	80 units	2029	Augusta Communities LLC
Monterey Manor Mobile Homes	84 units	2031	Augusta Communities LLC
Hacienda Mobile Home Park	133 units	2032	Augusta Communities LLC

Real Property Owned

<i>Address</i>	<i>Purchase Price/Date</i>	<i>Purchaser</i>	<i>Purchase and Sale Agreement</i>
4113 Kingsley Street	\$336,636.44/02-25-09	National Community Renaissance	1-24-13

**Residual Receipts Loans Made to Low- to Moderate-Income Housing Developers
(repayments made when adequate cash flow exists)**

<i>Developer</i>	<i>Project</i>	<i>Original Amount</i>	<i>Balance Owed</i>	
Augusta Properties, LLC	Villa Montclair	\$325,000.00	\$411,922.27	as of 6.30.12
Augusta Properties, LLC	Monterey Manor	\$750,000.00	\$852,014.93	as of 6.30.12
Augusta Properties, LLC	Hacienda	\$1,400,000.00	\$1,664,846.09	as of 6.30.12
National Community Renaissance	San Antonio Vista	\$1,443,765.00	\$2,234,866.55	as of 12.31.12
National Community Renaissance	San Marino-(seniors)	\$1,528,280.00	\$1,720,092.60	as of 07.29.12
National Community Renaissance	Vista del Cielo	\$3,633,083.72	\$4,152,138.22	as of 12.31.11

Rehabilitation Loans Made with Low- to Moderate-Income Housing Funds

<i>Owner</i>	<i>Loan Originator</i>	<i>Interest Rate</i>	<i>Outstanding Balance Owed to RDA</i>
Montclair Housing Corp.	Montclair RDA	5.00-6.00%	\$17,499,771.61
Betty Wicker	Neighborhood Housing Partnership Services (NPHS)	1.50%	\$10,143.96
Barry Wilbur	NPHS		\$14,248.68
Sabino Ramirez	NPHS	1.00%	\$12,030.54
José Campos	NPHS	1.00%	\$12,149.91
Teresa Dominguez	NPHS	1.75%	\$17,334.42
Rogelio Alfaro	NPHS		\$29,320.00
Martha Reyes	NPHS	2.00%	\$ 3,314.29
Judith Vargas	NPHS		\$ 2,142.65
Nova Chambers	NPHS		\$27,244.00
Copeland	NPHS		\$ 5,000.00

Fernando Paredes

NPHS

2.00%

\$21,057.24

Homebuyer Assistance Loans Made with Low- to Moderate-Income Housing Funds

<i>Owner</i>	<i>Outstanding Balance Owed to Agency</i>
E./C. Pelayo	\$ 564.00
J. Saldana	\$ 311.96
C. Salcedo	\$ 658.12
R. Casarez	\$ 666.28
J. Sianturi	\$ 875.00
J. Davis	\$ 917.50
K. Nguyen	\$1,875.37
M. Romero	\$2,083.70
R. Romero	\$2,432.76
G. Andazola	\$2,100.00

Housing-Related Files and Loan Documents

All files, Notes, and Deeds of Trust related to the transactions as detailed above.