



City of Rialto

Legislation Text

File #: 18-024, **Version:** 1

For the City of Rialto, Acting as the Successor to the Redevelopment Agency and Rialto Housing Authority Meeting [January 23, 2018]

TO: Honorable Mayor/Chair and City Council/Authority Board
FROM: Robb R. Steel, Interim City Administrator/Executive Director

Request City Council, Acting for the Successor Agency to the Redevelopment Agency of the City of Rialto to (1) Adopt **Resolution No. SA3-18**; and (2) the Rialto Housing Authority to Adopt **Resolution No. 001-18** approving the Housing Bond Proceeds Expenditure Agreement between the Successor Agency and the Rialto Housing Authority in the amount of \$544,144 for affordable housing projects.
(ACTION)

BACKGROUND:

On January 23, 2018, the City Council, acting for the Successor Agency (RSA), will consider the Recognized Obligation Payment Schedule (known as ROPS 18-19 - Item # 199) for fiscal year 2018-19. The ROPS 18-19 proposes disbursement of \$544,144 of Housing Bond Proceeds from 2008 Series B Bond (known as "Housing Bond Proceeds").

On May 14, 2015, the Rialto Housing Authority (RHA) entered into an exclusive right to negotiate with National Community Renaissance and Related California ("Developer") to develop an affordable housing project in the Downtown Rialto area. In June 2015, the Developer submitted proposals for three separate sites as follows:

- **Riverside Avenue and Rialto Avenue Site.** Situated at the northeast corner of Riverside Avenue and Rialto Avenue on a 1.7-acre site owned by the RSA and the RHA.
- **Bonnie View Avenue at South Metrolink Station.** Situated on the north side of Bonnie View Drive, just west of Riverside Avenue and south of the Metrolink station on a 2.6-acre site consisting of two vacant parcels.
- **Rialto/Palm Avenue at North Metrolink Station.** Situated on the north side of Rialto Avenue, between Palm Avenue and Orange Avenue on a site of 1.24 acres consisting of several parcels owned by the RHA, SA, and the City.

In August 2015, the California Department of Finance approved a Housing Bond Expenditure Agreement of \$5,500,000 as approved by the Oversight Board and the RHA (Resolution OB 15-09) for an affordable housing project. On June 26, 2016, the RHA and the Developer executed an

affordable housing agreement utilizing the \$5,500,000 to develop a 64-unit affordable housing project on the Bonnie View Avenue at South Metrolink Station site ("Bonnie View Project").

The proposed use of the Housing Bond Proceeds includes one or more affordable housing projects or as an additional funding source for the project at Bonnie View Project, if needed.

ANALYSIS/DISCUSSION:

The RSA desires to transfer its Housing Bond Proceeds to the RHA enabling the RHA to use such funds in a manner consistent with the original bond covenants and to undertake projects and programs that were not previously obligated by the RSA, the former Agency, or the RHA. Pursuant to the California Redevelopment Dissolution Act, the RSA and the RHA need to execute a bond expenditure agreement to utilize the housing bond funds for a proposed affordable housing project (Bond Proceeds Agreement).

The Bond Proceeds Agreement (**Exhibit A**) obligates the RSA:

- (i) To transfer the Exceeds Bond Proceeds of \$544,144 to the RHA;
- (ii) To transfer future Housing Bond Proceeds to the RHA, upon approval of future Recognized Obligation Payment Schedules; and,
- (iii) To assign to the RHA all responsibilities for the administration of any projects or programs funded by Housing Bond Proceeds.

The Bond Proceeds Agreement obligates the RHA:

- (i) To accept, hold and disburse Housing Bond Proceeds on projects, programs, or activity authorized by the original bond covenants applicable to the particular Housing Bond Proceeds;
- (ii) To maintain and implement the Bond Spending Plan of housing projects funded from Housing Bond Proceeds, as listed in the Bond Proceeds Agreement.

On January 25, 2018, the Oversight Board will consider the Bond Proceeds Agreement.

ENVIRONMENTAL IMPACT:

This action is not a Project pursuant to Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines because the approval of the Bond Expenditure Agreement and transfer of funds is a governmental administrative function that will not result in a potentially significant environmental impact. Any proposed project will be subject to CEQA compliance per the development entitlement process.

GENERAL PLAN CONSISTENCY:

The approval of the Housing Bond Expenditure Agreement is consistent with Goal 6-2 of the Housing Element of the Rialto General Plan:

Goal 6-2: Promote and encourage housing development that adequately meets the needs of all socioeconomic segments of the community and region.

LEGAL REVIEW:

The City Attorney/Authority Counsel reviewed and approved the staff report, Resolution and Agreement.

FINANCIAL IMPACT:

The Rialto Housing Authority holds \$544,144 in Housing Bond Proceeds (\$536,778 in Successor Agency Fund 343 and \$7,366 in Housing Authority Fund 236.) The approval of the Housing Bond Proceeds Expenditure Agreement allows staff to transfer the funds to a RHA fund for the proposed capital improvement projects.

Subject to the California Department of Finance approving the agreement (for fiscal year 2018-19), funds of \$536,778 from Fund 343 and \$7,366 from Fund 236 will be transferred to Housing Authority Fund Account No. 303-500-1799-3001.

RECOMMENDATION:

Staff recommends that the:

- City Council, acting for the Successor Agency to the Redevelopment Agency of the City of Rialto, adopt Resolution (**Exhibit B**) approving the Housing Bond Proceeds Expenditure Agreement and authorize the Executive Director in Fiscal Year 2018-19 to transfer \$536,778 from Fund 343 and \$7,366 from Fund 236 to the Rialto Housing Authority, subject to the California Department of Finance approving the Housing Bond Proceeds Expenditure Agreement
- Rialto Housing Authority adopt Resolution (**Exhibit C**) approving the Housing Bond Proceeds Expenditure Agreement and authorize the Executive Director to receive \$544,144 in RHA Fund Account No. 303-500-1799-3001, subject to the California Department of Finance approving the Housing Bond Proceeds Expenditure Agreement.