



CITY COUNCIL AGENDA REPORT

Revised 8/15/22

DATE: AUGUST 15, 2022 **FILE I.D.:** EDD100/MHA100
SECTION: CONSENT - RESOLUTIONS **DEPT.:** ECONOMIC DEV./MHA
ITEM NO.: 1 **PREPARER:** M FUENTES

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 22-3342 APPROVING AGREEMENT NO. 22-26, AN AFFORDABLE HOUSING AGREEMENT BETWEEN THE CITY, MHC, AND MHA; AUTHORIZING THE TRANSFER OF CERTAIN REAL PROPERTY LOCATED AT 5072 MORENO STREET TO THE MONTCLAIR HOUSING AUTHORITY; AND DECLARING THE REAL PROPERTY TO BE EXEMPT SURPLUS LAND

CONSIDER ADOPTION OF MONTCLAIR HOUSING AUTHORITY RESOLUTION NO. 22-01 APPROVING AGREEMENT NO. 22-26, AN AFFORDABLE HOUSING AGREEMENT, AND ACCEPTING THE TRANSFER OF CERTAIN REAL PROPERTY FROM THE CITY OF MONTCLAIR

CONSIDER ADOPTION OF MONTCLAIR HOUSING CORPORATION RESOLUTION NO. 22-01 APPROVING AGREEMENT NO. 22-26, AN AFFORDABLE HOUSING AGREEMENT

CONSIDER AUTHORIZATION OF A \$40,000 APPROPRIATION FROM THE HOUSING TRUST FUND FOR REHABILITATION OF THE PROPERTY LOCATED AT 5072 MORENO STREET

REASON FOR CONSIDERATION: Proposed Agreement No. 22-26 is an Affordable Housing Agreement between the City of Montclair (City), the Montclair Housing Authority (MHA), and the Montclair Housing Corporation (MHC) for the conveyance of real property located at 5072 Moreno Street (Property) and the subsequent leasing and operations of said Property as an affordable housing unit.

Proposed Resolution No. 22-3342 would approve entering into Agreement No. 22-26 and would authorize the transfer of Property from the City to the MHA.

Proposed MHA Resolution No. 22-01 would approve entering into Agreement No. 22-26 and accept the transfer of Property from the City to the MHA.

Proposed MHC Resolution No. 22-01 would approve entering into Agreement No. 22-26.

A copy of the proposed resolutions and agreement are attached for review and consideration.

BACKGROUND: In June 1987, the former Redevelopment Agency (RDA) Board of Directors adopted the *Central Avenue Single-family Acquisition Policy* (Policy) authorizing staff to make purchase offers on single-family residences along the Central Avenue corridor, subject to the former Redevelopment Agency Board of Directors' approval.

The Policy was later expanded to include areas along Central Avenue or in high visibility locations. Pursuant to the Policy, a total of 17 single-family homes were purchased by the former RDA before its dissolution.

With the dissolution of community redevelopment agencies in 2011 (ABX1 26) *California Supreme Court's decision in California Redevelopment Association v. Matosantos*, the City Council elected to continue the Policy of the former RDA of acquiring single-family residences along the Central Avenue corridor or in locations of high visibility and further expanded the Policy to included residences along all of the City's major corridors.

The properties formerly owned by the RDA were transferred to the Montclair Housing Authority (MHA), the successor housing entity, and are currently renting to low- to-moderate-income families and are managed by the Montclair Housing Corporation (MHC). MHC is a nonprofit public-benefit corporation organized to increase, improve, and preserve affordable housing in the City of Montclair.

The rents and other income from the MHC belong to the MHA; however, they are granted to the MHC for use in covering expenses of operating the various housing units. The amount of rent collected from renters is established by the State Department of Housing and Community Development and varies based on income levels.

5072 Moreno Avenue

At its meeting on March 16, 2020, the City Council approved Agreement No. 20-21, a Purchase and Sale Agreement with Dolores Casa Fimbres for a single-family residence located at 5072 Moreno Street (Property).

The subject Property is located on a highly visible and desirable portion of Moreno Street, directly north of Montclair Place, thereby meeting the criteria established in the City Council's Policy to acquire properties along the City's major corridors and areas of high visibility.

No change in use is contemplated for the Property. In addition, aside from the rehabilitation of the Property, no development is contemplated.

The Property was built in 1962, and the lot area is 8,449 square feet. The dwelling unit is 1,458 square feet, with three bedrooms and two bathrooms. Due to the age of the Property and in order to bring the Property up to code, staff is recommending several improvements to the residential unit. The bulk of the improvements to the Property would address a general property clean-up, paint, fence replacement, bathroom updates, and new landscaping. In addition, due to current drought conditions, a simple water-efficient landscape-planting design for the rear and front yards is also recommended.

The proposed improvements alone would have an immediate positive impact on the neighborhood. Staff is requesting that a \$40,000 appropriation from the Montclair Housing Corporation Fund be authorized to fund the recommended repairs to the Property.

Agreement No. 22-26 Affordable Housing Agreement

To meet the City's Regional Housing Needs Assessment (RHNA), a representation of future housing needs for all income levels in a region, staff recommends the Property be operated as a rental unit made available to low-to-moderate-income persons.

As such, staff has prepared Agreement No. 22-26, an Affordable Housing Agreement by and between the City, MHA, and MHC.

Proposed Agreement No. 22-26 contains language related to the conveyance of the Property, compliance with applicable laws, use of the property, remedies, and general provisions. The more salient points of proposed Agreement No. 22-26 relate to the conveyance of fee title of Property from the City to the MHA and leasing of the Property from the MHA to the MHC for the day-to-day operation of the Property, as well as the rehabilitation and rental of the Property to low-to-moderate-income persons.

Proposed Resolution No. 22-3342 would approve entering into Agreement No. 22-26 and authorize the transfer of property from the City to the MHA.

Proposed MHA Resolution No. 22-01 would approve entering into Agreement No. 22-26 and accept the transfer of Property from the City to the MHA.

Proposed MHC Resolution No. 22-01 would approve entering into Agreement No. 22-26.

FISCAL IMPACT: Adopting Agreement No. 22-26 would produce no fiscal impact on the City of Montclair General Fund.

Staff is recommending authorization of \$40,000 from the Montclair Housing Corporation to cover estimated costs for rehabilitation of the property.

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 22-3342 approving Agreement No. 22-26, an Affordable Housing Agreement between the City of Montclair, Montclair Housing Authority, and Montclair Housing Corporation; authorizing the transfer of certain real property located at 5072 Moreno Street to the Montclair Housing Authority; and declaring the real property to be exempt surplus land.

Staff recommends the Montclair Housing Authority Commissioners adopt Resolution No. 22-01 approving Agreement No. 22-26, an Affordable Housing Agreement, and accepting the transfer of certain real property located at 5072 Moreno Street from the City of Montclair.

Staff recommends the Montclair Housing Corporation Board of Directors take the following actions:

1. Adopt Resolution. No. 22-01 approving Agreement No. 22-26, an Affordable Housing Agreement.
2. Authorize a \$40,000 appropriation from the Housing Trust Fund for rehabilitation of the property located at 5072 Moreno Street.

RESOLUTION NO. 22-3342

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTCLAIR APPROVING AGREEMENT NO. 22-26 AN AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE CITY OF MONTCLAIR, MONTCLAIR HOUSING AUTHORITY, AND MONTCLAIR HOUSING CORPORATION; AUTHORIZING TRANSFER OF CERTAIN REAL PROPERTY LOCATED AT 5072 MORENO STREET FROM THE CITY OF MONTCLAIR TO THE MONTCLAIR HOUSING AUTHORITY; AND DECLARING SUCH REAL PROPERTY TO BE EXEMPT SURPLUS LAND

WHEREAS, the City of Montclair (the "City") acquired property located at 5072 Moreno Street (the "Property") with funds from the City's Housing Trust Fund, Agreement No. 20-21, for the purpose of increasing, improving, and preserving the City of Montclair's supply of low-and-moderate income housing available at an affordable cost; and

WHEREAS, the City is the owner of that Property within the corporate limits of the City of Montclair; and

WHEREAS, pursuant to the provisions of the California Housing Authority Law (Part 2 of Division 24 of the Health and Safety Code [herein, the "Housing Authority Law"]), the City has designated the Montclair Housing Authority (the "Housing Authority") as the successor housing entity for the City of Montclair; and

WHEREAS, pursuant to the Housing Authority Law, the Housing Authority is a housing authority duly established and operating as a local housing authority performing a public function and may make and execute contracts necessary or convenient to the exercise of its powers; and

WHEREAS, the Montclair Housing Corporation (the "Housing Corporation") was formed as a 501(c)(3) to operate and maintain the housing assets including single and multi-family residential units of the Housing Authority; and

WHEREAS, the City desires to convey to the Housing Authority the Property and the Housing Authority desires to acquire the Property from the City; and

WHEREAS, no development of the Property is contemplated; and

WHEREAS, upon acquiring of the Property, the Housing Authority intends to lease the Property to the Housing Corporation for operation of the Property as an affordable rental housing resource for low-to-moderate income households; and

WHEREAS, Agreement No. 22-26, an Affordable Housing Agreement by and between the City, Housing Authority, and Housing Corporation, provides for the transaction contemplated above to occur in accordance with the public purposes and provisions of applicable state and local laws and requirements; and

WHEREAS, Assembly Bill 1486 ("AB 1486") expanded the Surplus Land Act (Government Code section 54220 et seq.) (the "SLA") requirements for local agencies prior to the disposition and disposal of any "surplus land" or "exempt surplus land"; and

WHEREAS, the Property meets the definition of "surplus land," as it is no longer necessary for the City's use and the City seeks to dispose of the property; and

Whereas, even if the SLA were to apply, the Property would be exempt surplus land, pursuant to section 54221(f)(1)(D) of the SLA, because it is being transferred to the MHA, another government agency, for its use.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Montclair 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: The City of Montclair hereby finds and determines that the transfer of the Property to the Montclair Housing Authority will ensure the continued preservation and availability of low- and moderate-income housing available at an affordable cost.

SECTION 3: The City of Montclair is hereby authorized and directed to enter Agreement 22-26, an Affordable Housing Agreement by and among the City of Montclair, Montclair Housing Authority, and Montclair Housing Corporation.

SECTION 4: The City of Montclair agrees to the transfer of the Property to the Montclair Housing Authority. The City Manager, or designee, is authorized to record the grant deeds and further actions that are necessary or appropriate to transfer the Property to the Montclair Housing Authority.

SECTION 5: The City of Montclair hereby finds and declares that the Property is no longer necessary for the City's use and is surplus land, as defined in California Government Code section 54221, based on the true and correct written findings found in this Resolution and incorporated herein by reference. The City is authorized to transfer the Property without regard to the SLA pursuant to Government Code section 54221(f)(1)(D), so long as the transfer is to another government agency, the Montclair Housing Authority, for their use.

SECTION 6: The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this XX day of XX, 2022.

Mayor

ATTEST:

City Clerk

I, Andrea M. Myrick, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 22-3342 was duly adopted by the Montclair City Council at a regular meeting thereof held on the XX day of XX, 2022, and that it was adopted by the following vote, to-wit:

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

Andrea M. Myrick
City Clerk

RESOLUTION NO. 22-01

A RESOLUTION OF THE MONTCLAIR HOUSING AUTHORITY APPROVING AGREEMENT NO. 22-26 AN AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE CITY OF MONTCLAIR, MONTCLAIR HOUSING AUTHORITY, AND MONTCLAIR HOUSING CORPORATION AND ACCEPTING THE TRANSFER OF CERTAIN REAL PROPERTY LOCATED AT 5072 MORENO STREET FROM THE CITY OF MONTCLAIR

WHEREAS, the City of Montclair (the "City") acquired property located at 5072 Moreno Street (the "Property") with funds from the City's Housing Trust Fund, Agreement No. 20-21, for the purpose of increasing, improving, and preserving the City of Montclair's supply of low-and-moderate income housing available at an affordable cost; and

WHEREAS, the City is the owner of that Property within the corporate limits of the City of Montclair; and

WHEREAS, pursuant to the provisions of the California Housing Authority Law (Part 2 of Division 24 of the Health and Safety Code [herein, the "Housing Authority Law"]), the City has designated the Montclair Housing Authority (the "Housing Authority") as the successor housing entity for the City of Montclair; and

WHEREAS, pursuant to the Housing Authority Law, the Housing Authority is a housing authority duly established and operating as a local housing authority performing a public function and may make and execute contracts necessary or convenient to the exercise of its powers; and

WHEREAS, the Montclair Housing Corporation (the "Housing Corporation") was formed as a 501(c)(3) to operate and maintain the housing assets including single and multi-family residential units of the Housing Authority; and

WHEREAS, the City desires to convey to the Housing Authority the Property and the Housing Authority desires to acquire the Property from the City; and

WHEREAS, no development of the Property is contemplated; and

WHEREAS, upon acquiring of the Property, the Housing Authority intends to lease the Property to the Housing Corporation for operation of the Property as an affordable rental housing resource for low-to-moderate income households; and

WHEREAS, Agreement No. 22-26, an Affordable Housing Agreement by and between the City, Housing Authority, and Housing Corporation, provides for the transaction contemplated above to occur in accordance with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED that the Montclair Housing Authority Board of Directors 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: The Montclair Housing Authority hereby finds and determines that the transfer of the Property to the Montclair Housing Authority will ensure the continued preservation and availability of low- and moderate-income housing available at an affordable cost.

SECTION 3: The Montclair Housing Authority is hereby authorized and directed to enter Agreement 22-26, an Affordable Housing Agreement by and among the City of Montclair, Montclair Housing Authority, and Montclair Housing Corporation.

SECTION 4: The Montclair Housing Authority agrees to accept the transfer of Property from the City of Montclair. The Executive Director of the Montclair Housing Authority, or designee, is authorized to record the grant deeds and further actions which are necessary or appropriate to transfer the Property to the Montclair Housing Authority.

SECTION 5: The Montclair Housing Authority Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this XX day of XX, 2022.

Chair

ATTEST:

Secretary

I, Andrea M. Myrick, Secretary of the Montclair Housing Authority, DO HEREBY CERTIFY that Resolution No. 22-01 was duly adopted by the Montclair Housing Authority Board of Directors at a regular meeting thereof held on the XX day of XX, 2022, and that it was adopted by the following vote, to-wit:

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

Andrea M. Myrick
Secretary

RESOLUTION NO. 22-01

**A RESOLUTION OF THE MONTCLAIR HOUSING CORPORATION
APPROVING AGREEMENT NO. 22-26, AN AFFORDABLE HOUSING
AGREEMENT BY AND BETWEEN THE CITY OF MONTCLAIR,
MONTCLAIR HOUSING AUTHORITY, AND MONTCLAIR HOUSING
CORPORATION**

WHEREAS, the City of Montclair (the "City") acquired property located at 5072 Moreno Street (the "Property") with funds from the City's Housing Trust Fund, Agreement No. 20-21, for the purpose of increasing, improving, and preserving the City of Montclair's supply of low-and-moderate income housing available at an affordable cost; and

WHEREAS, the City is the owner of that Property within the corporate limits of the City of Montclair; and

WHEREAS, pursuant to the provisions of the California Housing Authority Law (Part 2 of Division 24 of the Health and Safety Code [herein, the "Housing Authority Law"]), the City has designated the Montclair Housing Authority (the "Housing Authority") as the successor housing entity for the City of Montclair; and

WHEREAS, pursuant to the Housing Authority Law, the Housing Authority is a housing authority duly established and operating as a local housing authority performing a public function and may make and execute contracts necessary or convenient to the exercise of its powers; and

WHEREAS, the Montclair Housing Corporation (the "Housing Corporation") was formed as a 501(c)(3) to operate and maintain the housing assets including single and multi-family residential units of the Housing Authority; and

WHEREAS, the City desires to convey to the Housing Authority the Property and the Housing Authority desires to acquire the Property from the City; and

WHEREAS, no development of the Property is contemplated; and

WHEREAS, upon acquiring of the Property, the Housing Authority intends to lease the Property to the Housing Corporation for operation of the Property as an affordable rental housing resource for low-to-moderate income households; and

WHEREAS, Agreement No. 22-26, an Affordable Housing Agreement by and between the City, Housing Authority, and Housing Corporation, provides for the transaction contemplated above to occur in accordance with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED that the Montclair Housing Corporation Board of Directors 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: The Montclair Housing Corporation hereby finds and determines that the transfer of the Property to the Montclair Housing Authority will ensure the continued preservation and availability of low- and moderate-income housing available at an affordable cost.

SECTION 3: The Montclair Housing Corporation is hereby authorized and directed to enter Agreement 22-26, an Affordable Housing Agreement by and among the City of Montclair, Montclair Housing Authority, and Montclair Housing Corporation.

SECTION 4: The Montclair Housing Corporation Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this XX day of XX, 2022.

Chair

ATTEST:

Secretary

I, Andrea M. Myrick, Secretary of the Montclair Housing Corporation, DO HEREBY CERTIFY that Resolution No. 22-01 was duly adopted by the Montclair Housing Corporation Board of Directors at a regular meeting thereof held on the XX day of XX, 2022, and that it was adopted by the following vote, to-wit:

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

Andrea M. Myrick
Secretary