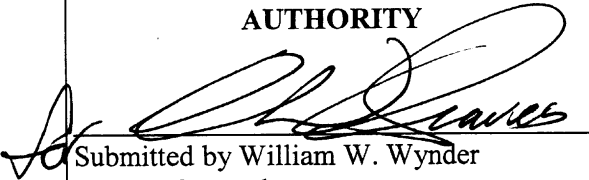




City of Carson Report to Redevelopment Agency

April 19, 2011
New Business Discussion

SUBJECT: CONSIDERATION OF RESOLUTION NO. 11-18 APPROVING A FINANCING AGREEMENT BY AND AMONG THE CITY OF CARSON, THE CARSON REDEVELOPMENT AGENCY, AND THE CARSON HOUSING AUTHORITY FOR THE PROVISION OF FINANCIAL ASSISTANCE TO THE CARSON HOUSING AUTHORITY


Submitted by William W. Wynder
Agency Counsel


Approved by Clifford W. Graves
Interim Executive Director

I. SUMMARY

The Agency Board of the Carson Redevelopment Agency ("Agency") is being asked to consider adopting Resolution No. 11-18 (Exhibit No. 1) entering into a financing agreement ("Financing Agreement") (Exhibit No. 2), pursuant to which the Agency and/or the city of Carson ("City") may advance funds to the Carson Housing Authority ("Housing Authority") to support its operations or projects.

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE further reading and ADOPT Resolution No. 11-18, "A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CARSON, CALIFORNIA, APPROVING A FINANCING AGREEMENT BY AND AMONG THE CITY OF CARSON, THE CARSON REDEVELOPMENT AGENCY, AND THE CARSON HOUSING AUTHORITY FOR THE PROVISION OF FINANCIAL ASSISTANCE TO THE CARSON HOUSING AUTHORITY."
2. AUTHORIZE the Agency Chairman to execute the Financing Agreement following approval as to form by the Agency Counsel.

III. ALTERNATIVES

TAKE another action the Agency Board deems appropriate.

IV. BACKGROUND

On March 8, 2011, the City Council of the city of Carson adopted Resolution No. 11-035, which established the Housing Authority in accordance with the California Housing Authorities Law ("HA Law"). Because the Housing Authority was recently formed, it presently has no funds with which to properly operate, transact business, and exercise its powers for the benefit of the Agency. To address this issue, the Agency will enter into that certain Amended and Restated Transfer Agreement ("Transfer Agreement") to transfer certain Agency-owned

properties and housing set-aside funds to the Housing Authority to finance the Housing Authority's operations and the future development of the transferred properties as affordable housing opportunities in the City.

In the event the Housing Authority requires additional financing to support its operations or projects, beyond the funds provided via the Transfer Agreement, the Agency or the City may advance funds to the Housing Authority pursuant to a Financing Agreement. The funds advanced by the Agency and/or the City, plus all accrued interest thereon, will be repaid by the Housing Authority when funds generated from the Housing Authority's operations are available. Staff therefore recommends that the Agency Board adopt Resolution No. 11-18 approving the Financing Agreement.

V. **FISCAL IMPACT**

None.

VI. **EXHIBITS**

- 1. Resolution No. 11-18. (pgs. 3-8)
- 2. Financing Agreement. (pgs. 9-11)

Prepared by: William N. Watkins, Redevelopment Project Analyst

TO:Rev032811

Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

Action taken by Redevelopment Agency

Date _____ Action _____

RESOLUTION NO. 11-18

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CARSON, CALIFORNIA, APPROVING A FINANCING AGREEMENT BY AND AMONG THE CITY OF CARSON, THE CARSON REDEVELOPMENT AGENCY, AND THE CARSON HOUSING AUTHORITY FOR THE PROVISION OF FINANCIAL ASSISTANCE TO THE CARSON HOUSING AUTHORITY

WHEREAS, the City Council of the city of Carson ("City Council") has established the Carson Housing Authority (the "Housing Authority") to function in the city of Carson ("City") in accordance with the California Housing Authorities Law (Health and Safety Code Section 34200 *et seq.*); and

WHEREAS, pursuant to Section 33220 of the California Community Redevelopment Law, which is codified as Health and Safety Code Section 33000 *et seq.* (CRL), certain public bodies, including the City, the Carson Redevelopment Agency ("Agency"), and/or the Housing Authority, may aid and cooperate in the planning, undertaking, construction, and/or operation of redevelopment projects; and

WHEREAS, the Housing Authority presently has no funds with which to carry out its purposes; and

WHEREAS, the Housing Authority desires to obtain financial assistance from the City and Agency in order to finance the operations of the Housing Authority; and

WHEREAS, the City, the Agency, and the Housing Authority staff have prepared a financing agreement ("Financing Agreement") pursuant to which the City and Agency may make periodic advances of funds to the Housing Authority; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the Board of Directors of the Carson Redevelopment Agency does hereby resolve, as follows:

Section 1. The Agency hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Financing Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein, is hereby approved.

Section 3. The Agency Executive Director, or designee, is authorized and directed to execute the Financing Agreement and to take such other actions and execute such other documents as may be necessary to implement and affect this Resolution and the Financing Agreement on behalf of the Agency, together with such non-substantive changes and amendments as may be approved by the Agency Executive Director and Agency Counsel.

Section 4. The Agency Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED, this 19th day of April, 2011.

Chairman Jim Dear

ATTEST:

Agency Secretary Helen S. Kawagoe

APPROVED AS TO FORM:

Agency Counsel



AGENCY SECRETARY'S CERTIFICATION PAGE



EXHIBIT A**FINANCING AGREEMENT**

This FINANCING AGREEMENT ("Agreement") is entered into as of this 19th day of April, 2011, by and among the city of Carson, a California municipal corporation ("City"), the Carson Redevelopment Agency, a public body, corporate and politic ("Agency"), and the Carson Housing Authority, a public body, ("Housing Authority").

WHEREAS, the Agency is a public body, corporate and politic, organized under the California Community Redevelopment Law (Health & Safety Code § 33000 *et seq.*); and

WHEREAS, the City is a municipal corporation and a general law city; and

WHEREAS, the City established the Housing Authority in accordance with the California Housing Authorities Law (Health and Safety Code Section 34200 *et seq.*) in order to provide suitable, safe and sanitary housing opportunities for city residents; and

WHEREAS, the Housing Authority presently has no funds with which to carry out its purposes; and

WHEREAS, the City and the Agency desire to provide financial assistance to the Authority by making periodic advances of funds in order to finance the operations of the Authority; and

WHEREAS, it is anticipated that the loan financing set forth herein shall be repaid by the Housing Authority from future revenues generated by the Housing Authority's ownership and operation of housing projects within the city.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. City/Agency Financing; Interest; Use of Loan Principal.

The City and/or the Agency may, from time to time, advance funds to the Housing Authority to finance the operations and projects of the Authority. Interest shall accrue on the outstanding principal advanced at the earnings rate of the City's Investment Pool Funds, and shall be adjusted quarterly. The advanced funds shall be used only for the purpose of financing the operations and projects of the Housing Authority and for no other purpose.

2. Repayment.

The total funds advanced by the City and/or the Agency, plus all interest accrued thereon, shall be repaid by the Housing Authority when funds generated from the Housing Authority's operations are available. The Housing Authority shall be entitled to repay all or part of the loan principal at any time with no other charges, fees, or penalties. All amounts due under this Agreement shall be payable at the offices of the Agency or City (as applicable).

3. Future Financing of Specific Projects.

Notwithstanding anything to the contrary in this Agreement, the parties may enter into separate agreements with different terms and conditions to finance particular projects.

4. Recordkeeping.

The Housing Authority Treasurer and the Housing Authority Administrative Services General Manager shall keep appropriate records and accounts to document all borrowings herein.

5. Non-Recourse Obligation.

No officer, employee, agent, or representatives of the Housing Authority shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, employee, agent, or representative.

6. Entire Agreement; Amendments.

This Agreement shall constitute the entire agreement of the parties. This Agreement may be amended or modified only by an agreement in writing signed by the parties.

This FINANCING AGREEMENT is executed by the duly authorized representatives of the City, the Agency and the Housing Authority as of the date first herein written above.

“CITY”

CITY OF CARSON,
a California municipal corporation

Mayor Jim Dear

ATTEST:

City Clerk Helen S. Kawagoe

APPROVED AS TO FORM:

City Attorney

[signatures continued on next page]



“AGENCY”

CARSON REDEVELOPMENT AGENCY,
a public body, corporate and politic

Agency Chairman Jim Dear

ATTEST:

Agency Secretary Helen S. Kawagoe

APPROVED AS TO FORM:

Agency Counsel

“HOUSING AUTHORITY”

CARSON HOUSING AUTHORITY,
a public body

Authority Chairperson Jim Dear

ATTEST:

Authority Secretary Helen S. Kawagoe

APPROVED AS TO FORM:

Authority Counsel



FINANCING AGREEMENT

This FINANCING AGREEMENT ("Agreement") is entered into as of this 14th day of April, 2011, by and among the city of Carson, a California municipal corporation ("City"), the Carson Redevelopment Agency, a public body, corporate and politic ("Agency"), and the Carson Housing Authority, a public body, ("Housing Authority").

WHEREAS, the Agency is a public body, corporate and politic, organized under the California Community Redevelopment Law (Health & Safety Code § 33000 *et seq.*); and

WHEREAS, the City is a municipal corporation and a general law city; and

WHEREAS, the City established the Housing Authority in accordance with the California Housing Authorities Law (Health and Safety Code Section 34200 *et seq.*) in order to provide suitable, safe and sanitary housing opportunities for city residents; and

WHEREAS, the Housing Authority presently has no funds with which to carry out its purposes; and

WHEREAS, the City and the Agency desire to provide financial assistance to the Authority by making periodic advances of funds in order to finance the operations of the Authority; and

WHEREAS, it is anticipated that the loan financing set forth herein shall be repaid by the Housing Authority from future revenues generated by the Housing Authority's ownership and operation of housing projects within the city.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. City/Agency Financing; Interest; Use of Loan Principal.

The City and/or the Agency may, from time to time, advance funds to the Housing Authority to finance the operations and projects of the Authority. Interest shall accrue on the outstanding principal advanced at the earnings rate of the City's Investment Pool Funds, and shall be adjusted quarterly. The advanced funds shall be used only for the purpose of financing the operations and projects of the Housing Authority and for no other purpose.

2. Repayment.

The total funds advanced by the City and/or the Agency, plus all interest accrued thereon, shall be repaid by the Housing Authority when funds generated from the Housing Authority's operations are available. The Housing Authority shall be entitled to repay all or part of the loan principal at any time with no other charges, fees, or penalties. All amounts due under this Agreement shall be payable at the offices of the Agency or City (as applicable).

3. **Future Financing of Specific Projects.**

Notwithstanding anything to the contrary in this Agreement, the parties may enter into separate agreements with different terms and conditions to finance particular projects.

4. **Recordkeeping.**

The Housing Authority Treasurer and the Housing Authority Administrative Services General Manager shall keep appropriate records and accounts to document all borrowings herein.

5. **Non-Recourse Obligation.**

No officer, employee, agent, or representatives of the Housing Authority shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, employee, agent, or representative.

6. **Entire Agreement; Amendments.**

This Agreement shall constitute the entire agreement of the parties. This Agreement may be amended or modified only by an agreement in writing signed by the parties.

This FINANCING AGREEMENT is executed by the duly authorized representatives of the City, the Agency and the Housing Authority as of the date first herein written above.

“CITY”

CITY OF CARSON,
a California municipal corporation

Mayor Jim Dear

ATTEST:

City Clerk Helen S. Kawagoe

APPROVED AS TO FORM:

City Attorney

[signatures continued on next page]

“AGENCY”

CARSON REDEVELOPMENT AGENCY,
a public body, corporate and politic

Agency Chairman Jim Dear

ATTEST:

Agency Secretary Helen S. Kawagoe

APPROVED AS TO FORM:

Agency Counsel

“HOUSING AUTHORITY”

CARSON HOUSING AUTHORITY,
a public body

Authority Chairperson Jim Dear

ATTEST:

Authority Secretary Helen S. Kawagoe

APPROVED AS TO FORM:

Authority Counsel

