



October 4, 2012

Mr. Linn Warren, Department Director
California Department of Housing
and Community Development
800 Third Street
Sacramento, CA 95811-6942

Dear Mr. Warren:

Attached please find the annual report of the Colton Housing Authority for Fiscal Year 2011-2012, pursuant to Sections 34328 through 34328.1 of the California Health and Safety Code governing Housing Authority Law. The Colton Housing Authority was created on March 15, 2011 by the City Council of the City of Colton.

As of June 30, 2012, the newly-formed Housing authority had no assets and no holdings, as reflected in the enclosed report. If there are any questions, or to request reimbursement of costs for the filing of this report, please contact Arthur Morgan, of my staff, at (909) 370-6170.

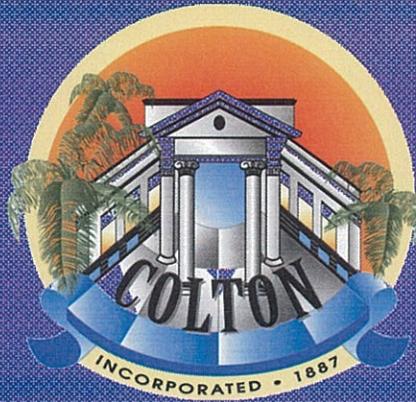
Sincerely,

Rod Foster, Executive Director
Colton Housing Authority

cc: Arthur Morgan

Colton Housing Authority

City of Colton



ANNUAL REPORT 2011/2012

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Colton Housing Authority

2011/2012 Board of Commissioners

Chairperson	Sarah S. Zamora
Commissioner	Deirdre Bennett
Commissioner.....	David Toro
Commissioner	Frank Gonzales
Commissioner	Vincent Yzaguirre
Commissioner	Susan Oliva
Commissioner	Alex Perez

Colton Housing Authority Staff

Executive Director	Rod Foster
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“Colton is a diverse community where tomorrow’s contributors pursue their dreams in an attractive and safe environment abundant with opportunities for educational and economic advancement.”

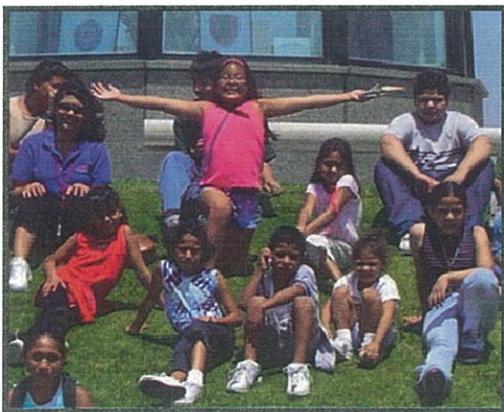
Serving the Residents in the City of Colton

On March 15, 2011, the City Council of the City of Colton established the newly created Colton Housing Authority to serve the affordable housing needs of the residents in the City of Colton.

The Colton Housing Authority is responsible for providing decent, safe, sanitary and affordable housing for low-income families, elderly, and persons with disabilities. A Board of Commissioners governs the Housing Authority.

The City of Colton's current population is over 52,154. Colton endeavors to enrich the community by preserving the City's historic qualities, while achieving stated goals toward the betterment in the quality of life for its citizens.

Colton is well known for its ethnic and cultural diversity. The Housing Authority embraces this unique attribute and appreciates the rich pattern every person adds to the community quilt.



**COLTON HOUSING AUTHORITY
FISCAL YEAR 2011-2012
ANNUAL REPORT OF HOUSING AUTHORITY ACTIVITIES**

The Colton Housing Authority (“Housing Authority”) was created by Resolution No. R-28-11 of the City Council of the City of Colton on March 15, 2011, declaring the City Council to be the Commissioners of the Housing Authority, as authorized by Health and Safety Code section 32490, “*Exhibit A*”.

Fiscal Year 2011-2012 was a year of activities related to the dissolution of redevelopment agencies within the State of California (“State”), and the ramifications of that action relative to the housing assets owned by the former Redevelopment Agency for the City of Colton.

On June 29, 2011, the Governor signed into law AB 1X 26, the dissolution of redevelopment agencies, and AB 1X 27, the “payment of tax increment dollars” to the State in order to continue operations as a redevelopment agency. This action was followed by several cities and entities filing law suits culminating into a “stay” of all new redevelopment activities, as ordered by the California Supreme Court on August 11, 2011.

In accordance with the Supreme Court’s ruling on December 29, 2011, upholding the constitutionality of AB 1X 26, the Redevelopment Agency for the City of Colton dissolved as of February 1, 2012 along with all other redevelopment agencies within the State of California. The elimination of redevelopment represents the end to the City’s most powerful economic development tool for job creation and affordable housing.

On January 11, 2012, the City of Colton adopted Resolution No. R-01-12 electing to become the Successor Agency to the former Redevelopment Agency for the City of Colton. Pursuant to the implementation of AB 1X 26, the City, as the Successor Agency to the former Redevelopment Agency, will provide basic administrative support in the dissolution process. An appointed, seven-member, Oversight Board will oversee the payment of all existing obligations, the liquidation of all current assets of the Agency, and disposition of all proceeds and unencumbered funds to various state taxing entities.

**COLTON HOUSING AUTHORITY
FISCAL YEAR 2011-2012
ANNUAL REPORT OF HOUSING AUTHORITY ACTIVITIES**

On January 30, 2012, the City of Colton adopted Resolution No. R-02-12 (See "*Exhibit B*"), selecting the Colton Housing Authority (Housing Successor) as the entity to assume the housing assets and functions from the dissolved Redevelopment Agency for the City of Colton, as provided by AB 1X 26 (Health and Safety Code section 34176).

Under Section 34176, all affordable housing assets of the former Redevelopment Agency (excluding unencumbered Housing Fund balances) are transferred by operation of law to the Housing Successor. Health and Safety Code section 34181(d) states that the Oversight Board directs the Successor Agency to transfer the assets to the Housing Successor. AB 1X 26 is ambiguous as written.

Housing activities that were affected within the City of Colton, under AB 1X 26, were the City's Replacement Affordable Senior Housing project, which was placed on hold for several months; and, the sale of 29 out of 259 lots being sold for affordability covenants within a mobile home park, known as Rancho Mediterrania Mobile Home Park. All activities and contracts to move these housing projects forward were nearly completed but placed on hold by the Stay Order of the Supreme Court.

Accounting actions pursuant to AB 1X 26, required the Successor Agency to prepare a draft Recognized Obligation Payment Schedule ("ROPS") for each six (6) month fiscal period, listing all of the outstanding debts and enforceable obligations of the former redevelopment agency, submit the draft ROPS to the Successor Agency's Oversight Board for approval, and then, submit the ROPS to the State Department of Finance (DOF) for review and approval.

On April 3, 2012, the Successor Agency approved the ROPS, covering the period from July 1, 2012 through December 31, 2012, by Resolution No. SAR-02-12; and subsequent approval by the Oversight Board on April 12, 2012. Listed as an enforceable obligation with the ROPS is \$3,950,000 for the Replacement Affordable Senior Housing project, payable from the Redevelopment Property Tax Trust Fund ("RPTTF") held with the County of San Bernardino.

**COLTON HOUSING AUTHORITY
FISCAL YEAR 2011-2012
ANNUAL REPORT OF HOUSING AUTHORITY ACTIVITIES**

The specified amount is based on the development pro forma prepared by the affordable housing developer, reviewed and approved by Colton's housing committee, as the City's contribution toward the total development cost of approximately \$11.924 million for the replacement affordable senior housing project.

DOF determined that "replacement housing", pursuant to Health and Safety Code section 33413, is an enforceable obligation which can be funded by the RPTTF. An initial enforceable obligation amount of \$2,250,000 (a total due during Fiscal Year 2012-2013) was approved by DOF in the ROPS, covering the period from July 1, 2012 through December 31, 2012, of which \$250,000 will fund pre-development work on the project. Predevelopment work products will include architectural drawings, engineering studies and designs, and an updated affordable housing market survey. The additional \$2.0 million will be included on the ROPS III covering the period from January 1, 2013 to June 30, 2013, at which time the project will be under construction. The balance of monies (approximately \$1.7 million) may not be available until submission of ROPS IV, covering the period from July 1, 2013 to December 30, 2013, and further approved by DOF.

Colton's Replacement Affordable Senior Housing project is anticipated to start construction at the end of 2012, and is estimated for completion by the end of 2013.

As of June 27, 2012, California State Legislators, the League of California Cities, and other stakeholders are drafting a "Trailer Bill" to AB 1X 26 to clear-up ambiguities within the current law, and to address affordable housing needs.

**COLTON HOUSING AUTHORITY
FISCAL YEAR 2011-2012
ANNUAL REPORT OF HOUSING AUTHORITY ACTIVITIES**

The following is the report of activities from July 1, 2011, the date of the Housing Authority creation, through June 30, 2012, Fiscal Year ("FY") 2011 – 2012:

§ 34328 of the California Health and Safety Code, Housing Authority Law: Recommendations as to legislation or other actions to carry out purposes of chapter. Recommendations for additional legislation were supported through the efforts by the League of California Cities for alternative tax increment funding for affordable housing projects and programs.

§ 34328.1. (a)—Report of activities: The Colton Housing Authority had no reportable activities in FY 2011 – 2012 due to the Supreme Court's ruling on December 29, 2011, upholding the constitutionality of AB 1X 26, eliminating all redevelopment agencies as of February 1, 2012 within the State of California; except for being designated as the successor entity to assume the assets, liabilities, duties, obligations and functions associated with the housing activities of the former Redevelopment Agency for the City of Colton pursuant to Health and Safety Code section 34176.

§ 34328.1. (b)—Reimbursement of funds to HCD: If requested, the Housing Authority will reimburse funds to HCD for the cost of processing this annual report.

§ 34328.1. (c) (1)—Terminations of tenancies of victims of domestic violence in housing authority units: The Colton Housing Authority controls no units at this time; there were no terminations of tenancy of victims of domestic violence.

§ 34328.1. (c) (2), (3), (4), (5), (6)—Report of each termination pursuant to §34328.1. (c) (1). There were no terminations.

As of June 30, 2012, the Housing Authority has no assets and no holdings.

*****End of Report*****

ANNUAL REPORT 2011/2012

COLTON HOUSING AUTHORITY
Attachment "A"

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RESOLUTION NO. R-28-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON, CALIFORNIA, DECLARING A NEED FOR THE COLTON HOUSING AUTHORITY, DESIGNATING THE MEMBERS OF THE CITY COUNCIL AS THE COMMISSIONERS OF THE COLTON HOUSING AUTHORITY, AND DESIGNATING THE FIRST CHAIRPERSON OF THE COLTON HOUSING AUTHORITY

WHEREAS, the Housing Authority Law is codified in Health and Safety Code Section 34200, *et seq.* (the "Law"); and

WHEREAS, Section 34240 of the Law provides that in every city there is a public body corporate and politic known as the housing authority of the city; and

WHEREAS, Section 34240 of the Law provides that the housing authority shall not transact business or exercise its powers unless the city council of the city adopts a resolution declaring a need for the housing authority to function in the city; and

WHEREAS, Section 34242 of the Law permits the adoption of a resolution of the city council declaring the need for a housing authority, if the city council finds either: (i) that unsanitary or unsafe inhabited dwelling accommodations exist in the city; or (ii) that there is a shortage of safe or sanitary dwelling accommodations in the city available to persons of low income at rentals they can afford; and

WHEREAS, the need for a housing authority to resolve the shortage of safe or sanitary dwelling accommodations in the City and to assist the City in meeting the objectives and policies in its adopted and certified Housing Element is demonstrated by the City's adopted and certified Housing Element; and

WHEREAS, Section 34290 of the Law provides that the City Council may declare by resolution that itself and its members shall be the commissioners of the Colton Housing Authority; and

WHEREAS, Section 34277 of the Law permits the City Council to designate the first Chairperson of the Colton Housing Authority.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated into and made an operative part of this Resolution.

SECTION 2. Findings. There is a need for the Colton Housing Authority to function in the City because of a shortage of decent, safe, sanitary and affordable dwelling

COLTON HOUSING AUTHORITY

1 accommodations in the City that are available to persons of low income, as demonstrated, in
2 part, in the City’s adopted and certified Housing Element.

3 **SECTION 3. Formation of Housing Authority.** In light of the foregoing findings
4 evidencing a need for the Colton Housing Authority to function in the City, the Colton
5 Housing Authority is hereby authorized and permitted to transact any business and exercise
6 any power conferred on the Colton Housing Authority under the Law or other applicable
7 law.

8 **SECTION 4. Commissioners.** The members of the City Council are hereby
9 declared to be the commissioners of the Colton Housing Authority, as authorized by Section
10 34290(a) of the Law, with all of the rights, powers, duties, privileges and immunities vested
11 by the Law in such commissioners of the Colton Housing Authority.

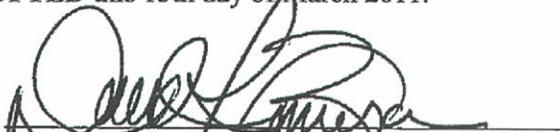
12 **SECTION 5. Chairman.** The Mayor of the City of Colton shall serve as the first
13 Chairperson of the Colton Housing Authority.

14 **SECTION 6. CEQA.** Formation of the Colton Housing Authority is not subject to
15 review under the California Environmental Quality Act (Public Resources Code § 21000, *et*
16 *seq.*) (“CEQA”) because it is not a “project” under CEQA, as it can be seen with certainty
17 that the action will not have a significant impact on the environment.

18 **SECTION 7. Severability.** If any provision of this Resolution is held invalid, the
19 remainder of this Resolution shall not be affected by such invalidity and the provisions of
20 this Resolution are severable.

21 **SECTION 8. Effective Date.** This Resolution shall become effective immediately
22 upon its adoption.

23 **PASSED, APPROVED, AND ADOPTED** this 15th day of March 2011.

24 
25 DAVID R. ZAMORA
26 Mayor

27 ATTEST:

28 
EILEEN C. GOMEZ, CMC
City Clerk

COLTON HOUSING AUTHORITY
Attachment "B"

RESOLUTION NO. R-02-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON ELECTING NOT TO RETAIN THE HOUSING ASSETS AND FUNCTIONS PREVIOUSLY PERFORMED BY THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE AND DESIGNATING THE COLTON HOUSING AUTHORITY AS THE ENTITY TO ASSUME THE HOUSING FUNCTIONS AND ASSETS

WHEREAS, the City Council of the City of Colton ("City") currently has five effective redevelopment projects: (1) the Cooley Ranch Redevelopment Project (adopting Ordinance No. 1478, dated July 29, 1975); (2) the Santa Ana River Redevelopment Project (adopting Ordinance No. 1632, dated December 29, 1982); (3) the West Valley Redevelopment Project (adopting Ordinance No. O-10-86, dated July 15, 1986 and its amendment adopting Ordinance No. O-9-87, dated June 30, 1987); (4) the Mt. Vernon Corridor Redevelopment Project (adopting Ordinance No. O-8-87, dated June 30, 1987); and (5) the Rancho/Mill Redevelopment Project (adopting Ordinance No. O-13-94, dated July 5, 1994) (collectively and as amended, the "Project Areas"); and

WHEREAS, the Redevelopment Agency for the City of Colton ("Agency") has been engaged in activities to redevelop the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health & Saf. Code, § 33000 et seq.); and

WHEREAS, on June 28, 2011, the State of California enacted California Health and Safety Code Section 34161 et seq. as part of the State's enactment of Assembly Bill 1X 26 ("AB 1X 26"), immediately prohibiting further redevelopment activity by redevelopment agencies and dissolving all redevelopment agencies in the State of California on October 1, 2011; and

WHEREAS, on June 28, 2011, the State of California also enacted California Health and Safety Code Section 34192 et seq. under Assembly Bill 1X 27 ("AB 1X 27"), providing communities the opportunity to continue redevelopment activity through their local redevelopment agencies by electing to participate in the "Alternative Voluntary Redevelopment Program"; and

COLTON HOUSING AUTHORITY

1 **WHEREAS**, on July 18, 2011, a Petition for Writ of Mandate was filed in the Supreme Court
2 of the State of California in the matter of *California Redevelopment Association, et al. v. Ana*
3 *Matosantos, et al.*, Case No. S194861 (“Legal Action”), challenging the constitutionality of AB 1X
4 26 and AB 1X 27, on behalf of cities, counties and redevelopment agencies and requesting a stay of
5 enforcement of AB 1X 26 and AB 1X 27, pending the Supreme Court’s determination of the
6 constitutionality of AB 1X 26 and AB 1X 27; and

7 **WHEREAS**, on August 11, 2011, the Supreme Court issued an order in the Legal Action
8 granting a partial stay of California Health and Safety Code Section 34161 et seq., exclusive of
9 California Health and Safety Code Sections 34161 through 34167 (which prohibit all new
10 redevelopment activity), and a complete stay of California Health and Safety Code Section 34192 et
11 seq., such that the City and the Agency could not pursue new redevelopment activity under the
12 Alternative Voluntary Redevelopment Program (collectively, “Stay”); and

13 **WHEREAS**, on August 17, 2011, the Supreme Court modified the Stay such that the Stay no
14 longer affected California Health and Safety Code Sections 34167.5 through 34169.5, in addition to
15 California Health and Safety Code Sections 34161 through 34167, or California Health and Safety
16 Code Section 34194(b)(2); and

17 **WHEREAS**, on December 29, 2011, the Supreme Court issued its final decision in the Legal
18 Action, upholding AB 1X 26, invalidating AB 1X 27, extending all statutory deadlines under Health
19 and Safety Code Sections 34170 through 34191, and dissolving all redevelopment agencies
20 throughout the State of California, effective February 1, 2012; and

21 **WHEREAS**, Health and Safety Code section 34176 provides that the City may elect to retain
22 the housing assets and functions previously performed by the Agency, but if the City does not so
23 elect, all rights, powers, assets, liabilities, duties, and obligations associated with the housing
24 activities of the Agency, excluding any amounts in the Low and Moderate Income Housing Fund,
25 shall be transferred as follows: (1) where there is no housing authority in the territorial jurisdiction of
26 the Agency, to the State of California Department of Housing and Community Development; (2)
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COLTON HOUSING AUTHORITY

1 where there is one local housing authority in the territorial jurisdiction of the Agency, to that housing
2 authority; (3) where there is more than one local housing authority in the territorial jurisdiction of the
3 Agency, to the local housing authority selected by the City; and

4 **WHEREAS**, the City Council permitted the Colton Housing Authority (“Authority”) to
5 transact business and exercise power inferred on the Authority under the Housing Authorities Law
6 (Health & Saf. Code, § 34200 et seq.) by Resolution No. R-28-11 on March 15, 2011; and
7

8 **WHEREAS**, the Authority is not the only local housing authority within the territorial
9 jurisdiction of the Agency; and

10 **WHEREAS**, the City desires to designate the Authority as the appropriate entity to assume
11 the housing functions of the former Agency; and
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13 **WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

14 **NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF COLTON DOES**
15 **HEREBY RESOLVE AND FIND AS FOLLOWS:**

16 **Section 1.** **Recitals.** The Recitals preceding this Resolution are true and correct and are
17 incorporated into this Resolution.
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19 **Section 2.** **CEQA Compliance.** The determination and election made in this Resolution
20 do not commit the City to any action that may have a significant effect on the environment. As a
21 result, such approvals do not constitute a project subject to the requirements of the California
22 Environmental Quality Act. The City Clerk is authorized and directed to file a Notice of Exemption
23 with the appropriate official of the County of San Bernardino, California, within five (5) days
24 following the date of adoption of this Resolution.
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COLTON HOUSING AUTHORITY

1 **Section 3. Election Not to Retain Housing Assets and Functions; Transfer of Housing**
2 **Assets and Functions.** In accordance with Health and Safety Code section 34176, and based on the
3 Recitals set forth above, the City Council hereby elects not to retain the housing assets and functions
4 previously performed by the Redevelopment Agency for the City of Colton. Upon dissolution of the
5 Redevelopment Agency for the City of Colton pursuant to Part 1.85 of Division 24 of the California
6 Health and Safety Code, and except as otherwise provided under AB 1X 26, all rights, powers, assets,
7 liabilities, duties, and obligations associated with the housing activities of the Redevelopment Agency
8 for the City of Colton, excluding any amounts in the Low and Moderate Income Housing Fund, shall
9 be transferred in accordance with Health and Safety Code section 34176 to the Colton Housing
10 Authority.

11 **Section 4. Implementation.** The City Council hereby authorizes and directs the City
12 Manager to take any action and execute any documents necessary to carry out the purposes of this
13 Resolution, including but not limited to notifying the County of San Bernardino Auditor-Controller,
14 the Controller of the State of California, and the California Department of Finance of the adoption of
15 this Resolution in accordance with AB 1X 26.

16 **Section 5. Severability.** If any provision of this Resolution or the application of any such
17 provision to any person or circumstance is held invalid, such invalidity shall not affect other
18 provisions or applications of this Resolution that can be given effect without the invalid provision or
19 application, and to this end the provisions of this Resolution are severable. The City Council declares
20 that the City Council would have adopted this Resolution irrespective of the invalidity of any
21 particular portion of this Resolution.

22 **Section 6. Certification.** The City Clerk shall certify to the adoption of this Resolution.
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COLTON HOUSING AUTHORITY

1 Section 7. Effective Date. This Resolution shall become effective immediately upon its
2 adoption.

3 **PASSED, APPROVED AND ADOPTED THIS** 30th day of January, 2012.
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5 
6 FRANK A. GONZALES
Mayor Pro Tempore

7 ATTEST:

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10 EILEEN C. GOMEZ, CMC
City Clerk
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