

RESOLUTION NO. OB 2014-004

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LA MESA COMMUNITY REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S REALLOCATION AND USE OF FUNDS IN THE AMOUNT OF \$187,358 HELD AS A RESERVE FOR THE AD90-1 LIMITED OBLIGATION REFUNDING BONDS TO PAY DEBT SERVICE PAYMENTS ON THE AD90-1 LIMITED OBLIGATION REFUNDING BONDS AND THE AD98-1 LIMITED OBLIGATION BONDS PAYABLE DURING THE ROPS 14-15A PERIOD

WHEREAS, the La Mesa Community Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of La Mesa ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-005 on January 10, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

WHEREAS, H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484. On October 13, 2013, the Legislature passed and the Governor signed Senate Bill No. 341 ("SB 341"), which further amended certain provisions of

AB 26 as amended by AB 1484 and AB 1585 (AB 26, AB 1484, AB 1585, and SB 341 are collectively referred to herein as the "Dissolution Act"); and

WHEREAS, pursuant to H&S Code Section 34171(h) of the Dissolution Act, a "Recognized Obligation Payment Schedule" ("ROPS") means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations of the Successor Agency for each 6-month fiscal period as provided in H&S Code Section 34177(m) of the Dissolution Act; and

WHEREAS, according to H&S Code Section 34177(l)(1) of the Dissolution Act, the Successor Agency shall prepare a ROPS before each 6-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board in accordance with Part 1.85 of the Dissolution Act; and

WHEREAS, pursuant to H&S Code Section 34177 of the Dissolution Act, the Successor Agency adopted the First ROPS covering the period from January 1, 2012 through June 30, 2012 ("First ROPS"), the Second ROPS covering the period from July 1, 2012 through December 31, 2012 ("Second ROPS"), the Third ROPS covering the period from January 1, 2013 through June 30, 2013 ("Third ROPS"), ROPS 13-14A covering the period from July 1, 2013 through December 31, 2013 ("ROPS 13-14A"), and ROPS 13-14B covering the period from January 1, 2014 through June 30, 2014 ("ROPS 13-14B"); and

WHEREAS, in accordance with H&S Code Sections 34177(l)(2)(B) and 34180(g) of the Dissolution Act, the Oversight Board approved the First ROPS, Second ROPS, Third ROPS, ROPS 13-14A, and ROPS 13-14B as proposed by the Successor Agency. In accordance with the Dissolution Act, the Successor Agency submitted each of the Oversight Board-approved ROPS to the State Department of Finance ("Department of Finance"), the San Diego County Auditor-Controller ("County Auditor-Controller") and other entities as required by the Dissolution Act and by the statutory deadlines. The Department of Finance approved each ROPS, some with certain modifications; and

WHEREAS, pursuant to H&S Code Section 34183(a)(2) of the Dissolution Act, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on January 2 and June 1 of each year for payments to be made toward recognized obligations listed on a ROPS and approved by the Department of Finance; and

WHEREAS, pursuant to H&S Code Section 34177(a)(4) of the Dissolution Act, the Successor Agency, with the prior approval of the Oversight Board, may make payments on enforceable obligations from sources other than those listed in the ROPS; and

WHEREAS, a total amount of \$187,358 consisting of reserves held for the AD90-1 Limited Obligation Refunding Bonds ("AD90-1 Bonds") as shown on the prior approved ROPS will be released to the Successor Agency due to the final repayment of the AD90-1 Bonds in

August 2014 during the ROPS 14-15A period from July 1, 2014 through December 31, 2014 (“ROPS 14-15A”); and

WHEREAS, at its meeting on February 11, 2014, the Successor Agency approved the reallocation and use of the funds totaling \$187,358, upon their receipt by the Successor Agency, to pay (i) the final debt service payment on the AD90-1 Bonds in the amount of \$180,775 and (ii) a partial debt service payment on the AD98-1 Limited Obligation Bonds (“AD98-1 Bonds”) in the amount of \$6,583, payable during the ROPS 14-15A period, as shown on the ROPS 14-15A, and recommended to the Oversight Board that the Oversight Board approve such reallocation and use of funds; and

WHEREAS, in accordance with H&S Code Section 34177(a)(4) of the Dissolution Act, the Oversight Board desires to approve such reallocation and use of the \$187,358, upon their receipt by the Successor Agency, to pay the debt service payments on the AD90-1 Bonds and the AD98-1 Bonds payable during the ROPS 14-15A period; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency does hereby resolve as follows:

Section 1. The Oversight Board hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the Successor Agency’s reallocation of \$187,358 consisting of reserves held for the AD90-1 Limited Obligation Refunding Bonds (“AD90-1 Bonds”) as shown on the prior approved ROPS, upon the Successor Agency’s receipt of said funds, and the Successor Agency’s use and expenditure of the funds totaling \$187,358 to pay (i) the final debt service payment on the AD90-1 Bonds in the amount of \$180,775 and (ii) a partial debt service payment on the AD98-1 Limited Obligation Bonds (“AD98-1 Bonds”) in the amount of \$6,583, payable during the ROPS 14-15A period, as shown on the ROPS 14-15A.

Section 3. The Oversight Board hereby adopts, approves, ratifies and confirms all actions taken by the Successor Agency and its staff to reallocate and use the \$187,358, upon their receipt by the Successor Agency, to pay the debt service payments on the AD90-1 Bonds and the AD98-1 Bonds payable during the ROPS 14-15A period, as shown on the ROPS 14-15A.

Section 4. The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to take such actions and execute such instruments and documents as are reasonable, appropriate, and necessary or desirable to effectuate the intent of this Resolution.

Section 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. This Resolution shall take effect immediately upon its adoption and is subject to review by the Department of Finance in accordance with H&S Code Section 34179(h) of the Dissolution Act.

PASSED AND ADOPTED at a duly noticed public meeting of the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency held the 25<sup>th</sup> of February 2014, by the following vote, to wit:

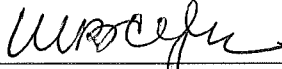
AYES: Adams, Ayres, Fazio, Gonzales, Patterson, Rearic

NOES: none

ABSENT: South

#### CERTIFICATE OF SECRETARY

I, WILLIAM B. CHOPYK, Secretary of the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency, do hereby certify the foregoing to be a true and exact copy of Resolution No. OB 2014-004, duly passed and adopted by the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency on the date and by the vote therein recited.



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WILLIAM B. CHOPYK  
Secretary  
Oversight Board of the Successor Agency to the  
La Mesa Community Redevelopment Agency

*Feb. 25, 2014*

Date