

RESOLUTION NO. OB 2013-013

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LA MESA COMMUNITY REDEVELOPMENT AGENCY APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JANUARY 1, 2014 THROUGH JUNE 30, 2014 AND APPROVING RELATED ACTIONS

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");

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st 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 ("Health and Safety 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 Health and Safety Code;

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;

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");

WHEREAS, Health and Safety 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 Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of AB 26;

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", Chapter 26, Statutes 2012), 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 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act");

WHEREAS, on July 16, 2013, the Department of Finance issued a Finding of Completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7 of the Dissolution Act;

WHEREAS, pursuant to Health and Safety Code Section 34171(m) 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 six-month fiscal period as provided in Health and Safety Code Section 34177(m) of the Dissolution Act;

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(3) of the Dissolution Act, the ROPS shall be forward looking to the next six (6) months;

WHEREAS, according to Health and Safety Code Section 34177(l)(1) of the Dissolution Act, the Successor Agency shall prepare a ROPS before each six-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;

WHEREAS, it is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period;

WHEREAS, pursuant to Health and Safety Code Section 34177(m) of the Dissolution Act, the Successor Agency is required to submit the ROPS for the period of January 1, 2014 through June 30, 2014, after its approval and adoption by the Oversight Board, to the State Department of Finance ("Department of Finance") and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on January 2, 2014, which is no later than October 1, 2013;

WHEREAS, the ROPS covering the period from January 1, 2014 through June 30, 2014 (the "ROPS 13-14B") was approved and adopted by the Successor Agency at its meeting conducted on September 10, 2013;

WHEREAS, the ROPS 13-14B is presented to the Oversight Board at this meeting for review, approval, and adoption;

WHEREAS, in accordance with Health and Safety Code Section 34177(l)(2)(B) of the Dissolution Act, the Successor Agency submitted a copy of the ROPS 13-14B to the San Diego County Administrative Officer, the County Auditor-Controller, and the Department of Finance at the same time that the Successor Agency submitted the ROPS 13-14B to the Oversight Board for approval;

WHEREAS, Health and Safety Code Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare an administrative budget for each six-month fiscal period and submit the administrative budget to the Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming six-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity;

WHEREAS, Health and Safety Code Section 34177(k) of the Dissolution Act requires the Successor Agency to provide to the County Auditor-Controller for each six-month fiscal period the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's RPTTF established for the Successor Agency;

WHEREAS, in accordance with Health and Safety Code Section 34177(j) of the Dissolution Act, the proposed ROPS 13-14B includes as Item 15 an administrative cost budget of \$122,750 for the ROPS 13-14B period and provides that RPTTF is proposed as the source of payment for the administrative costs. The Successor Agency does not directly employ its own staff but relies on the employees and staff members of the City to perform its functions and operations required by the Dissolution Act;

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(C) of the Dissolution Act, a copy of the Oversight Board-approved ROPS 13-14B shall be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and shall be posted on the Successor Agency's internet website;

WHEREAS, pursuant to Health and Safety Code Section 34177(m)(1) of the Dissolution Act, the Successor Agency shall submit a copy of the Oversight Board-approved ROPS 13-14B to the Department of Finance electronically and the Successor Agency shall have completed the ROPS 13-14B in the manner provided by the Department of Finance;

WHEREAS, pursuant to Health and Safety 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, 2014 for payments to be made toward recognized obligations listed on the ROPS 13-14B and approved by the Department of Finance;

WHEREAS, the proposed ROPS 13-14B is consistent with the requirements of the Health and Safety Code and other applicable law;

WHEREAS, the proposed ROPS 13-14B contains the schedules for payments on enforceable obligations required for the applicable six-month period and sources of funds for repayment as required pursuant to Health and Safety Code Section 34177(l) of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34177(m) of the Dissolution Act, the ROPS 13-14B as approved and adopted by the Oversight Board shall be submitted to the Department of Finance and the County Auditor-Controller by October 1, 2013. Section 34177(m) further provides that the Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of enforceable obligations no later than forty-five (45) days after the ROPS is submitted and that the Successor Agency may, within five (5) business days of the Department of Finance's determination, request an additional review by the Department of Finance and an opportunity to meet and confer on disputed items. In the event of a meet and confer and request for additional review, the meet and confer period may vary but the Department of Finance shall notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least fifteen (15) days before the date of property tax distribution on January 2, 2014.

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.

Section 2. All legal prerequisites to the adoption of this Resolution have occurred.

Section 3. The Oversight Board hereby approves and adopts the ROPS 13-14B for the period from January 1, 2014 through June 30, 2014, in substantially the form presented to the Oversight Board at this meeting.

Section 4. The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to: (i) submit the ROPS 13-14B, as approved and adopted by the Oversight Board, to the Department of Finance electronically and the County Auditor-Controller no later than October 1, 2013; (ii) submit a copy of the ROPS 13-14B, as approved and adopted by the Oversight Board, to the State Controller's Office and post the ROPS 13-14B on the Successor Agency's

internet website; (iii) revise the ROPS 13-14B, and make such changes and amendments as necessary, before official submittal of the ROPS 13-14B to the Department of Finance, in order to complete the ROPS 13-14B in the manner provided by the Department of Finance and to conform the ROPS 13-14B to the form or format as may be prescribed by the Department of Finance; (iv) make other non-substantive changes and amendments to the ROPS 13-14B as may be approved by the Executive Director of the Successor Agency and its legal counsel; (v) upon approval of the Oversight Board, submit to the County Auditor-Controller the administrative cost estimates from the administrative cost budget as provided in the ROPS 13-14B that are to be paid from property tax revenues deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and (vi) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Oversight Board.

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 Health and Safety Code Section 34177(m) 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 19th of September 2013, by the following vote, to wit:

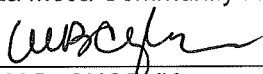
AYES: Adams, Gonzales, Patterson, Rearic, South

NOES: none

ABSENT: Ayres, Fazio

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 2013-013 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.



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

9/19/2013
Date