

## RESOLUTION OBSA-005

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF SOLANA BEACH AND THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS DUE IN THE PERIOD ENDING JUNE 30, 2012.**

**WHEREAS**, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding Assembly Bill X1 26 (the "Dissolution Act") largely constitutional; and

**WHEREAS**, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Solana Beach Redevelopment Agency (the "Dissolved RDA"), were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, on January 11, 2012, the City Council (the "City Council") of the City of Solana Beach (the "City") adopted Resolution No. 2012-011 accepting for the City the role of Successor Agency to the Dissolved RDA (the "Successor Agency"); and

**WHEREAS**, under the Dissolution Act, an oversight board is established for each successor agency to a former redevelopment agency with the responsibility of overseeing the activities of the successor agency and approving certain actions of the successor agency in connection with the successor agency's wind down of the affairs of the former redevelopment agency; and

**WHEREAS**, the oversight board (the "Oversight Board") for the Successor Agency has been duly constituted pursuant to the Dissolution Act, and on April 12, 2012, the Oversight Board conducted its first duly noticed public meeting at which the Oversight Board members were duly sworn into office and certain other actions were taken; and

**WHEREAS**, on April 12, 2012, the Successor Agency requested the Oversight Board to approve a proposed Loan Agreement between the City and the Successor Agency (the "Loan Agreement") as an enforceable obligation under the Dissolution Act, wherein the City would advance funds to the Successor Agency in the total amount not to exceed \$278,215 (the "Loan") for the purpose of the Successor Agency paying debt service and costs on the 2006

Tax Allocation Bond due in May and June of 2012 as set forth in Items 1 through 4 on the first Recognized Obligation Payment Schedule of the Successor Agency for the period ending June 30, 2012 (the "First ROPS") and certain administrative costs due in May and June of 2012 as set forth in Items 5 through 12 on the First ROPS; and

**WHEREAS**, in addition and in connection with the proposed Loan Agreement, the Successor Agency requested the Oversight Board to approve the Successor Agency's repayment of the Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund maintained by San Diego County for the purpose of paying enforceable obligations of the Successor Agency, at an interest rate on such Loan equal to the interest rate applicable to funds on deposit in the Local agency Investment Fund; and

**WHEREAS**, pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Oversight Board has the authority to approve the proposed Loan Agreement and the terms for repayment of the Loan; and

**WHEREAS**, after reviewing the terms of the proposed Loan Agreement between the City and the Successor Agency, the Loan from the City to the Successor Agency, and the Successor Agency's repayment of such Loan as presented to and recommended for approval to the Oversight Board by the Successor Agency, and after reviewing any written and oral comments from the public relating thereto, the Oversight Board desires to approve the terms of the Loan and the proposed Loan Agreement and to make the following accompanying findings, resolutions and determinations.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board of the Successor Agency for the Dissolved RDA hereby finds, resolves, and determines as follows:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Oversight Board has the authority to approve (i) the proposed Loan Agreement between the City and the Successor Agency (the "Loan Agreement") as an enforceable obligation under the Dissolution Act, wherein the City would advance funds to the Successor Agency in the total amount not to exceed \$278,215 (the "Loan") for the purpose of the Successor Agency paying certain enforceable obligations listed on the first Recognized Obligation Payment Schedule of the Successor Agency for the period ending June 30, 2012 (the "First ROPS") and (ii) the Successor Agency's repayment of the Loan from the City in each six (6) month period with a pledge of property taxes payable from the

Redevelopment Property Tax Trust Fund maintained by San Diego County for the purpose of paying enforceable obligations of the Successor Agency, at an interest rate on such Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 3. The Oversight Board hereby finds and determines that the proposed Loan Agreement and Loan are necessary for the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, in particular the owners of the 2003 Tax Allocation Bond, and for the Successor Agency to have adequate funds for administration, in that the Successor Agency has inadequate reserves to pay these obligations unless funds are advanced by the City.

SECTION 4. The Oversight Board hereby approves (i) the proposed Loan Agreement as an enforceable obligation under the Dissolution Act, wherein the City will provide the Loan (defined above) to the Successor Agency for the purpose of the Successor Agency paying debt service and costs on the 2006 Tax Allocation Bond due in May and June of 2012 as set forth in Items 1 through 4 on the First ROPS and certain administrative costs due in May and June of 2012 as set forth in Items 5 through 12 on the First ROPS and (ii) the Successor Agency's repayment of the Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on such Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 5. The Oversight Board hereby authorizes the Successor Agency to execute the proposed Loan Agreement with the City consistent with the terms of the Loan Agreement and the Loan approved by this Resolution, including without limitation the City's advance of the Loan in the amount not to exceed \$278,215 for the purpose of the Successor Agency paying certain enforceable obligations listed on the First ROPS and the Successor Agency's repayment of the Loan to the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on such Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund.

\\

\\

\\


\\

\\

SECTION 6. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

**PASSED AND ADOPTED** this 12<sup>th</sup> day of April, 2012, at a special scheduled meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency by the following vote:

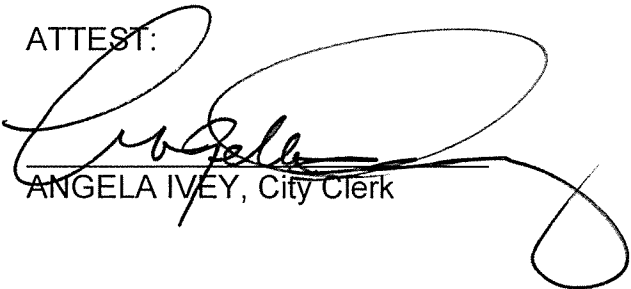
AYES: Board of Directors - Golich, Sheres, Ott, Armstrong, Coughlin,  
Deaver, Estrella  
NOES: Board of Directors - None  
ABSENT: Board of Directors - None  
ABSTAIN: Board of Directors - None

  
\_\_\_\_\_  
THOMAS GOLICH, Chair

APPROVED AS TO FORM:

  
\_\_\_\_\_  
KENDALL BERKEY, General Counsel

ATTEST:

  
\_\_\_\_\_  
ANGELA IVEY, City Clerk



## CERTIFICATION

STATE OF CALIFORNIA)  
COUNTY OF SAN DIEGO) SS.  
CITY OF SOLANA BEACH)

I, ANGELA IVEY, City Clerk of the City of Solana Beach, California, and Secretary of the Successor Agency to the Solana Beach Redevelopment Agency, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of **Resolution OBSA-005** *approving the loan agreement between the City of Solana Beach and the Successor Agency for the Solana Beach Redevelopment Agency to pay certain enforceable obligations as duly passed and adopted at a Special Meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency held on the 12<sup>th</sup> day of April 2012 and the original is on file in the City Clerk's Office.*

ANGELA IVEY, CITY CLERK & BOARD SECRETARY

Date of this Certification: 4-13-2012

