

RESOLUTION NO. 2012 – 12

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY  
TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY APPROVING  
THE SUCCESSOR AGENCY'S EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT BY  
AND BETWEEN THE SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT  
AGENCY AND THE CITY OF NATIONAL CITY REGARDING  
THE COOLIDGE AVENUE COMMUNITY CORRIDOR  
CAPITAL IMPROVEMENT PROJECT

WHEREAS, the City Council established the Redevelopment Agency of the City of National City (the "Redevelopment Agency") by Ordinance No. 1164, dated April 11, 1967; and

WHEREAS, the City Council established the Housing Authority of the City of National City (the "Housing Authority") by Ordinance No. 1484, dated October 14, 1975; and

WHEREAS, the City Council established the Community Development Commission of the City of National City (the "CDC") by Ordinance No. 1484, dated October 14, 1975, and vested the CDC with all of the powers, duties and responsibilities of both the Redevelopment Agency and the Housing Authority, among other matters, for the purpose of enabling the CDC to operate and govern the Redevelopment Agency and the Housing Authority under a single board and as a single operating entity. The Community Development Commission of the City of National City acting in its capacity as the Redevelopment Agency of the City of National City is referred to herein as the "CDC-RDA"; and

WHEREAS, pursuant to Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) signed by the California Governor on June 28, 2011 ("AB 26"), as modified by the California Supreme Court on December 29, 2011 pursuant to its decision in *California Redevelopment Association v. Matosantos*, which amended, among other statutes, the California Community Redevelopment Law (Health & Safety Code §§33000 *et seq.*) (the "CRL"), all California redevelopment agencies, including the Redevelopment Agency and the CDC-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, pursuant to AB 26, the City Council of the City adopted Resolution No. 2012-15 on January 10, 2012, electing to be the Successor Agency to the CDC-RDA. The Successor Agency is a legal entity that exists separate and independent from the City. The Successor Agency formally named itself the "Successor Agency to the Community Development Commission as the National City Redevelopment Agency"; and

WHEREAS, on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings and equipment of the Redevelopment Agency and the CDC-RDA were transferred by operation of law to the control of the Successor Agency and all authority, rights, powers, duties, and obligations previously vested in the Redevelopment Agency and the CDC-RDA were vested in the Successor Agency, for administration pursuant to Part 1.85 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", Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 is to make technical and

substantive amendments to AB 26 based on issues that have arisen in the implementation of AB 26, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies; and

WHEREAS, the Successor Agency is required to undertake several actions pursuant to Part 1.85 of AB 26 as amended by AB 1484, including, without limitation, to expeditiously wind down the business and fiscal affairs of the Redevelopment Agency and the CDC-RDA pursuant to Health and Safety Code Section 34177(h) of AB 1484; and

WHEREAS, under AB 26 as amended by AB 1484, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to Health and Safety Code Section 34188; and

WHEREAS, 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, though not exclusively, set forth in Health and Safety Code Sections 34179 through 34181 of AB 26 as amended by AB 1484; and

WHEREAS, in accordance with and pursuant to the CRL, the CDC-RDA issued its 2011 Tax Allocation Bonds in March 2011 ("Bonds"). The Bonds contain use of proceeds requirements and tax-exempt compliance matters. Specifically, the Bonds provide that one of the projects for which the proceeds of the Bonds ("Bond Proceeds") are to be expended is the Coolidge Corridor I project (referred to herein as the Coolidge Avenue Community Corridor Capital Improvement Project or "Project"). The Project will provide pedestrian and safety enhancements around Kimball Elementary School; and

WHEREAS, the City received a Federal Safe Route to Schools grant for approximately \$730,000 that requires a local match of \$200,000. The grant requires that Project close-out occur by September 30, 2014; and

WHEREAS, the Bonds provide that the Bond Proceeds are to be used for the Project and it is in the best interests of the taxing entities and the City and for the common benefit of residents, employees, business tenants and property owners within the City for the Project to be developed and constructed; and

WHEREAS, due to the expertise and experience of City staff, the Successor Agency desires for the City to provide administrative and project management services and administer and expend, on behalf of the Successor Agency, the Bond Proceeds in connection with the development and construction of the Project; and

WHEREAS, the City is agreeable to providing administrative and project management services and administering and expending, on behalf of the Successor Agency, the Bond Proceeds in connection with the development and construction of the Project; and

WHEREAS, pursuant to Health and Safety Code Section 34180(h) of AB 1484, the Successor Agency, with the prior approval of the Oversight Board, may enter into agreements with the City; and

WHEREAS, Health and Safety Code Section 34171(d)(1)(F) of AB 1484 defines an “enforceable obligation” to include contracts or agreements necessary for the administration or operation of the Successor Agency; and

WHEREAS, Health and Safety Code Section 34177(i) requires the Successor Agency to continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the CDC-RDA can be transferred to other parties; and

WHEREAS, Health and Safety Code Section 34177(i) also provides that bond proceeds shall be used for the purposes for which bonds were sold; and

WHEREAS, Health and Safety Code Section 34180(e) provides that Oversight Board approval is required for the Successor Agency to continue the acceptance of federal or state grants if that assistance is conditioned upon the provision of matching funds by the Successor Agency in an amount greater than 5 percent; and

WHEREAS, total costs for the Project are estimated to be \$2,100,000; and

WHEREAS, on August 14, 2012 the Successor Agency approved a resolution approving the Agreement, subject to the Oversight’s Board approval; and

WHEREAS, the Oversight Board desires to approve entering into an Agreement by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and the City of National City Regarding the Coolidge Avenue Community Corridor Capital Improvement Project (“Agreement”) in acknowledgement of the foregoing recitals, and to approve the City to provide administrative and project management services and administer and expend, on behalf of the Successor Agency, the Bond Proceeds in connection with the development and construction of the Project, in the amount of \$1,100,000; and

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

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Oversight Board has received and heard all oral and written objections to matters pertaining to this transaction, and all such oral and written objections are hereby overruled.
2. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct and are incorporated herein. The Oversight Board finds that the Agreement is consistent with the Successor Agency’s obligations and duties pursuant to Health and Safety Code Sections 34177(h), 34177(i) and is beneficial to the holders of enforceable obligations and the taxing entities.
3. The Oversight Board hereby approves the Agreement.
4. The Executive Director, or his/her designee, of the Successor Agency is hereby authorized and directed to execute the Agreement on behalf of the Successor Agency


and to sign all other necessary documents, on behalf of the Successor Agency, first approved in writing by the Successor Agency General Counsel and to take all other actions necessary to implement and carry out the purposes of the Agreement and this Resolution.

5. Notice of this Resolution shall be transmitted to the Department of Finance by electronic means and shall take effect at the time provided in Health and Safety Code Section 34179(h).
6. The obligations of the Successor Agency shall, if and when required by law, be included in the Successor Agency's future Recognized Obligations Payment Schedules.


PASSED and ADOPTED this 15th day of August, 2012.

  
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Ron Morrison, Chairman

ATTEST:

  
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Brad Raulston, Executive Director  
Secretary to the Oversight Board

APPROVED AS TO FORM:

  
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Oversight Board Counsel  
Michael Houston, Esq.  
Cummins & White, LLP