

RESOLUTION 15-06

A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
SUCCESSOR AGENCY TO THE FORMER  
REDEVELOPMENT AGENCY OF THE CITY OF SANTA  
CLARITA APPROVING AN AGREEMENT REGARDING  
EXCESS BOND PROCEEDS EXPENDITURES

WHEREAS, pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (“CRL”), the former Redevelopment Agency of the City of Santa Clarita (“Redevelopment Agency”) had responsibility to implement the Redevelopment Plan for the Newhall Redevelopment Project Area (“Project Area”), ORIGINALLY APPROVED BY Ordinance No. 89.27 enacted by the City Council of the City of Santa Clarita (“City”) on November 28, 1989 and subsequently amended; and

WHEREAS, the City of Santa Clarita agreed to serve as the successor agency to the Redevelopment Agency (“Successor Agency”) commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill X1 26; and

WHEREAS, the Successor Agency received a Finding of Completion on June 20, 2013; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(c) which provides that a successor agency that has been issued a finding of completion by the California Department of Finance may use proceeds of bonds issued before December 31, 2010 for the purposes for which the bonds were sold. Further, the Successor Agency may designate the use of and commit indebtedness obligation proceeds that were derived from bonds issued for redevelopment purposes on or before December 31, 2010, and that remain available after the satisfaction of enforceable obligations that have been approved on a Recognized Obligation Payment Schedule (“ROPS”) and that are consistent with the bond obligation covenants (“**Excess Bond Proceeds**”); and

WHEREAS, Health and Safety Code Section 34191.4(c) further provides that the expenditure of Excess Bond Proceeds must be listed separately on the ROPS; and

WHEREAS, on March 18, 2014, the Oversight Board approved Resolution No. 14-02, committing the amount of \$6,104,268 in Series 2008 Tax Allocation bond proceeds to the construction of the Old Town Newhall Library project (“**Project**”), notwithstanding the completion of that Project, as the Project was found to be consistent with the CRL and AB 26 and Assembly Bill 1484 (collectively with AB 26 the “**Dissolution Act**”); and

WHEREAS, the amount of \$16,603,312 of the Series 2008 Tax Allocation bond proceeds had, in March of 2011, been transferred from the Redevelopment Agency to the City for use in the Project; as of June 28, 2011, the amount of \$6,104,268 had not been contractually obligated to third parties. The City continued to utilize the bond proceeds for the Project notwithstanding

the adoption of AB 26 so as not to incur delay claims or other contractual claims arising from the Project; and

WHEREAS, on February 26, 2014 the California State Controller's Office ("SCO") made a preliminary finding that the \$6,104,268 of the bond proceeds that was uncommitted as of June 28, 2011 but that was used for the Project constituted funds available for "claw-back" under the Dissolution Act.; and

WHEREAS, on May 1, 2014, the California Department of Finance approved Oversight Board Resolution No. 14-02. In approving the resolution, the Department of Finance stated: "*In the event the SCO makes this preliminary determination final; the Agency will execute an Excess Bond Proceeds Expenditure Agreement with the City. The expenditure of these bond proceeds should then be placed on a future ROPS.*" ; and

WHEREAS, on February 24, 2015, the SCO issued a final determination that the \$6,104,268, having been uncommitted on June 28, 2011, must be returned to the Successor Agency for disposition pursuant to the Dissolution Act; and

WHEREAS, upon return of the \$6,104,268 from the City to the Successor Agency, that amount became Excess Bond Proceeds ("**Series 2008 Excess Bond Proceeds**") pursuant to Health and Safety Code Section 34191.4(c) and must be disposed of by the Successor Agency.; and

WHEREAS, based upon Oversight Board Resolution No. 14-02 and the Department of Finance's letter of May 1, 2014, the Parties are obligated to enter into this Agreement to transfer the Series 2008 Excess Bond Proceeds back to the City, at which time the City may close its financial books on the Project; and

WHEREAS, The execution of this Agreement was approved by the City Council acting in its capacity as the legislative body of the City and in its capacity as the governing board of the Successor Agency on September 8, 2015.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Santa Clarita does hereby resolve as follows:

SECTION 1. The Oversight Board hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the adoption of this Resolution.

SECTION 2. The term of this Agreement shall commence on the Effective Date, and shall continue in effect until the date that all Series 2008 Excess Bond Proceeds are expended in accordance with the requirements of this Agreement.

SECTION 3. Within 120 days of the execution of this Agreement, subject to DOF approval of the inclusion of this Agreement on the ROPS 15-16A, the Successor Agency shall transfer the remaining Series 2008 Excess Bond Proceeds to the City, and the City shall utilize

such funds to reimburse those accounts from which the City drew the amount of \$6,104,268 to pay the Successor Agency pursuant to the State Controller's Office's February 24, 2015 demand for those funds.

SECTION 4. If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

SECTION 5. The Executive Director and his designees are authorized to take such further actions as may be necessary to carry out the intent of this Resolution.

SECTION 6. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 7. The Oversight Board Meeting Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED this 15<sup>th</sup> day of September, 2015.



Kenneth W. Striplin  
Chairman

ATTEST:



Marilyn Sourgose  
Oversight Board Meeting Clerk

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) ss.  
CITY OF SANTA CLARITA)

I, Marilyn Sourgose, Oversight Board Meeting Clerk, do hereby certify that the foregoing Resolution was duly adopted by the Oversight Board of the Successor Agency to the Former Redevelopment Agency of the City of Santa Clarita at a regular meeting thereof, held on the 15<sup>th</sup> day of September 2015, by the following vote:

AYES:           COLEAL, ENGBRECHT, HERNANDEZ, STRIPLIN, SWARTZ

NOES:           NONE

ABSENT:       DORTCH, KOEGLE



Oversight Board Meeting Clerk