

RESOLUTION NO. 14-02

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF SANTA CLARITA REDEVELOPMENT AGENCY RATIFYING EXPENDITURE OF BOND PROCEEDS AND DETERMINING A PORTION AS DETERMINED BY THE STATE CONTROLLERS OFFICE AS "EXCESS BOND PROCEEDS"

WHEREAS, the Redevelopment Dissolution Law (AB1x 26, enacted June 28, 2011, as amended by AB 1484, enacted June 26, 2012) provided for creation of the Successor Agency ("Successor Agency") to the former City of Santa Clarita Redevelopment Agency ("RDA") and required the Successor Agency to expeditiously wind-down the affairs of the former RDA as directed by the oversight board created pursuant to Section 34179 of the California Health and Safety Code ("Oversight Board"); and

WHEREAS, following the successful completion of certain statutory prerequisites, the Successor Agency received a Finding of Completion from the State of California Department of Finance by letter dated June 20, 2013; and

WHEREAS, Health and Safety Code Section 34191.4(c) provides that once the finding of completion has been issued by the Department of Finance, the successor agency is authorized to use bond proceeds for the purposes for which the bonds were sold; and

WHEREAS, the Successor Agency may designate the use of and commit indebtedness obligation proceeds that were derived from indebtedness 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 indebtedness obligation covenants (hereafter, "Excess Bond Proceeds"); and

WHEREAS, pursuant to an Indenture of Trust dated as of June 1, 2008, and executed by and between the RDA and The Bank of New York Mellon Trust Company, N.A., as successor Trustee ("Indenture"), the RDA issued Tax Allocation Bonds, Series 2008, in the original principal amount of \$29,860,000 ("Bonds"); and

WHEREAS, pursuant to the Indentures the Bonds proceeds were deposited into the Project Funds and are required to be used solely in the manner provided by the California Redevelopment Law to provide financing for certain redevelopment activities within the RDA's former project area; and

WHEREAS, The "Financing Plan" section of the Indenture provides that "Proceeds from the sale of the Bonds will be used to fund certain redevelopment projects within the Newhall Redevelopment Project Area (the "Project Area");" and

WHEREAS, prior to the adoption of the Redevelopment Dissolution Law, the RDA had transferred to the City of Santa Clarita ("City") a portion of the redevelopment bond proceeds, totalling \$16,603,312, for use in completing the construction of and outfitting of a new public library in the former redevelopment project area; and

WHEREAS, the bond proceeds were used for the library project and that library is now open to the public; and

WHEREAS, on February 26, 2014, the California State Controller's Office completed the field audit of the Successor Agency finances required by Sections 34167.5 and 34178.8 of the California Health & Safety Code and made a preliminary finding that the \$6,104,268 in bond proceeds were uncommitted as of June 28, 2011 and thereafter expended on the library project constitute funds available for "clawback" under the Redevelopment Dissolution Law; and

WHEREAS, the State Controller's Office could order a "clawback" of less or more than the currently-anticipated \$6,104,268; and

WHEREAS, if the "clawback" that the State Controller's Office has preliminarily found to be necessary were to take place, it would require the City to transfer the "clawed back" amount to the Successor Agency, at which time that amount would constitute Excess Bond Proceeds; and

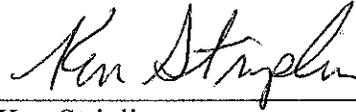
WHEREAS, the Oversight Board, having received a report on the use of the costs related to the construction and related outfitting of the public library in the former project area of the RDA can make a determination that such use is consistent with the Indenture and can approve the use as a proper use of Excess Bond Proceeds.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Oversight Board of the Successor Agency to the City of Santa Clarita Redevelopment Agency as follows:

1. Based on the foregoing recitals, the Oversight Board hereby finds that the use of the entire \$16,603,312 in bond proceeds transferred to the City by the former RDA and spent by the City on the library project in the RDA's former project area is a valid use of the bond proceeds.
2. The Oversight Board hereby finds that should the State Controller's Office determine an amount deemed to be "clawed back," this amount would constitute "Excess Bond Proceeds" for purposes of Health and Safety Code Section 34191.4(c).

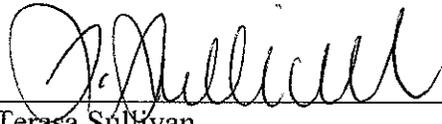
3. The Oversight Board approves and ratifies the use of the entire \$16,603,312 in bond proceeds, or such lesser portion as is "clawed back" by the State Controller's Office, as a proper use of "Excess Bond Proceeds" under the Redevelopment Dissolution Law.
4. Should the State Controller's Office issue a final finding that the an amount of non-housing bond proceeds related to the Old Town Newhall Library must be "clawed back" or otherwise returned to the Successor Agency, the Oversight Board will authorize no use of those funds except for the execution of an Agreement Regarding Expenditure of Excess Bond Proceeds between the Successor Agency and the City, which agreement shall authorize only the reimbursement of the City for library project costs for which the funds were previously expended.
5. The staff of the Successor Agency is hereby directed to advise the State Controller's Office and California Department of Finance of these determinations and to take such other and further actions as are deemed necessary to carry out the purposes and intent of this Resolution.

PASSED, APPROVED, AND ADOPTED this 18th day of March 2014.



Ken Striplin
Chairman

ATTEST:



Terasa Sullivan
Oversight Board Meeting Clerk

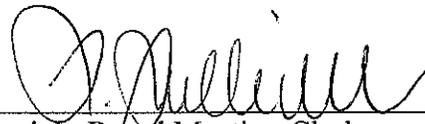
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SANTA CLARITA)

I, Terasa Sullivan, 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 18th day of March 2014, by the following vote:

AYES: CHALLINOR, COLEAL, DORTCH, HERNANDEZ, KOEGLE, STRIPLIN, SWARTZ

NOES: NONE

ABSENT: NONE



Oversight Board Meeting Clerk