RESOLUTION NO. OB 2014-003

RESOLUTION OF THE OVERSIGHT BOARD FOR SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO AUTHORIZING A MASTER AGREEMENT BETWEEN THE CITY OF ATASCADERO AND THE SUCCESSOR AGENCY OF ATASCADERO TO TRANSFER EXCESS LEASE REVENUE BOND PROCEEDS TO THE CITY FOR BOND-ELIGIBLE PURPOSES

WHEREAS, the Successor Agency is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and the successor for the former Community Redevelopment Agency of the City of Atascadero (former Agency) that was previously a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Section 33000, et seq. (“CRL”); and

WHEREAS, the City of Atascadero (City) is a municipal corporation organized and operating under the laws of the State of California; and

WHEREAS, the Successor Agency received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance by letter dated March 8, 2013; and

WHEREAS, Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for any purposes for which the bonds were sold; and

WHEREAS, the Successor Agency has “excess” bond proceeds, i.e., pre-2011 lease revenue bond proceeds that are not otherwise obligated for a project and are restricted to bond-eligible uses; and

WHEREAS, the Successor Agency wishes to use such proceeds for redevelopment purposes consistent with bond covenants; and

WHEREAS, Community Redevelopment Law (Health and Safety Code Section 33000, et seq.) provides for a cooperative relationship between redevelopment agencies, and their successor agencies, and cities; and

WHEREAS, Community Redevelopment Law (Health and Safety Code Section 33220(e)) authorizes a local public agency to enter into an agreement with a redevelopment agency, and its successor agency, to further redevelopment purposes; and
WHEREAS, Health and Safety Code Sections 34180(h) and 34178(a) authorize a successor agency to enter into new agreements with its sponsoring city with the approval of the oversight board, and

WHEREAS, the Successor Agency desires to commit to fund the City to undertake redevelopment activities in support of projects and programs eligible for redevelopment funding, which were not previously funded and obligated by the Successor Agency or the City, using excess lease revenue bond proceeds in a manner consistent with the original bond covenants; and

WHEREAS, the City and the Successor Agency governing boards have authorized entering into a Master Agreement to govern the transfer to, and the use of, such funding by the City for the costs of those projects and programs from current and future excess lease revenue bond proceeds; and

WHEREAS, the transfer of excess bond proceeds to the City under the Master Agreement will benefit the taxing entities by facilitating the efficient use of such funds to support projects and programs that will enhance property values and increase tax revenues to the taxing entities; and

WHEREAS, the transfer of excess bond proceeds to the City under the Master Agreement will help fulfill the intent of the dissolution laws to expeditiously wind-down the affairs of the former Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34177(l), as amended, requires a successor agency to prepare a Recognized Obligation Payment Schedule ("ROPS") listing the former agency's recognized enforceable obligations, payment sources, and related information for each six month fiscal period; and

WHEREAS, Health and Safety Code Section 34191.4(c)(2)(A) requires that excess bond obligations be listed separately on a successor agency's ROPS; and

WHEREAS, the Successor Agency will list the Master Agreement on future ROPS as an obligation against excess lease revenue bond proceeds;

NOW, THEREFORE, BE IT RESOLVED, by the Oversight Board of the Successor Agency of the Community Redevelopment Agency of Atascadero:

Section 1. The Oversight Board hereby finds and determines that the transfer to, and use of excess bond proceeds by the City for expenditures consistent with the applicable bond covenants will benefit the affected taxing entities by promoting the efficient use of such funds and thereby will result in community benefits and increased tax revenues to the taxing entities, based on the reasons and analysis set forth above and in the staff report accompanying this Resolution. The Oversight Board hereby further finds and determines the transfer of excess bond proceeds to the City will help fulfill the intent of the dissolution laws to expeditiously wind-down the affairs of the former Redevelopment Agency.
Section 2. The Oversight Board hereby approves the Successor Agency’s execution and performance under a Master Agreement between the Successor Agency and the City of Atascadero that would (1) transfer current and future lease revenue bond proceeds to the City to fund redevelopment projects and programs not previously funded and obligated by the Successor Agency or the City, and (2) require that such funds be used by the City consistent with the applicable bond covenants in furtherance of the purposes of redevelopment under the California Community Redevelopment Law. The Oversight Board finds that the Master Agreement and the obligations of the Successor Agency thereunder will constitute the creation of excess bond proceeds obligations under Health and Safety Code Section 34191.4(c)(2)(A).

Section 3. The Oversight Board directs the Successor Agency to include the Master Agreement and the transfer of excess lease revenue bond proceeds thereunder on ROPS 14-15B and on future ROPS as applicable. The effectiveness of the Master Agreement and transfers thereunder shall be contingent on the inclusion of the Master Agreement as an excess bond proceeds obligation on an approved ROPS.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Community Redevelopment Agency of Atascadero on the 21st day of August, 2014 by the following vote:

AYES: Board Members Arnold, Jarvis, Rickard, Sommer and Chairperson Fonzi

NOES: None

ABSENT: Board Members Clemens and Weathers

ADOPTED: August 21, 2014

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO

By: [Signature]
Roberta Fonzi, Board Chairperson

ATTEST:

[Signature]
Marcia McClure Torgerson, C.M.C., Board Secretary