

RESOLUTION NO. OB 2013-06

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY CONFIRMING THAT THE PUBLIC WORKS AGREEMENT BETWEEN THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY AND THE CITY OF MORENO VALLEY WAS FOR A LOAN IN THE AMOUNT OF \$9,100,000 AND FOR LEGITIMATE REDEVELOPMENT PURPOSES AND FURTHER AUTHORIZING THE SUCCESSOR AGENCY TO RE-ESTABLISH SAID AGREEMENT AS AN AGREEMENT BETWEEN THE CITY AND THE SUCCESSOR AGENCY AND AUTHORIZE CERTAIN ADDITIONAL AGREEMENTS IN COMPLIANCE WITH THE DISSOLUTION ACT

WHEREAS, the Community Redevelopment Agency of the City of Moreno Valley ("Redevelopment Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health & Safety Code Section 33000, et seq. ("CRL"), and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Moreno Valley ("City"); and

WHEREAS, Assembly Bill ABx1 26 (Chapter 5, Statutes of 2011) added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies ("Dissolution Act"); and

WHEREAS, on December 29, 2011, in connection with *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012 under the dates in the Dissolution Act that were reformed and extended thereby; and

WHEREAS, as of and on and after February 1, 2012, the City serves and acts as the successor agency to the Redevelopment Agency (in such capacity, the "Successor Agency") and will perform its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the former Redevelopment Agency and otherwise unwind the former Redevelopment Agency's affairs, all subject to the review and approval by an oversight board established pursuant to Health & Safety Code Section 34179 ("Oversight Board"); and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

WHEREAS, upon issuance of a Finding of Completion by the California Department of Finance ("DOF") pursuant to Health & Safety Code Section 34179.7, notwithstanding Section 34171(d), upon application by the Successor Agency and approval by the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City, which activated the former Redevelopment Agency, shall be deemed enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes and a finding that the loan agreements are enforceable obligations; and

WHEREAS, the Oversight Board has reviewed the documentation and testimony concerning that certain agreement described in the accompanying staff report as the "Existing Repayment Agreement" (as set forth at Exhibit "A" hereto) between the former Redevelopment Agency and the City and hereby finds and determines that the Existing Repayment Agreement, was in the nature of a loan, with the Redevelopment Agency having become obligated to make repayments to the City based upon the cost of certain improvements, was legally binding, was made for legitimate redevelopment purposes within the meaning of Health & Safety Code Section 34191.4 and constitutes enforceable obligations and shall be recognized as re-entered into as between the Successor Agency and the City; and

WHEREAS, the Oversight Board further authorizes the Successor Agency to re-establish said Existing Repayment Agreement upon DOF's issuance of a Finding of Completion to the Successor Agency and to re-establish said agreements subject to and in compliance with Health & Safety Code section 34191.4, and with repayment schedules as set forth in Exhibit "B" hereto, as deemed restated to replace the Redevelopment Agency with the Successor Agency (as creditor/payee) on a going forward basis; and

WHEREAS, Health & Safety Code Section 34173(h) provides that "The city... that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion, but the receipt and use of these funds shall be reflected on the Recognized Obligation Payment Schedule or the administrative budget and therefore are subject to the oversight and approval of the oversight board. An enforceable obligation shall be deemed to be created for the repayment of those loans.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY AS FOLLOWS:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. Pursuant to the Dissolution Act, the Oversight Board finds and determines that: (i) the Existing Repayment Agreement was made of for legitimate

redevelopment purposes within the meaning of Health & Safety Code Section 34191.4 and; (ii) the Existing Repayment Agreement in the amount of \$9.1 million constitutes enforceable obligations.; and (iii) the loan repayments, to the extent governed by Section 34191.4 and not Section 34178, are reasonable and conform to Section 34191.4.

SECTION 3. The Oversight Board authorizes the Successor Agency to re-establish said Existing Repayment Agreement, including without limitation as to the Existing Repayment Agreement the provisions (as set forth Exhibit "A" hereto), and to re-establish said agreement in compliance with Exhibit "B" hereto and subject to and in conformance with Health & Safety Code section 34191.4, and authorizes and approves their inclusion on recognized obligation payment schedules.

SECTION 4. This Resolution shall be effective after this Resolution is transmitted to DOF, and after the expiration of five (5) business days pending a request for review by DOF within the time periods set forth in the Dissolution Act.

SECTION 5. The Oversight Board instructs the Successor Agency to have its Executive Director to include each of the Existing Repayment Agreement in the Recognized Obligation Payment Schedules as shall from time to time be prepared by the Successor Agency.

SECTION 6. The Oversight Board, through its secretary, shall maintain on file as a public record this Resolution.

**PASSED, APPROVED, AND ADOPTED** at a special meeting of the Oversight Board of Successor Agency to Community Redevelopment Agency of the City of Moreno Valley, held on this the 25<sup>th</sup> day of September, 2013.



Chairperson  
Oversight Board of Successor  
Agency to Community  
Redevelopment Agency of the  
City of Moreno Valley

**ATTEST:**



Oversight Board Secretary

**RESOLUTION JURAT**

STATE OF CALIFORNIA     )  
COUNTY OF RIVERSIDE     ) ss.  
CITY OF MORENO VALLEY )

I, Kathi Pierce, Secretary of the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, California, do hereby certify that Resolution No. OB 2013-06 was duly and regularly adopted by the Board Members of the Successor Agency Oversight Board at a regular meeting thereof held on the 25th day of September, 2013 by the following vote:

- AYES:           Chairman Moss, Vice Chair Carlson, Board Members Dada, Ansari, Kakish, Slawson, Strickler
  
- NOES:           None
  
- ABSENT:       None
  
- ABSTAIN:      None

  
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SECRETARY