

RESOLUTION NO. OB 2017-03

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LA MESA COMMUNITY REDEVELOPMENT AGENCY APPROVING PAYMENTS OF DEFERRED HOUSING SET-ASIDE FUNDS OWED TO THE FORMER LA MESA COMMUNITY REDEVELOPMENT AGENCY'S LOW AND MODERATE INCOME HOUSING FUND AS AN ENFORCEABLE OBLIGATION, APPROVING THE REPAYMENT SCHEDULE FOR FISCAL YEAR 2018-2019, AND APPROVING RELATED ACTIONS

WHEREAS, the La Mesa Community Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of La Mesa ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("RedevelopmentLaw");

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1<sup>51</sup> Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code;

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies;

WHEREAS, the City Council of the City adopted Resolution No. 2012-005 on January 10, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency on February 1, 2012 under AB 26 ("Successor Agency"), and electing for the City to retain the responsibility for performing housing functions of the Redevelopment Agency upon the dissolution of the Redevelopment Agency on February 1, 2012 under AB 26 ("Successor Housing Entity");

WHEREAS, on February 1, 2012, the Redevelopment Agency was dissolved by operation of law and the Successor Agency and Successor Housing Entity were established pursuant to AB 26;

WHEREAS, AB 26 has since been amended by various assembly and senate bills enacted and signed by the Governor. AB 26 as amended is hereinafter referred to

as the "Dissolution Law";

WHEREAS, H&S Code Section 34179 of the Dissolution Law establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." 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 H&S Code Section 34179 of the Dissolution Law. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of the Dissolution Law;

WHEREAS, on July 16, 2013, the California Department of Finance ("Department of Finance") issued the Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Law;

WHEREAS, H&S Code Sections 34171(d)(1)(G) and 34176(e)(6) of the Dissolution Law provide for the Successor Agency's payment of funds that were deferred and owing to the Redevelopment Agency's Low and Moderate Income Housing Fund ("RDA Housing Fund") as of the effective date of Part 1.85 of the Dissolution Law and for the deposit of such funds into the Successor Housing Entity's Low and Moderate Income Housing Asset Fund ("Housing Asset Fund") established pursuant to H&S Code Section 34176(d) of the Dissolution Law for use in a manner consistent with the affordable housing requirements of the Redevelopment Law and the Dissolution Law;

WHEREAS, commencing in fiscal year 1985-1986 and continuing through fiscal year 2010-2011, and prior to dissolution and the effective date of Part 1.85 of the Dissolution Law, the Redevelopment Agency had deferred the deposit of tax increment funds totaling Three Million One Hundred Forty Eight Thousand Three Hundred Eighty One Dollars and Zero Cents (\$3,148,381.00) ("Deferrals") into the RDA Housing Fund as housing set-aside funds, pursuant to the authority provided in the Redevelopment Law;

WHEREAS, pursuant to H&S Code Section 34171(d)(1)(G) of the Dissolution Law, the Oversight Board must approve the repayment schedule for payment by the Successor Agency of the Deferrals to the Successor Housing Entity's Housing Asset Fund;

WHEREAS, pursuant to H&S Code Section 34176(e)(6)(B) of the Dissolution Law, beginning in fiscal year 2013-2014, the maximum payment of the Deferrals authorized each fiscal year pursuant to Section 34176(e)(6)(B) and together with any repayments of loans under H&S Code Section 34191.4(b) of the Dissolution Law shall be equal to one-half of the increase between the amount of funds distributed to taxing entities pursuant to H&S Code Section 34183(a)(4) of the Dissolution Law in that fiscal year and the amount of funds distributed to taxing entities pursuant to H&S Code Section 34183(a)(4) in the 2012-2013 base fiscal year, and payment of such Deferrals

take priority over loan amounts to be repaid pursuant to H&S Code Section 34191.4(b);

WHEREAS, based on the payment calculations set forth in H&S Code Section 34176(e)(6)(B) of the Dissolution Law and pursuant to the requirements of H&S Code Section 34171(d)(1)(G) of the Dissolution Law, the Successor Agency staff prepared an estimate of the payments of the Deferrals in the upcoming fiscal year 2018-2019 as set forth in the Repayment Schedule. The Repayment Schedule is attached hereto as Attachment No. 1 and incorporated herein by this reference;

WHEREAS, at the Successor Agency meeting conducted on November 28, 2017, the Board of Directors of the Successor Agency approved a Resolution approving payments of deferred housing set-aside funds owed to the former La Mesa Community Redevelopment Agency's Low and Moderate Income Housing Fund as an enforceable obligation, approving the Repayment Schedule for fiscal year 2018-2019, and approving related actions;

WHEREAS, upon approval of the payment of Deferrals and the Repayment Schedule for the upcoming fiscal year 2018-2019 by the Oversight Board and the Department of Finance (if review is requested by the Department of Finance), the Successor Agency will seek payment of the Deferrals on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"), beginning with the ROPS 18-19, for payment with funds from the Redevelopment Property Tax Trust Fund ("RPTTF") in accordance with the maximum amounts allowed under H&S Code Section 34176(e)(6)(B) of the Dissolution Law; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency does hereby resolve as follows:

Section 1. The Oversight Board determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board approves the payment of the Deferrals totaling Three Million One Hundred Forty Eight Thousand Three Hundred Eighty One Dollars and Zero Cents (\$3,148,381.00) as an enforceable obligation and authorizes the inclusion of the Deferrals on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"), beginning with the ROPS 18-19, for payment with funds from the Redevelopment Property Tax Trust Fund ("RPTTF") in accordance with the maximum amounts allowed under the Dissolution Law including H&S Code Section 34176(e)(6)(8):

Section 3. The Oversight Board approves the Repayment Schedule attached to this Resolution as Attachment No. 1 for the first payment of Deferrals to be requested on the ROPS 18-19 for payment in the upcoming fiscal year 2018-2019 in the estimated

amount of Five Hundred Forty One Thousand Two Hundred Twenty One Dollars and Zero Cents (\$541,221.00), subject to the final maximum payment amount allowed under H&S Code Section 34176(e)(6)(B) of the Dissolution Law, with the remaining balance of the Deferrals to be paid on successive ROPS in the maximum payment amounts allowed under the Dissolution Law and consistent and in accordance with the Dissolution Law including H&S Code Section 34176(e)(6)(B) until the Deferrals are paid in full, subject to other applicable terms and conditions set forth in H&S Code Sections 34171(d)(1)(G) and 34176(e)(6)(B) of the Dissolution Law, including the requirement for deposit of such Deferrals into the Successor Housing Entity's Housing Asset Fund.

Section 4. The Oversight Board authorizes and directs the Executive Director, or designee, of the Successor Agency to (i) include the payment of the Deferrals on the ROPS 18-19 and on successive ROPS until paid in full consistent and in accordance with the Dissolution Law including H&S Code Section 34176(e)(6)(B), and comply with all other applicable payment terms and conditions set forth in H&S Code Sections 34171(d)(1)(G) and 34176(e)(6)(B) of the Dissolution Law; (ii) provide such notifications as required by the Dissolution Law; and (iii) take such other actions and execute such other documents as are necessary or desirable to effectuate the intent of this Resolution on behalf of the Oversight Board.

Section 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. This Resolution shall take effect immediately upon its adoption and is subject to review by the Department of Finance in accordance with H&S Code Section 34179(h) of the Dissolution Law.

PASSED AND ADOPTED at a meeting of the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency held on the 7th day of December 2017, by the following vote, to wit:

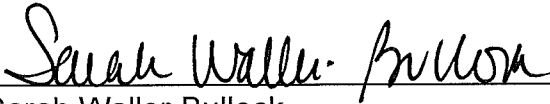
AYES: Adams, Ayres, Patterson, Rearic, Fazio, South, Gonzales

NOES: None

ABSENT: None

CERTIFICATE OF SECRETARY

I, SARAH WALLER-BULLOCK, Secretary of the Successor Agency to the La Mesa Community Redevelopment Agency, do hereby certify the foregoing to be a true and exact copy of Resolution No. OB 2017-03, duly passed and adopted by the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency on the date and by the vote therein recited.



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Sarah Waller-Bullock  
Secretary  
Oversight Board of the Successor Agency to the  
La Mesa Community Redevelopment Agency

12.7.2017

Date

ATTACHMENT NO. 1  
DEFERRED HOUSING SET-ASIDE  
REPAYMENT SCHEDULE

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## Deferred Housing Set-Aside Repayment Schedule

### Deferred Housing Set Aside Payment - FY 2018-2019

**Base Year Excess Revenue 2012-2013**

San Diego Auditor/Controller Distribution (Excess Revenue)	July - December 2012	\$	494,318
San Diego Auditor/Controller Distribution (Excess Revenue)	January - June 2013		1,589,655
<b>Total 2012-13 Distributions</b>		<b>\$</b>	<b>2,083,973</b>

**Fiscal Year Excess Revenue 2017-2018**

San Diego Auditor/Controller Distribution (Excess Revenue)	July - December 2017	\$	1,614,957
San Diego Auditor/Controller Distribution (Excess Revenue)	January - June 2018 (based on 9/29/17 CAC Estimate)		1,551,459
<b>Total 2012-13 Distributions</b>		<b>\$</b>	<b>3,166,416</b>

**Increase from 2012-13 Distribution and 2017-18 Distribution** \$ 1,082,443

**Allowable payment for Deferred Housing Set-Aside** \$ 541,221

Pursuant to Section 34176(e)(6)(B) the repayment amounts for each fiscal year **will** be equal to the maximum amount allowed under the section.