OVERSIGHT BOARD

OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE

COUNTY OF LOS ANGELES, CALIFORNIA

RESOLUTION NO. OB 2015-001

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING A REPAYMENT SCHEDULE FOR LOANS FROM THE FORMER REDEVELOPMENT AGENCY'S LOW AND MODERATE INCOME HOUSING FUND

WHEREAS, the Community Redevelopment Agency of the City of Palmdale ("Redevelopment Agency") was a redevelopment agency in the City of Palmdale ("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) ("Redevelopment Law"); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st 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; and

PROPOSED

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; and

WHEREAS, the City Council adopted Resolution No. CC 2012-002 on January 4, 2012, electing to serve as the successor agency to the Community Redevelopment Agency of the City of Palmdale ("Successor Agency") upon the dissolution of the Redevelopment Agency; and

WHEREAS, the City Council of the City of Palmdale adopted Resolution No. CC 2012-003 on January 4, 2012, designating the Housing Authority of the City of Palmdale (the "Authority") as the entity responsible for performing the housing functions previously performed by the Redevelopment Agency and authorizing the transfer to the Authority of the Redevelopment Agency's housing assets and functions; and

WHEREAS, the Authority adopted Resolution No. HA 2012-001 on January 4, 2012, accepting the designation as the entity that will perform the housing functions previously performed by the Redevelopment Agency and accepting the transfer of housing assets and functions; and

WHEREAS, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). AB 26 and AB 1484, as further amended, are collectively referred to herein as the "Dissolution Act"; and

WHEREAS, Section 34171(d)(1)(G) of the Dissolution Act provides for the repayment, and deposit into the Low and Moderate Income Housing Asset Fund of the Authority, of funds that had been borrowed from the Redevelopment Agency's Low and Moderate Income Housing Fund to make Educational Revenue Augmentation Fund ("ERAF") and Supplemental Educational Revenue Augmentation Fund ("SERAF") payments; and

WHEREAS, the Redevelopment Agency had borrowed money from its Low and Moderate Income Housing Fund for purposes of making ERAF and SERAF payments ("Loans"); and

WHEREAS, the Loans were included in the Housing Asset Transfer Form that was prepared by the Authority and submitted on August 1, 2012 to the California Department of Finance ("DOF") as required by Section 34176(a)(2) of the Dissolution Act and on October 5, 2012, DOF notified the Authority that it did not object to the transfer of the Loans to the Authority; and

PROPOSED

WHEREAS, Section 34171(d)(1)(G) of the Dissolution Act requires the Oversight Board to approve the repayment schedule for the Loans; and

WHEREAS, Section 34176(e)(6) of the Dissolution Act sets forth the formula for determining the maximum amount of annual payments on the Loans; and

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS by the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale that:

Section 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Oversight Board hereby approves the repayment schedule for the Loans that is attached to this Resolution as Attachment 1.

Section 3. The Oversight Board hereby authorizes the Successor Agency to place on each Recognized Obligation Payment Schedule ("ROPS") the maximum payment on the Loans that is permitted for that ROPS period by the Dissolution Act.

Section 4. The adoption of this Resolution is not intended to and shall not constitute a waiver of any constitutional, legal or equitable rights that the Successor Agency or Oversight Board may have to challenge, through any administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of the Dissolution Act, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of the Dissolution Act, and any and all related legal and factual issues, and the Successor Agency, Oversight Board, and Authority expressly reserve any and all rights, privileges, and defenses available under law and equity.

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 its Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. The Oversight Board directs the Successor Agency to provide a copy of this Resolution to DOF pursuant to Section 34179(h) of the Dissolution Act, which provides that the Oversight Board's action will become effective within five (5) business days after notice is given in the manner specified by DOF unless DOF requests a review, in which case the Resolution will become effective upon DOF approval.

Section 7. The Board Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 25th day of February, 2015, by the following vote:

AYES:_____

NOES:_____

ABSTAIN:_____ ABSENT:_____

PROPOSED

_____
David Childs
Chair

ATTEST:

_____
Rebecca J. Smith
Board Clerk

ATTACHMENT 1

REPAYMENT SCHEDULE FOR LOANS OF EDUCATIONAL REVENUE AUGMENTATION FUND (ERAF) AND SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND (SERAF) PAYMENTS

ERAF/SERAF LOAN PAYMENT - FY 2015-16

Base Year Residual RPTTF Distribution 2012-13	
Residual RPTTF Distribution July - December 2012	$ 0
Residual RPTTF Distribution January - June 2013	0
Total 2012-13 Residual RPTTF Distributions	$ 0
Fiscal Year Residual RPTTF Distribution 2014-15	
Residual RPTTF Distribution July - December 2014	$2,633,675
Residual RPTTF Distribution January - June 2015	0
Total 2014-15 Residual RPTTF Distributions	**$2,633,675**
Increase from 2012-13 Distribution and 2014-15 Distribution	**$2,633,675**
Allowable ERAF/SERAF Payment	**$1,316,838**
(One-half of Increase from 2012-13 to 2014-15)	

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