OVERSIGHT BOARD

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

COUNTY OF LOS ANGELES, CALIFORNIA

RESOLUTION NO. OB 2015-004

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING AN AMENDMENT TO ROPS 14-15B FUNDING

WHEREAS, pursuant to Section 34177(l) of the California Health & Safety Code, the Successor Agency prepared a Recognized Obligation Payment Schedule for the six-month period January to June 2015 ("ROPS 14-15B"); and

WHEREAS such schedule identified funding sources and amounts for each recognized obligation, including bonded indebtedness payable from the former Community Redevelopment Agency of the City of Palmdale's Merged Project Area, including its (1) repayment obligation pursuant to a Repayment Agreement relating to the Palmdale Civic Authority's 1997 Revenue Bonds, Series A (Civic Center Refinancing), (2) 1998 Tax Allocation Refunding Bonds (Merged Redevelopment Project Areas), (3) 1999 Subordinate Lien Tax Allocation Bonds (Merged Redevelopment Project Areas), (4) 2002 Subordinate Lien Tax Allocation Bonds (Merged Redevelopment Project Areas), (5) 2004 Tax Allocation Refunding Bonds, Series A (Merged Redevelopment Project Areas) and (6) 2004 Subordinate Lien Tax Allocation Bonds (Merged Redevelopment Project Areas) (collectively, the "Merged Project Bonds"); and

WHEREAS, the Merged Project Area consists of the former Community Redevelopment Agency of the City of Palmdale's Project Area No. 2, Project Area No. 3 and Project Area No. 4; and

WHEREAS, the Merged Project Bonds are payable from a first lien on the net tax increment derived from the Merged Project Area ("Merged Project Revenues"); and

WHEREAS, on the ROPS 14-15B, the Successor Agency requested a total of $1,040,375 of funding from the Redevelopment Property Tax Trust Fund ("RPTTF") for debt service on the Merged Project Bonds due during ROPS 14-15B and an additional $3,210,715 from the RPTTF for reserves for debt service on the Merged Project Bonds due during the next funding period ("ROPS 15-16A"); and

WHEREAS, the request for reserves for the Merged Project Bonds included in ROPS 14-15B was based on August 2014 estimates of available Merged Project Revenues; and

WHEREAS, the actual net tax increment from the Merged Project Area deposited in the Redevelopment Property Tax Trust Fund on January 2, 2015 was $3,907,815, which is $343,275 less than the combined request for Merged Project Bonds of $4,251,090; and

WHEREAS, the Successor Agency must use the net tax increment generated from the former Community Redevelopment Agency of the City of Palmdale's Project No. 1 ("Project 1 Revenues") deposited in the RPTTF to pay for obligations that have a first lien on Project 1 Revenues;

WHEREAS, any Project 1 Revenues in excess of Project 1 obligations are not required under the indentures for the Merged Project Bonds to fund Merged Project Area reserves for debt service payable in the future ROPS 15-16A;

WHEREAS, the Successor Agency is required to make a change to certain funding sources on the ROPS 14-15B as originally shown in the schedule as a result of the actual Merged Project Revenues received;

WHEREAS, Section 34177(a)(4) of the California Health & Safety Code provides a mechanism for changing the funding source for a recognized obligation;

WHEREAS, the Successor Agency has requested the Oversight Board authorize the reduction in the amount for reserves to be set aside for the payment of the Merged Project Bonds due during the ROPS 15-16A period, and reduce the amount of Redevelopment Property Tax Trust Fund (RPTTF) moneys required for non-administrative enforceable obligations in the period January to June 2015 by the amount of the reduction in reserves;

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. For ROPS 14-15B, the funding sources for reserves for the debt service payments on for the Successor Agency's Merged Project Bonds shall be RPTTF, and the amounts shall be modified as follows:

ROPS Line	Bond Issue	Type	Original Approved Amount	Revised Amount
18	1997 Agreement	Reserve for 7/1/15 Debt Service	$ 930,340	$ 930,340
20	1998 Tax Allocation Bonds	Reserve for 9/1/15 Debt Service	1,335,000	1,335,000
22	1999 Subordinate Tax Allocation Bonds	Reserve for 12/1/15 Debt Service	-	-
24	2002 Subordinate Tax Allocation Bonds	Reserve for 12/1/15 Debt Service	75,000	-
26	2004 Series A Tax Allocation Bonds	Reserve for 9/1/15 Debt Service	745,375	602,100
28	2004 Subordinate Tax Allocation Bonds	Reserve for 12/1/15 Debt Service	125,000	-
			$3,210,715	$2,867,440

Section 3. The non-administrative enforceable obligations for ROPS 14-15B will be reduced in total by $343,275 (from $7,625,248 to $7,281,973) as a result, and the RPTTF received on January 2, 2015 of $7,475,775 will be sufficient, after taking into account the Prior Period Adjustment of $41,074 to pay all non-administrative enforceable obligations as well as administrative enforceable obligations listed on ROPS 14-15B and authorized to be paid from RPTTF.

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: Childs, Scott, McElroy, and Walker

NOES: None

ABSTAIN: None

ABSENT: Knudson, Blalock

David Childs
Chair

ATTEST:

Rebecca J. Smith
Board Clerk