

RESOLUTION NO. 2013-43

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE YUCAIPA REDEVELOPMENT AGENCY APPROVING THE EXECUTION OF A BOND PROCEEDS FUNDING AGREEMENT BETWEEN THE CITY OF YUCAIPA AND THE SUCCESSOR AGENCY TO THE YUCAIPA REDEVELOPMENT AGENCY FOR REIMBURSEMENT OF CITY COSTS INCURRED IN COMPLETING THE UPTOWN STREETScape PROJECT AND TAKING CERTAIN ACTIONS

RECITALS:

A. On November 16, 2010, the former Yucaipa Redevelopment Agency (the "Former Agency") issued its Yucaipa Redevelopment Project Area, 2010 Tax Allocation Bonds (the "2010 Bonds"), in the principal amount of \$6,030,000, pursuant to an Indenture and Supplemental Indentures, dated as of November 10, 2010 (the "Indenture"), by and between the Former Agency and Union Bank, N.A., as trustee.

B. One of the purposes for which the 2010 Bonds were issued was to finance public improvements for the benefit of the Yucaipa Redevelopment Project Area. Agency Public Improvements included the Uptown Streetscape Project along Yucaipa Boulevard between 2nd Street and Bryant Street (the "Project"). The Project plans were developed and approved over the course of a number of meetings in 2010 and 2011, with the main construction contract approved on March 7, 2011.

C. Pursuant to AB X1 26 (which became effective at the end of June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), the Former Agency was dissolved as of February 1, 2012, and the Successor Agency was constituted.

D. AB 1484, which became effective at the end of June 2012, amended and supplemented the provisions of AB X1 26. Together, AB X1 26 and AB 1484 are referred to herein as the "Dissolution Act."

E. Pursuant to Section 34175(b) of the California Health and Safety Code ("HSC"), all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Agency, including the unspent proceeds of the 2010 Bonds (the "2010 Bond Proceeds"), transferred to the control of the Successor Agency by operation of law.

F. Pursuant to the Dissolution Act, the Successor Agency is not permitted to use the 2010 Bond Proceeds for the Project until certain conditions precedent have been satisfied, including the receipt by the Successor Agency of a finding of completion (the "Finding of Completion") issued by the California State Department of Finance (the "DOF") pursuant to HSC Section 34179.7.

G. By its letter, dated May 7, 2013, the DOF informed the Successor Agency that the DOF has issued a Finding of Completion to the Successor Agency.

H. Pursuant to HSC Sections 34191.1 and 34191.4(c), after the receipt of the Finding of Completion, the Successor Agency shall use the 2010 Bond Proceeds for the purposes for which the 2010 Bonds were sold, in a manner consistent with the original bond covenants.

I. The Successor Agency desires to proceed with the use of the 2010 Bond Proceeds for the purposes for which the 2010 Bonds were sold, including the payment for the Project completion costs.

J. Pursuant to HSC Section 34177(l), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period ("ROPS Period"). The ROPS must be submitted to the Oversight Board of the Successor Agency and the DOF for approval.

K. Pursuant to HSC Section 34191.4(c)(2), the expenditure of 2010 Bond Proceeds for an obligation must be listed on a ROPS.

L. The Successor Agency previously submitted an Oversight Board approved ROPS 13-14A (*i.e.*, the ROPS covering the period from July 1, 2013 through December 31, 2013 (the "ROPS 13-14A Period")) to the DOF.

M. By its letter dated May 17, 2013, the DOF approved the expenditure of Bond Proceeds, in the amount of \$1,239,364.00 for the Project, covering Item No. 39 on the Successor Agency's ROPS 13-14A ("Reimburse General Fund for advanced expenditures in FY 2011/12 & FY2012/13").

N. Because the Project had already commenced before the disruption caused by the dissolution of the Former Agency and 2010 Bond Proceeds could not be used for payments already incurred for the Project during the period from June 2011 through June 2013, the City has advanced City funds, in the amount of \$1,239,364.00 for the Project during this period (the "Prior City Advance").

O. This Agreement provides for the transfer of a portion of the 2010 Bond Proceeds to the City as reimbursement for the Prior City Advance that was required to complete the Project.

P. On June 24, 2013, the City Council of the City of Yucaipa and the Successor Agency to the Yucaipa Redevelopment Agency adopted Resolution No. 2013-33 and Resolution No. 2013-35, respectively, approving the Bond Proceeds Funding Agreement.

NOW, THEREFORE, the Board of Directors for the Successor Agency to the Yucaipa Redevelopment Agency hereby finds, determines, resolves, and orders as follows:

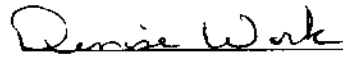
Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Funding Agreement, in the form attached hereto as Exhibit A, is hereby approved. Each of the Chair, Vice Chair, and the Finance Officer of the Successor Agency (each, an "Authorized Officer"), acting singly, is hereby authorized to execute and deliver, for and in the name of the Successor Agency, the Funding Agreement, in substantially such form, with changes therein as the Authorized Officer executing the Funding Agreement may approve (such approval to be conclusively evidenced by the Authorized Officer's execution and delivery thereof).

Section 3. The Board of Directors hereby requests the Department of Finance to approve the execution and delivery by the Successor Agency of the Funding Agreement.

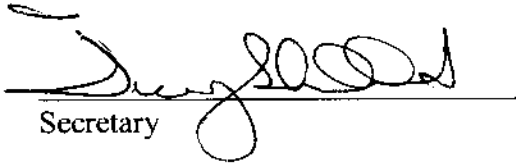
Section 4. The Authorized Officers and all other officers of the Successor Agency are hereby authorized, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Funding Agreement.

PASSED, APPROVED, AND ADOPTED this 23rd day of July, 2013.



Denise Work,
Chairperson

ATTEST:


Secretary