**REMEMINDER**
As a courtesy to those in attendance, please silence your cell phones and pagers

MEETING ASSISTANCE NOTICE - AMERICANS WITH DISABILITIES ACT
In accordance with the Americans with Disabilities Act the following services are available to members of our community who require special assistance to participate in Oversight Committee meetings. If you require special assistance, 48-hour prior notification will enable the city to make reasonable arrangements. To make arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas, please contact the Oversight Board Secretary’s Office at (714) 536-5227.

OVERSIGHT COMMITTEE AGENDA
The Oversight Committee agenda and supporting documentation is made available for public review during normal business hours in the Office of the Oversight Board Secretary, 2000 Main Street immediately following distribution of the agenda packet to a majority of the Board Members. Questions on agenda items may be directed to the Oversight Board Secretary’s Office at (714) 536-5227. The agenda packet is posted on the city’s website at http://www.huntingtonbeachca.gov/Government/agendas/.

AUDIO ACCESS TO OVERSIGHT COMMITTEE MEETINGS
Oversight Committee meeting audio recordings are archived at http://www.huntingtonbeachca.gov/Government/agendas/.

SUPPLEMENTAL COMMUNICATION
Staff and members of the public have the opportunity to submit information related to an agenda item following distribution of the agenda packet to the Board Members. This information is identified as “Supplemental Communication” and is assembled into a packet by the Oversight Board Secretary on the day of the meeting. The Brown (Open Meetings) Act requires that copies of Supplemental Communication be made available to the public immediately upon distribution of material to a majority of the Board Members. Communication received by any individual at the meeting will be made available to the public in the Oversight Board Secretary’s Office the following morning.

PUBLIC COMMENTS
This is the time of the meeting for the Board Members to receive comments from the public regarding items of interest or agenda items. Pursuant to the Brown (Open Meeting) Act, the Board Members may not enter into discussion regarding items not on the Oversight Committee agenda. The Board Members strive to treat members of the public with respect. Comments or concerns provided by the public shall be done in a civil and respectful manner.

To participate in Public Comments, yellow Request to Speak forms are available at the entrance table and are collected by the Oversight Board Secretary. Each speaker is allowed 3 minutes, and time may not be donated to another speaker.

This agenda contains a brief general description of each item the Oversight Board will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk’s Office at (714) 536-5227 or view the Agenda and related materials on the City’s website at http://www.huntingtonbeachca.gov. Materials related to an item on this Agenda submitted to the Oversight Board after distribution of the Agenda Packet are available for public inspection in the City Clerk’s Office at 2000 Main Street, Huntington Beach, California during normal business hours. Such documents may also be available on the City’s website subject to staff’s ability to post documents before the meeting.

**Special Accommodations**
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk’s Office at (714) 536-5227. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility.
(28 CFR 35.102.35.104 ADA Title II)
CALL TO ORDER

ROLL CALL: Bone, Delgado, Delgleize, A. Dunn, L. Dunn, Fritzal, Hardy

PLEDGE OF ALLEGIANCE: To be led by Mayor Delgleize

SUPPLEMENTAL COMMUNICATIONS: Announced by Board Secretary.

PUBLIC COMMENTS: This is the portion of the meeting for any member of the public to address the Oversight Board on any matter that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss unagendized issues brought forth under Public Comments. Comments should be limited to 3 minutes per person.

BUSINESS:

1. Adopt Oversight Board Resolution Nos. 2017-15 through 2017-26 Finding that the Cash and Property Transfer Loans made by the former Redevelopment Agency were for Legitimate Purposes and Approving the Loans as Enforceable Obligations for Repayment
Recommended Board Action:
A) Adopt Resolution No. 2017-15, “A Resolution Of The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Acquisition Associated with The Strand Project was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b)”; and,

B) Adopt Resolution No. 2017-16, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding the Waterfront Property Transfer and the Relocation and Demolition of Driftwood and Pacific Mobile Home Parks related to the Waterfront Master Site Plan was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b)”; and,

C) Adopt Resolution No. 2017-17, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding Relocation Costs paid to Terry’s Coffee Shop and First Interstate Bank was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b);” and,

D) Adopt Resolution No. 2017-18, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding Relocation Costs paid to Wind and Sea Surf Shop was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance With Health And Safety Code Section 34191.4(b); and,

E) Adopt Resolution No. 2017-19, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding Acquisition Costs associated with the Second Block Alley and Street Improvement Project was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b);” and,

F) Adopt Resolution No. 2017-20, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding, Property Acquisition, and Other Project Costs associated with the Third Block West Condominium/Retail/Office Project in the Main-Pier Redevelopment Project Area was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b);” and,
G) Adopt Resolution No. 2017-21, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding Acquisition of Land Within the Main-Pier Project Area to Implement the Construction of Parking Facilities within the Downtown Main-Pier Area was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b);” and,

H) Adopt Resolution No. 2017-22, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding Acquisition of Land within the Main-Pier Project Area for Phase II Development Projects was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b);” and,

I) Adopt Resolution No. 2017-23, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding Land and Right-Of-Way Acquisition Costs connected with the Gothard-Hoover Extension Project and Development of a Public Storage Facility in the Huntington Beach Redevelopment Project was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b);” and,

J) Adopt Resolution No. 2017-24, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding FY 2004-05 Capital Projects was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City Of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b);” and,

K) Adopt Resolution No. 2017-25, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding the Emerald Cove Property Transfer was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b);” and,

L) Adopt Resolution No. 2017-26, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding the Emerald Cove Bonds was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(b)."
2. Approve and adopt the minutes of the Oversight Board Special Meeting of January 25, 2017

Recommended Board Action:
Approve and adopt the minutes of the Oversight Board Special Meeting of January 25, 2017, as written and on file in the office of the Secretary of the Board.

MEMBER REPORTS/ANNOUNCEMENTS

ADJOURNMENT

The next Regular Meeting is scheduled for Monday, October 9, 2017, 4:30 PM.
Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

Agenda Item #1
AGENDA REPORT
Oversight Board of the Huntington Beach Successor Agency
to the Redevelopment Agency

MEETING DATE: April 13, 2017

SUBJECT/ACTION: Adopt Oversight Board Resolution Nos. 2017-15 through 2017-26
Finding that the Cash and Property Transfer Loans made by the
Former Redevelopment Agency were for Legitimate Purposes and
Approving the Loans as Enforceable Obligations for Repayment

STATEMENT OF ISSUE:
In accordance with the Redevelopment Dissolution Act, AB X1 26, AB 1484, and SB 107, the
Oversight Board to the former Huntington Beach Redevelopment Agency was asked to approve
the repayment of loans from the City (General Fund and Other Funds) by re-confirming that the
loans were made for eligible redevelopment projects and the loans are enforceable obligations.
On January 25, 2017, the Oversight Board approved Resolutions 2007-3 through 2017-14; the
Department of Finance (DOF) denied those Resolutions and associated loans and returned
them to the Oversight Board for reconsideration.

RECOMMENDED ACTION: Motion to:
Adopt Resolution No. 2017-15 “A Resolution Of The Oversight Board of the Successor Agency
to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by
the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington
Beach Regarding Acquisition Associated with The Strand Project was for Legitimate
Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the
Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington
Beach, in Accordance with Health and Safety Code Section 34191.4(B)”;

Adopt Resolution No. 2017-16” A Resolution of the Oversight Board of the Successor Agency to
the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the
City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach
Regarding the Waterfront Property Transfer and the Relocation and Demolition of Driftwood and
Pacific Mobile Home Parks Related to the Waterfront Master Site Plan was for Legitimate
Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the
Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington
Beach, in Accordance with Health and Safety Code Section 34191.4(B)”;

Adopt Resolution No. 2017-17 “A Resolution of the Oversight Board of the Successor Agency to
the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the
City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach
Regarding Relocation Costs paid to Terry's Coffee Shop and First Interstate Bank was for
Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and
the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington
Beach, in Accordance with Health and Safety Code Section 34191.4(B)”
Adopt Resolution No. 2017-18 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Relocation costs paid to Wind and Sea Surf Shop was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance With Health And Safety Code Section 34191.4(B)”; 

Adopt Resolution No. 2017-19 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Acquisition Costs associated with the Second Block Alley and Street Improvement Project was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)”; 

Adopt Resolution No. 2017-20 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Relocation, Property Acquisition, and Other Project Costs associated with the Third Block West Condominium/Retail/Office Project in the Main-Pier Redevelopment Project Area was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)”; 

Adopt Resolution No. 2017-21 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Acquisition of Land Within the Main-Pier Project Area to Implement the Construction of Parking Facilities within the Downtown Main-Pier Area was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)”; 

Adopt Resolution No. 2017-22 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Acquisition of Land within the Main-Pier Project Area for Phase II Development Projects was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)”; 

Adopt Resolution No. 2017-23 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Land and Right-Of-Way Acquisition Costs connected with the Gothard-Hoover Extension Project and Development of a Public Storage Facility in the Huntington Beach Redevelopment Project was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)”;
Adopt Resolution No. 2017-24 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding FY 2004-05 Capital Projects was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City Of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)”; 

Adopt Resolution No. 2017-25 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding the Emerald Cove Property Transfer was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)”; and 

Adopt Resolution No. 2017-26 “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding the Emerald Cove Bonds was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)”. 

BACKGROUND: 

The City’s former Redevelopment Agency was created in 1969. The City’s General Fund and Other Funds loaned money and transferred property to the Agency for various redevelopment projects. Due to recent legislation, the City’s Funds can now begin to be repaid for the money loans and property transfers pursuant to Section 34191.4(b) of the Health and Safety Code. 

The Successor Agency has completed all aspects of the redevelopment dissolution to be able to request loan repayments to the City. The Oversight Board must make certain findings under the dissolution law regarding the loans. In addition, SB 107 has mandated that the interest rate on the loans be recalculated from the date of the origination of the loan on a quarterly basis at a simple interest rate of 3%. 

On January 25, 2017, the Oversight Board approved 12 resolutions that reconfirmed the loans were made for legitimate redevelopment purposes and the loans were enforceable obligations. On March 10, 2017, the State DOF notified the Successor Agency that DOF objected to all of the Oversight Board actions. DOF stated, “The Agency was unable to support the outstanding principal balance of the loans. According to the Agency, the City loaned various amounts to the Agency from time to time, but the Agency was unable to provide sufficient documentation to support the amounts loaned; it was unclear as to whether the loans were monetary loans or transfers of interest in real property. Further, the Agency was unable to substantiate the periodic amounts loaned by the City as well as the amounts periodically repaid by the Agency to the City. For the Promissory Note provided, it stated the Note is secured by the Agency's pledge of set-aside funds; because the Agency no longer receives set-aside funds, the obligation to repay no longer exists.”
Please be advised that the City provided extensive back-up material and documentation to support its request for repayment of the loans, including audited Comprehensive Annual Financial Reports with the related loan repayments due to the City from 1983 to present, audited Component Unit Financial Reports with the loan amounts to be repaid by the Redevelopment Agency to the City from 1987 to present, applicable Requests for Council Action, Operative Agreements for the loans, and other pertinent information from 1983 forward to prove the monetary loans and property transfers were made and should be repaid pursuant to State law. After further review of all materials submitted and the additional materials requested by DOF, staff is revising certain loan balances to reflect loan repayments already made that were not reflected in the original submittal; plus adjusting the loan balance for one Resolution related to the Waterfront loan to include the $22.4 million land sale for that property. The Resolutions will be resubmitted to DOF for further review and consideration, along with additional supporting documentation in the form of historical general ledger data, re-sorted audited financial statements supporting the revised balances, operative agreements, recorded grant deeds for the property transfers and other supporting documentation, as applicable.

ROUND TWO – SUPPORTING DOCUMENTATION

In order to respond to the latest round of DOF requests for additional information to support the loan repayments, the City solicited the assistance of the former Accounting Manager of the City to retrieve as much data as possible to further support this request. Historical pre-2000 general ledger data was retrieved by Information Systems staff and compiled by Finance staff with the assistance of Robert Sedlak, the City’s former Accounting Manager. In order to obtain this data, a laborious and extensive data retrieval process was utilized, including, but not limited to:

- Restoration of old servers and backup tapes dating back 28 years to 1989;
- Conversion of tapes to a text-readable format;
- Followed by a subsequent conversation to SQL servers to filter and potentially obtain the relevant historical data;
- Relevant Redevelopment Agency accounts and transaction types were then identified by Robert Sedlak for review by Finance staff; and,
- Finance staff performed an extensive review of the data and agreed the information to the City’s audited financial statements to the greatest extent possible.

Sworn statements are provided by both Robert Sedlak, former Accounting Manager, and Behzad Zamanian, Chief Information Officer, detailing the data retrieval process going back 25 years and accounting methodologies for the former Redevelopment Agency.

Eligible loans are defined in three areas: loans where money was transferred from the City to the former Redevelopment Agency for a lawful purpose and the former Redevelopment Agency is obligated to repay the money; agreements where the City transferred real property to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose and the former Redevelopment Agency is obligated pay the City for the property; and third party contracts for infrastructure (there are no loans of this third type identified in any of the Resolutions). The Successor Agency has currently identified 12 such eligible loans and is asking the Oversight Board to reconfirm that each of these loans was for a legitimate redevelopment purpose and make required findings by the Oversight Board.

The extensive supporting documentation proves that loans for money were, in fact, actually entered into between the City and the former Redevelopment Agency and the City transferred money to the former Redevelopment Agency for a lawful purpose.
Additionally, agreements were entered into by the City and the former Redevelopment Agency to transfer real property interests to the Agency for a lawful purpose, and the former Redevelopment Agency was obligated to pay the City for the real property interest. The extensive supporting documentation also proves the repayment of a portion of some of the loans and the remaining balances.

To reiterate, Section 34191.4(b) of the Health and Safety Code authorizes the City and Successor Agency to re-establish prior loan agreements between the City and the former Agency upon the issuance of a Finding of Completion by the Department of Finance, stated as follows:

“(1) Notwithstanding subdivision (d) of Section 34171, upon application by the Successor Agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.”

The Successor Agency was issued a Finding of Completion on May 13, 2014. The Oversight Board determined that the loans were for legitimate redevelopment purposes on January 25, 2017. There is no language in the Health and Safety Code which states that the validity of the loans is required to be determined through cancelled checks, wire transfers, or the retention of over 30 years of financial records. To reiterate, the Agency has provided audited financial statements, operative agreements, recorded grant deeds, promissory notes, and other substantive financial data which documents the purpose and validity of the loans.

The loans are as follows:

1. Loans to purchase land for The Strand project (money transfer loan).
2. Loans for the acquisition and relocation of mobile homes in the Waterfront commercial Master Plan site and the sale of land (money transfer loan and property transfer loan).
3. Loans for relocation for the Pierside Pavilion project (money transfer loan).
4. Loans for land assemblage for the Strand Project (money transfer loan).
5. Loans for alley and sidewalk improvements in the Downtown area (money transfer loan).
6. Loans for land purchase, relocation and other project costs for Plaza Almeria (money transfer loan).
7. Loans to purchase land for the Main Promenade Parking Structure and property on first block (money transfer loan).
8. Loans for relocation for the Strand project (money transfer loan).
9. Loan for the purchase of the Gothard/Hoover land (where Vans Skate Park is located).
10. Capital Improvement Projects in FY 2004/5 in the Southeast Coastal Redevelopment Project area for the Magnolia Street and Sidewalk and Lighting project (money transfer loan).
11. Loans by the Redevelopment Agency for the purchase of the Emerald Cove Senior Housing Project (property transfer loan).
12. Repayment of the Emerald Cove bonds (Certificates of Participation (COPS)) for the construction of Emerald Cove Senior Housing Project (money transfer loan).
ATTACHMENT(S):

Oversight Board Resolution No. 2017 - 15
Oversight Board Resolution No. 2017 - 16
Oversight Board Resolution No. 2017 - 17
Oversight Board Resolution No. 2017 - 18
Oversight Board Resolution No. 2017 - 19
Oversight Board Resolution No. 2017 - 20
Oversight Board Resolution No. 2017 - 21
Oversight Board Resolution No. 2017 - 22
Oversight Board Resolution No. 2017 - 23
Oversight Board Resolution No. 2017 - 24
Oversight Board Resolution No. 2017 - 25
Oversight Board Resolution No. 2017 – 26
Exhibit A - Sworn Statement by Behzad Zamanian, Chief Information Officer
Exhibit B - Sworn Statement by Robert Sedlak, former Accounting Manager
RESOLUTION NO. 2017-15

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING ACQUISITION ASSOCIATED WITH THE STRAND PROJECT WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and
responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the “Dissolution Act”; and

On May 13, 2014, the Department of Finance (“DOF”) issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 (“1983 Cooperative Agreement”), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent Projects”), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and

The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services,
improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency to fund acquisition associated with the Strand Project. This City Loan pertains to the purchase of land for assemblage of a 4-acre site for a mixed-use project called The Strand. The land was purchased by the former Redevelopment Agency, with money advanced from the City, and conveyed to CIM Group pursuant to a Disposition and Development Agreement; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The years of origination of the City Loan were 1989, 1990, 1991 and 1994. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $7,859,434; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

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On January 25, 2017, by Resolution No. 2017-03, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-03 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-03 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a "loan agreement" as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.
7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.
PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

Chairperson

REVIEWED AND APPROVED:

Executive Director

INITIATED AND APPROVED:

Deputy Executive Director

APPROVED AS TO FORM:

Board Counsel
RESOLUTION NO. 2017-16

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING THE WATERFRONT PROPERTY TRANSFER AND THE RELOCATION AND DEMOLITION OF DRIFTWOOD AND PACIFIC MOBILE HOME PARKS RELATED TO THE WATERFRONT MASTER SITE PLAN WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the “Dissolution Act”; and

On May 13, 2014, the Department of Finance ("DOF") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 ("1983 Cooperative Agreement"), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent Projects”), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and

The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services,
improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the Redevelopment Agency acquired from the City certain real property in the City upon which the Waterfront Project is built ("Waterfront Property") at a purchase price of $22,400,000 which purchase price was paid as a loan by the former Redevelopment Agency ("City Loan #1"). The Waterfront Property was developed as part of a Disposition and Development Agreement as a 44-acre, mixed-use project consisting of hotels, one tennis and health center, a shopping plaza, and 894 residential units. City transferred fee title to the former Redevelopment Agency of the Waterfront Property. The transfer of and use by the former Redevelopment Agency of the Waterfront Property was for a lawful purpose; and

The Successor Agency has recalculated the current outstanding balance of the City Loan #1 in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan #1 shall be recalculated from the date of origination of the City Loan #1, at a simple interest rate of 3 percent (3%). The years of origination of the City Loan #1 was 1989. The current outstanding balance of the City Loan #1 (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $25,760,000; and

Also pursuant to the Cooperative Agreements, the City made a loan ("City Loan #2") to the former Redevelopment Agency to fund the relocation and demolition of Driftwood and Pacific Mobile Home Parks related to the Waterfront Master Site Plan. This City Loan #2 pertains to the purchase of land, Driftwood Mobile Home Park, and relocation of the mobile home tenants, pursuant to State law for development of the Waterfront project, as well as demolition costs. This was a requirement and part of the overall financing that included a Section 108 Loan from Housing and Urban Development (HUD) as well as the creation of a Community Facilities District (CFD); and
The Successor Agency has recalculated the current outstanding balance of the City Loan #2 in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan #2 shall be recalculated from the date of origination of the City Loan #2, at a simple interest rate of 3 percent (3%). The years of origination of the City Loan #2 were 1989 and 2001. The current outstanding balance of the City Loan #2 (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $12,439,846; and

City Loan #1 and City Loan #2 may be referred to herein collectively at “City Loan”; and

The current combined outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $38,199,846; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that City Loan #2 was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan #2 as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan #2 as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan #2 to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan #2 is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-04, the Oversight Board made certain findings with respect to the City Loan #2 and Resolution No. 2017-04 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-04 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan #1 was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan #1 is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(B) as it is an agreement between the former Redevelopment Agency and the City under which the City transferred a real property interest to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose and the former Redevelopment Agency was obligated to pay the City for the real property interest; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan #2 was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and
The Oversight Board having duly reconsidered this matter desires to find the City Loan #2 is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan #1 is a “loan agreement” as set
forth in H&S Code Section 34191.4(b)(2)(B) as it is an agreement between the former Redevelopment Agency and the City under which the City transferred a real property interest to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose and the former Redevelopment Agency was obligated to pay the City for the real property interest.

4. The Oversight Board hereby finds the City Loan #2 is a "loan agreement" as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

5. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

6. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

7. 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.

8. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not
intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

9. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

10. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.
PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

Chairperson

REVIEWED AND APPROVED:

Executive Director

INITIATED AND APPROVED:

Deputy Executive Director

APPROVED AS TO FORM:

Board Counsel
RESOLUTION NO. 2017-17

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING RELOCATION COSTS PAID TO TERRY'S COFFEE SHOP AND FIRST INTERSTATE BANK WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and
responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the "Dissolution Act"; and

On May 13, 2014, the Department of Finance ("DOF") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, "ROPS" means a "Recognized Obligation Payment Schedule", as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 ("1983 Cooperative Agreement"), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the "Constituent Projects"), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and

The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services,
improvements, facilities and funds. The Operative Agreements were amended from time to
time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and
merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach
Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting
the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRIP") (The
Redevelopment Plans for the Constituent Projects and the SCRIP may be collectively referred to
herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement,
dated September 2, 2003 ("SCRIP Cooperation Agreement") regarding redevelopment projects
and capital improvements to be carried out in the SCRIP Area (the 1983 Cooperative Agreement,
the SCRIP Cooperation Agreement and the various Operative Agreements (as amended) may
collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the
former Redevelopment Agency to fund relocation costs paid to Terry's Coffee Shop and First
Interstate Bank. This City Loan pertains to relocation expenses incurred to relocate tenants
occupying Terry's Coffee Shop and First Interstate Bank pursuant to State law. The relocation
was required as part of the land purchase for Pierside Pavilion Disposition and Development
Agreement and later Owner Participation Agreement; and

The Successor Agency has recalculated the current outstanding balance of the City Loan
in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the
remaining principal amount of the City Loan shall be recalculated from the date of origination
of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City
Loan was 1992. The current outstanding balance of the City Loan (recalculated as of September
30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $255,660; and

On January 17, 2017, the Successor Agency found and recommended that the Oversight
Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the
City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an
enforceable obligation of the Successor Agency and approved the repayment of the City Loan as
an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in
accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b),
with the remaining balance of the City Loan to be paid on successive ROPS in the maximum
repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the
City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set
forth in H&S Code Section 34191.4(b); and
On January 25, 2017, by Resolution No. 2017-05, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-05 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-05 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the "Guidelines"), and the City’s environmental guidelines; and

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.
7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

______________________________
Chairperson

REVIEWED AND APPROVED:

______________________________
Executive Director

INITIATED AND APPROVED:

______________________________
Deputy Executive Director

APPROVED AS TO FORM:

______________________________
Board Counsel
RESOLUTION NO. 2017-18

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO
THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON
BEACH REGARDING RELOCATION COSTS PAID TO WIND AND SEA SURF SHOP
WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE
LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR
REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF
HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE
SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach
(“Redevelopment Agency”) was a redevelopment agency in the City of Huntington Beach
(“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

Assembly Bill No.XI 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

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

The City Council of the City elected for the City to serve as the successor agency to the
Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26
(“Successor Agency”); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with
respect to each successor agency with fiduciary responsibilities to holders of enforceable
obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the "Dissolution Act"; and

On May 13, 2014, the Department of Finance ("DOF") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, "ROPS" means a "Recognized Obligation Payment Schedule", as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board's approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 ("1983 Cooperative Agreement"), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the "Constituent Projects"), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and
The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services, improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the “Redevelopment Plans”); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the “Cooperative Agreements”); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency to fund relocation of the Wind and Sea Surf Shop. This City Loan pertains to relocation expenses incurred to relocate tenants occupying the Wind and Sea Surf Shop pursuant to State law. This was required as part of the land purchase for The Strand mixed-use development; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City Loan was 1996. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $58,650; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the
City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-06, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-06 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-06 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and
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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.
7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.
PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

Chairperson

REVIEWED AND APPROVED:

Executive Director

INITIATED AND APPROVED:

Deputy Executive Director

APPROVED AS TO FORM:

Board Counsel
RESOLUTION NO. 2017-19

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING ACQUISITION COSTS ASSOCIATED WITH THE SECOND BLOCK ALLEY AND STREET IMPROVEMENT PROJECT WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the “Dissolution Act”; and

On May 13, 2014, the Department of Finance ("DOF") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 ("1983 Cooperative Agreement"), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent Projects”), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and
The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services, improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency to fund property acquisition costs associated with the Second Block alley and street improvement project. This City Loan pertains to the purchase by the former Redevelopment Agency of a strip of land, ten feet wide, between two buildings for pedestrian access between Main Street and 5th Street. The "alley" way developed was part of an Owner Participation Agreement with Abdelmudi. As part of the Owner Participation Agreement, Abdelmudi had to develop and maintain this strip of land, but the land is owned by the Successor Agency. The land was purchased with City-advanced funds; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City Loan was 1988. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $158,450; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b),
with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-07, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-07 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-07 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the "Guidelines"), and the City’s environmental guidelines; and

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by
this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.

7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

Chairperson

REVIEWED AND APPROVED:

Executive Director

INITIATED AND APPROVED:

Deputy Executive Director

APPROVED AS TO FORM:

Board Counsel
RESOLUTION NO. 2017-20

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING RELOCATION, PROPERTY ACQUISITION, AND OTHER PROJECT COSTS ASSOCIATED WITH THE THIRD BLOCK WEST CONDOMINIUM/RETAIL/OFFICE PROJECT IN THE MAIN-PIER REDEVELOPMENT PROJECT AREA WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is

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ttled 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. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the “Dissolution Act”; and

On May 13, 2014, the Department of Finance (“DOF”) issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 (“1983 Cooperative Agreement”), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent Projects”), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and

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The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services, improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency to fund relocation, property acquisition, and other project costs associated with the Third Block West Condominium/Retail/Office project in the Main-Pier Project Area. This City Loan pertains to the purchase of land and expenses to relocate tenants occupying the acquired property pursuant to State law. The former Redevelopment Agency, utilizing City-advanced funds, assembled land for a mixed-use development – Plaza Almaria; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City Loan was 1996. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $9,599,412; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum
repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-08, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-08 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-08 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and operative agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.
7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.
PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

REVIEWED AND APPROVED:

________________________________
Executive Director

INITIATED AND APPROVED:

________________________________
Deputy Executive Director

APPROVED AS TO FORM:

________________________________
Board Counsel
RESOLUTION NO. 2017-21

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING ACQUISITION OF LAND WITHIN THE MAIN-PIER PROJECT AREA TO IMPLEMENT THE CONSTRUCTION OF PARKING FACILITIES WITHIN THE DOWNTOWN MAIN-PIER AREA WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and
H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the “Dissolution Act”; and

On May 13, 2014, the Department of Finance (“DOF”) issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 (“1983 Cooperative Agreement”), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent
Projects"), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and

The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services, improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency to fund the acquisition of land within the Main-Pier Project Area to implement the construction of parking facilities within the Downtown Main-Pier area. This City Loan pertains to the purchase of land for construction of a public parking structure. The parking structure was built with 1989 Certificates of Participation. The former Redevelopment Agency was required to purchase the land with money advanced from the City, and the Certificates of Participation paid for construction expenses; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The years of origination of the City Loan were 1988 and 1990. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $1,679,000; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an
enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-09, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-09 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-09 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and
The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.
6. 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.

7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.
PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

REVIEWED AND APPROVED:

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Executive Director

INITIATED AND APPROVED:

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Deputy Executive Director

APPROVED AS TO FORM:

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Board Counsel
RESOLUTION NO. 2017-22

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING ACQUISITION OF LAND WITHIN THE MAIN-PIER PROJECT AREA FOR PHASE II DEVELOPMENT PROJECTS WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the “Dissolution Act”; and

On May 13, 2014, the Department of Finance (“DOF”) issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 (“1983 Cooperative Agreement”), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent Projects”), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and
The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services, improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency to fund the acquisition of land within the Main-Pier Project Area for Phase II development projects. This City Loan pertains to the purchase of land for assemblage of a 4-acre site for a mixed-use project called The Strand. The land was purchased by the former Redevelopment Agency with money advanced by the City, and conveyed to CIM Group pursuant to a Disposition and Development Agreement. The Strand has been completed as required under the Disposition and Development Agreement; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City Loan was 1988. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $2,255,955; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum
repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the
City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set
forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-10, the Oversight Board made certain
findings with respect to the City Loan and Resolution No. 2017-10 was submitted to the DOF for
consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-10 to the
Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to
H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former
Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is
a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money
entered into between the Former Redevelopment Agency and City under which the City
transferred money to the former Redevelopment Agency for use by the former Redevelopment
Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to
repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City
Loan as an enforceable obligation of the Successor Agency and to approve the schedule for
repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS
17-18 consistent and in accordance with the maximum repayment amounts specified in H&S
Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive
ROPS in the maximum repayment amounts consistent and in accordance with H&S Code
Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan
repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the
Oversight Board with regard to the City Loan as well as other loan agreements, such as, without
limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited
Component Unit financial reports from 1983 to present, Requests for Council Action and
Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to
applicability of the California Environmental Quality Act ("CEQA"), the State CEQA
Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the
"Guidelines"), and the City's environmental guidelines; and

The activity proposed for approval by this Resolution is not a "project" for purposes of
CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by
this Resolution is an organizational or administrative activity that will not result in a direct or
indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and
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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a "loan agreement" as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.
7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.
PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

REVIEWED AND APPROVED:

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Executive Director

INITIATED AND APPROVED:

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Deputy Executive Director

APPROVED AS TO FORM:

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Board Counsel
RESOLUTION NO. 2017-23

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING LAND AND RIGHT-OF-WAY ACQUISITION COSTS CONNECTED WITH THE GOTHARD-HOOVER EXTENSION PROJECT AND DEVELOPMENT OF A PUBLIC STORAGE FACILITY IN THE HUNTINGTON BEACH REDEVELOPMENT PROJECT WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the “Dissolution Act”; and

On May 13, 2014, the Department of Finance (“DOF”) issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 (“1983 Cooperative Agreement”), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent Projects”), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and
The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services, improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency to fund land and right-of-way acquisition costs connected with the Gothard-Hoover Extension project and development of a public storage facility in the Huntington Beach Redevelopment Project. This City Loan pertains to the purchase of land by the former Redevelopment Agency with money advanced by the City for three parcels of property. The former Redevelopment Agency entered into a Disposition and Development Agreement for development of the site; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City Loan was 1987. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $1,880,405; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum
repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-11, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-11 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-11 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and
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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.
7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.
PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

Chairperson

REVIEWED AND APPROVED:

Executive Director

INITIATED AND APPROVED:

Deputy Executive Director

APPROVED AS TO FORM:

Board Counsel
RESOLUTION NO. 2017-24

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING FY 2004-05 CAPITAL PROJECTS WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and
responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the “Dissolution Act”; and

On May 13, 2014, the Department of Finance (“DOF”) issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 (“1983 Cooperative Agreement”), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent Projects”), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and

The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services,
improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency for the funding of various capital projects in FY 2004/05 in the SCRP Area; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City Loan was 2005. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $283,211; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-12, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-12 was submitted to the DOF for
consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-12 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a "loan agreement" as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"); the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the "Guidelines"), and the City's environmental guidelines; and

The activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.
7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

__________________________
Chairperson

REVIEWED AND APPROVED:

__________________________
Executive Director

INITIATED AND APPROVED:

__________________________
Deputy Executive Director

APPROVED AS TO FORM:

__________________________
Board Counsel
RESOLUTION NO. 2017-25

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING THE EMERALD COVE PROPERTY TRANSFER WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach ("Redevelopment Agency") was a redevelopment agency in the City of Huntington Beach ("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

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

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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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. The duties and
responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the "Dissolution Act"; and

On May 13, 2014, the Department of Finance ("DOF") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, “ROPS” means a “Recognized Obligation Payment Schedule”, as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 ("1983 Cooperative Agreement"), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the "Constituent Projects"), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and

The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services,
improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, in 1984, the City of Huntington Beach’s Park & Acquisition Fund advanced $1,740,834 ("City Loan") to the former Redevelopment Agency to acquire certain real property in the City upon which the Emerald Cove Senior Housing Project is built ("Emerald Cove Property"). The City Loan is evidenced by a Promissory Note between the City and the former Redevelopment Agency. In that same year, the former Redevelopment Agency sold $4.6 million of Certificates of Participation ("COPS") to finance the construction of the Emerald Cove Senior Housing Project, which COPS were defeased in 2000 with the issuance of COPS by the City’s Public Financing Authority. As a result of the defeasance, the City retained possession of Emerald Cove Property. The defeasance of the former Redevelopment Agency’s COPS did not discharge the former Redevelopment Agency’s obligation to repay the City for the acquisition of the Emerald Cove Property. Subsequent to the bond defeasance, the City transferred fee title to the former Redevelopment Agency of the Emerald Cove Property. The transfer of and use by the former Redevelopment Agency of the Emerald Cove Property was for a lawful purpose; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City Loan was 2009. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $5,676,433; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and
RESOLUTION NO. 2017-25

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-13, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-13 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-13 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(B) as it is an agreement between the former Redevelopment Agency and the City under which the City transferred a real property interest to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose and the former Redevelopment Agency was obligated to pay the City for the real property interest; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and
The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(B) as it is an agreement between the former Redevelopment Agency and the City under which the City transferred a real property interest to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose and the former Redevelopment Agency was obligated to pay the City for the real property interest.

4. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

5. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

6. 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.

7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

8. The Oversight Board determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

9. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

Chairperson

REVIEWED AND APPROVED:

Executive Director

INITIATED AND APPROVED:

Deputy Executive Director

APPROVED AS TO FORM:

Board Counsel

Page 6 of 7
RESOLUTION NO. 2017-26

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH FINDING THAT THE LOAN MADE BY THE CITY OF HUNTINGTON BEACH TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH REGARDING THE EMERALD COVE BONDS WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)

WHEREAS, the Redevelopment Agency of the City of Huntington Beach (“Redevelopment Agency”) was a redevelopment agency in the City of Huntington Beach (“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

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

Pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in California Redevelopment Association v. Matosanos, 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

The City Council of the City elected for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”); and

H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, 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
RESOLUTION NO. 2017-26

appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. AB 26 and AB 1484, as further amended, are collectively referred to herein as the "Dissolution Act"; and

On May 13, 2014, the Department of Finance ("DOF") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

Pursuant to the Dissolution Act, "ROPS" means a "Recognized Obligation Payment Schedule", as set forth in the Dissolution Act; and

Pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board’s approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment, subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

The City Council of the City adopted Ordinance Nos. 2576, 2577, 2578, 2582, and 2743 approving and adopting the Redevelopment Plan for the Yorktown-Lake Redevelopment Project, the Redevelopment Plan for the Talbert-Beach Redevelopment Project, the Redevelopment Plan for the Main-Pier Redevelopment Project, the Redevelopment Plan for the Oakview Redevelopment Project, and the Redevelopment Plan for the Huntington Center Commercial District Redevelopment Project, respectively; and

The former Redevelopment Agency and the City entered into a Cooperative Agreement, dated June 20, 1983 ("1983 Cooperative Agreement"), by which the City agreed to provide to the former Redevelopment Agency certain assistance and to otherwise cooperate with the former Redevelopment Agency in carrying out redevelopment projects; and

Pursuant to the Cooperative Agreement, the former Redevelopment Agency and the City entered into various Operative Agreements for the Yorktown-Lake, Talbert-Beach, Main-Pier, Oakview and Huntington Center Redevelopment Projects (collectively, the “Constituent Projects”), by which the City provided the former Redevelopment Agency with both administrative and/or technical services, constructed required public improvements and facilities as appropriate and necessary, and provided funds to carry out the Constituent Projects; and
The Operative Agreements also identified the terms under which the former Redevelopment Agency would reimburse the City for the associated costs of such services, improvements, facilities and funds. The Operative Agreements were amended from time to time; and

The City Council adopted Ordinance No. 3343 on December 16, 1996 amending and merging the Constituent Projects into the Redevelopment Plan for the Huntington Beach Redevelopment Project ("HBRP"); and

The City Council adopted Ordinance No. 3561 on June 17, 2002, approving and adopting the Redevelopment Plan for the Southeast Coastal Redevelopment Project ("SCRP") (The Redevelopment Plans for the Constituent Projects and the SCRP may be collectively referred to herein as the "Redevelopment Plans"); and

The former Redevelopment Agency and the City entered into a Cooperation Agreement, dated September 2, 2003 ("SCRP Cooperation Agreement") regarding redevelopment projects and capital improvements to be carried out in the SCRP Area (the 1983 Cooperative Agreement, the SCRP Cooperation Agreement and the various Operative Agreements (as amended) may collectively be referred to herein as the "Cooperative Agreements"); and

Pursuant to the Cooperative Agreements, the City made a loan ("City Loan") to the former Redevelopment Agency regarding the Emerald Cove 2010 Series A Lease Revenue Refunding Bond. In 1984, the City’s Park Acquisition & Development Fund advanced $1,740,834 to the former Redevelopment Agency to purchase the Emerald Cove Property. In that same year, the former Redevelopment Agency sold $4.6 million of Certificates of Participation ("COPS") to finance the construction of the Emerald Cove Senior Housing Project, which COPS were defeased in 2000 with the issuance of COPS by the City’s Public Financing Authority. As a result of the issuance of COPS by the City’s Public Financing Authority, the City retained possession of the Emerald Cove Property. In May 2009, the former Redevelopment Agency purchased the Emerald Cove Senior Apartments for the sum of $8,483,931, which included a pledge of tax increment to the City related to the debt service on the outstanding bonded indebtedness of the City-issued COPS in the amount $5,170,931; and

A Promissory Note from the former Redevelopment Agency to the City for the amount of the outstanding bonded debt was issued on May 18, 2009, with annual payments matching those of the outstanding debt service due on the City-issued COPS. Nothing in the Promissory Note limits the source of payment of the City Loan to any source of funds (including former low and moderate income housing funds). Rather, low and moderate income housing funds are intended only as collateral for the debt of the City Loan. The primary obligation to repay the City Loan is payable from any available source of funds; and

The sale of Emerald Cove to Jamboree Housing Corporation-Acquisitions, LLC was approved in September 2009 with the approval of an Affordable Housing Agreement between the former Redevelopment Agency and the developer. In June 2010, the former Redevelopment
Agency approved an $8 million loan to the developer evidenced by a Residual Receipts Promissory Note; and

The Successor Agency has recalculated the current outstanding balance of the City Loan in accordance with H&S Code Section 34191.4(b)(3), which provides that any interest on the remaining principal amount of the City Loan shall be recalculated from the date of origination of the City Loan, at a simple interest rate of 3 percent (3%). The year of origination of the City Loan was 2010. The current outstanding balance of the City Loan (recalculated as of September 30, 2016 in accordance with H&S Code Section 34191.4(b)(3)) is $3,649,834; and

On January 17, 2017, the Successor Agency found, and recommended that the Oversight Board find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

On January 17, 2017, the Successor Agency found and approved the City Loan as an enforceable obligation of the Successor Agency and approved the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

On January 25, 2017, by Resolution No. 2017-14, the Oversight Board made certain findings with respect to the City Loan and Resolution No. 2017-14 was submitted to the DOF for consideration. By letter dated March 10, 2017, the DOF returned Resolution No. 2017-14 to the Oversight Board for reconsideration; and

The Oversight Board having duly reconsidered this matter desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes; and

The Oversight Board having duly reconsidered this matter desires to find the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule; and

The Oversight Board having duly reconsidered this matter desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive
ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); and

City staff has provided extensive supporting documentation to support the findings of the Oversight Board with regard to the City Loan as well as other loan agreements, such as, without limitation, audited Comprehensive Annual Financial Reports from 1983 to present, audited Component Unit financial reports from 1983 to present, Requests for Council Action and Operative Agreements, and other pertinent information from 1983 forward; and

The activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

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

2. The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the Recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans.

3. The Oversight Board hereby finds the City Loan is a “loan agreement” as set forth in H&S Code Section 34191.4(b)(2)(A) as it is a loan for money entered into between the Former Redevelopment Agency and City under which the City transferred money to the former Redevelopment Agency for use by the former Redevelopment Agency for a lawful purpose, and where the former Redevelopment Agency was obligated to repay the money it received pursuant to a required repayment schedule.

4. The Oversight Board hereby finds that the obligation to repay the City Loan still exists and nothing in the existing Promissory Note, the Dissolution Act or otherwise relieves the debt or obligation of the City Loan or limits the source of repayment of the City Loan.
5. The Oversight Board hereby finds and approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan as an enforceable obligation listed on a ROPS beginning with ROPS 17-18 consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b).

6. The Executive Director, or designee, of the Successor Agency is hereby authorized and directed (i) to include the repayment of the City Loan on ROPS 17-18 and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b); (ii) provide such notifications as required by the Dissolution Act; 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 Successor Agency and/or Oversight Board.

7. 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.

8. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency or the Oversight Board 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 Oversight Board expressly reserves any and all rights, privileges, and defenses available under law and equity. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

9. The Oversight Board determines that the activity approved by this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.
10. This Resolution shall take effect upon the date of its adoption and is subject to review by DOF as may be set forth in the Dissolution Act.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a meeting thereof held on the 13th day of April, 2017.

Chairperson

INITIATED AND APPROVED:

Deputy Executive Director

APPROVED AS TO FORM:

Board Counsel
Behzad Zamanian  
2000 Main Street  
Huntington Beach, CA 92648  
(714) 960-8893  
Behzad.Zamanian@surfcity-hb.org

SWORN STATEMENT

April 10, 2017

To State Department of Finance:

To date, I have worked in the City of Huntington Beach Information Services Department for 13 years, from 2004 to current. I was hired as Business Systems Manager in 2004, and was promoted to Chief Information Officer in 2016.

I was requested to assist in the retrieval of the City’s pre-2000 general ledger data which was requested by the State Department of Finance in order to provide further substantiation of amounts owed to the City by the former Redevelopment Agency. This information (Legacy data) was originally hosted on an IBM CMS mainframe. The mainframe was retired in 2004. As part of retiring the mainframe, the Legacy data was backed up and archived into tapes. In order to retrieve the archived data, Information Systems staff performed the following procedures: 1) Reconstruct the old tape library in order to read the tapes, 2) Build a new server to host the application and data, 3) Read the old tapes and restore into the server, 4) Export data out of proprietary database format into text files, 5) Create a new SQL database server, 5) Import text files into SQL server, 7) Provide access to users, and, 8) Create queries and filter data for use by end users. This was an extensive process that required the reassignment of three staff to this urgent project.

The process for each of the steps outlined above is described in detail below.

- Reconstruct the backup server holding the Legacy data
  - Rack (mount and configure) decommissioned Dell backup server as host for backup software
  - Install SCSI card
  - Install and configure Windows 2000
  - Install and configure Backup Exec software
  - Bring the old tape library back online
- Build a new server to host the application and data, and read the old tapes and restore into the server
  - Rack decommissioned server
- Install and configure Windows 2000
- Perform restore of the server
- Catalog all tapes
- Search catalog for server to be restored
- Restore complete server

- Export legacy data from proprietary format to text files
  - Configure legacy application on the server to access data
  - Export legacy data to text files

- Install and create a new SQL database server and import text files into SQL server
  - Install and configure new server
  - Install and configure new SQL database to host data
  - Imported legacy data into SQL Servers

Working with Robert Seldat, the City’s former Accounting Manager, and both Finance and Information Systems staff, ad hoc reports were created which provided City staff with pre-2000 general ledger data relating to the former Redevelopment Agency. It is important to note that the majority of this data is over 20 years old and were beyond the City’s record retention requirements. However, at the request of the Finance Department we performed extraordinary measures to attempt to retrieve general ledger data in support of the City’s request for $71.6M in legal loan repayments. Due to the aged nature of the data, only certain transactions were retrievable. We hope this information will assist in your approval of the loans.

I swear that the information I have provided above is true and complete to the best of my knowledge.

Sincerely,

Behzad Zamanian
Chief Information Officer, City of Huntington Beach
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On April 12, 2017 before me, Maxwell Edward Daffron, Notary Public - California, Orange County, here insert name and title of the officer personally appeared Behzad Tahmaseb Zamanian, Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: Sworn Statement Document Date: 4/12/2017
Number of Pages: 2 Signer(s) Other Than Named Above: NA

Capacity(ies) Claimed by Signer(s)
Signer's Name: Behzad Tahmaseb Zamanian
☐ Corporate Officer — Title(s): CEO
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: Signer Is Representing: City of HB.

☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other:

Signer Is Representing: 

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EXHIBIT “B”

SWORN STATEMENT BY ROBERT SEDLAK, FORMER ACCOUNTING MANAGER

[BEHIND THIS PAGE]
Robert Sediak  
17784 Ash St.  
Fountain Valley, CA 92708  
714 357-8054  
rasedlak@socal.rr.com  

SWORN STATEMENT

April 5, 2017

To State Department of Finance:

I worked in the City of Huntington Beach Finance Department for 28 years, from 1982 to 2010. I retired as the City’s Accounting Manager, but also held the titles of Accountant, and Principal Accountant before my promotion to Accounting Manager. During my time at the City, I was the person primarily responsible for all of the accounting related to both the City and the Redevelopment Agency. This included preparing the City’s Comprehensive Annual Financial Report, the Agency’s Component Unit Financial Report, and preparing all of the Agency’s debt agreements with the City.

I was informed by the current staff in Huntington Beach that you are requiring journal entry support (and/or cancelled checks) for all of the Agency’s debt-related transactions with the City. These transactions are all recorded in the audited financial statements based on the information contained in the general ledger which was audited by a licensed CPA firm at the time.

Below is a timeline showing all of the accounting systems and journal entry support from 1982 to 2010:

- 1979 to 1989 – The Agency’s first debt was recorded in 1979. The City had a mainframe system at the time, and the data is no longer available. The old records were put onto microfiche and were not found in 2000 when there were asbestos issues that caused staff to immediately leave the work space for several months for fear of imminent contamination. When staff returned, some records had been disposed. However, please note that by that time, the records were already over 10 years old, and were beyond the City’s record retention requirements.

- 1989 to 2000 – The City developed a new accounting system where the mainframe data is partially available. The support that was attached to the documents was not kept beyond the City’s record retention period. However, all of the debt entries to the Agency were supported by council actions or adopted budgets, which are available. The audited financial statements are also available.

- 2000 to current – The City switched to a new accounting system (JD Edwards). Supporting documentation for journal entries is largely available; however, some data did not carryover during the City’s system upgrade in 2010, due to backwards compatibility issues with some Microsoft Office and Adobe documents.

The City’s advances to the Agency consisted primarily of the following:
- Cash transfers reflecting direct loans to the Agency
- Property transfers from the City to the Agency. In two cases, the City sold the land to the Agency to be repaid by future tax increment revenue. There are actual deeds that support these transactions, as well as the audited financial statements based on general ledger transactions at the time.

When the City adopted GASB 34 in FY 2002-03, it changed the method of recording Agency advances on its financial statements. On the Agency's statements, the debt was shown to the City. However, on the City's financial statements, the interfund debt was consolidated in the financial statements in accordance with approved GASB financial statement presentation requirements.

I swear that the information I have provided above is true and complete to the best of my knowledge.

Sincerely,

[Signature]

Robert Sedlak
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On April 11, 2017 before me, Maxwell Edward Daffron

Here Insert Name and Title of the Officer

personally appeared Robert Joseph Seldak

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: _____________________________
Document Date: _____________________________
Number of Pages: ______ Signer(s) Other Than Named Above: _____________________________

Capacity(ies) Claimed by Signer(s)
Signer's Name: _____________________________
□ Corporate Officer — Title(s): _____________________________
□ Partner — □ Limited □ General _____________________________
□ Individual □ Attorney in Fact _____________________________
□ Trustee □ Guardian or Conservator _____________________________
□ Other: _____________________________
Signer Is Representing: _____________________________

Signer's Name: _____________________________
□ Corporate Officer — Title(s): _____________________________
□ Partner — □ Limited □ General _____________________________
□ Individual □ Attorney in Fact _____________________________
□ Trustee □ Guardian or Conservator _____________________________
□ Other: _____________________________
Signer Is Representing: _____________________________

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Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

Agenda Item #2
Special Meeting Minutes
City of Huntington Beach Oversight Board of the Successor Agency
of the Former City of Huntington Beach Redevelopment Agency

Wednesday, January 25, 2017
3:00 PM - Room B-8
Civic Center, 2000 Main Street
Huntington Beach, California 92648

3:00 PM – ROOM B-8
CIVIC CENTER, 2000 MAIN STREET
HUNTINGTON BEACH, CA  92648

TELECONFERENCE LOCATION:  (BOARD MEMBER LUCY DUNN)
2 PARK PLAZA, SUITE 100
IRVINE, CA 92614

BOARD MEMBERS: City of Huntington Beach appointee Councilmember Jill Hardy; County Board of Supervisors appointees Lucy Dunn and Steve Bone; Community Colleges Districts appointee W. Andrew “Andy” Dunn; Orange County Office of Education appointee Carrie Delgado; Former Huntington Beach Redevelopment Agency employee representative Kellee Fritzal; Special District – Orange County Sanitation District appointee Mayor Barbara Delgleize

CALLED TO ORDER – 3:01 PM

ROLL CALL

PRESENT:  Bone, Delgleize, L. Dunn (arrived at teleconference location at 3:14 PM), Fritzal, Hardy
ABSENT:  A. Dunn, Delgado

PLEDGE OF ALLEGIANCE:  Led by Mayor Delgleize

SUPPLEMENTAL COMMUNICATIONS: None

PUBLIC COMMENTS:  This is the portion of the meeting for any member of the public to address the Oversight Board on any matter that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss unagendized issues brought forth under Public Comments. Comments should be limited to 3 minutes per person. None.

BUSINESS:

1. Made Introductions and Administered the Oath of Office

   Introductions were made for Jill Hardy representing the City Council, and Mayor Barbara Delgleize representing the Orange County Sanitation District. The Oath of Office was administered by the Board Secretary to both appointees.

2. Held Election of a Chair and Vice Chair for the Oversight Board

   A motion was made by Fritzal, second Bone, to elect Mayor Barbara Delgleize as Board Chair, and Councilmember Jill Hardy as Vice Chair, of the Oversight Board to the Successor Agency to the dissolved Huntington Beach Redevelopment Agency for the 2017 calendar year.
The motion carried by the following vote:

AYES: Bone, Delgleize, Fritzal, Hardy
NOES: None
ABSENT: Delgado, A. Dunn, L. Dunn

3. Adopted Oversight Board Resolution Nos. 2017-03 through 2017-14 finding that the Loans made by the former Redevelopment Agency were for Legitimate Purposes and approving the Loans as Enforceable Obligations for Repayment

Member Bone announced that the record should reflect his recusal from action on Resolution No. 2017-04 due to a financial conflict of interest.

Chief Financial Officer Lori Ann Farrell presented a brief report and explained certain actions taken following dissolution of the Huntington Beach Redevelopment Agency.

Discussion ensued regarding Proposition 98, interest rate fluctuation, and what Huntington Beach and other cities should expect to receive in reimbursement payments.

A motion was made by Hardy, second Fritzal, to adopt Resolution No. 2017-03, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding Acquisition Associated With The Strand Project was for Legitimate Redevelopment Purposes, and Approving The Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance With Health And Safety Code Section 34191.4(B)”; and, adopt Resolution No. 2017-04, “A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Huntington Beach Finding That The Loan Made By The City Of Huntington Beach To The Former Redevelopment Agency Of The City Of Huntington Beach Regarding The Relocation And Demolition Of Driftwood And Pacific Mobile Home Parks Related To The Waterfront Master Site Plan Was For Legitimate Redevelopment Purposes, And Approving The Loan As An Enforceable Obligation And The Schedule For Repayment Of Said Loan By The Successor Agency To The City Of Huntington Beach, In Accordance With Health And Safety Code Section 34191.4(B)”;
and, adopt Resolution No. 2017-05, “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Relocation Costs paid to Terry’s Coffee Shop and First Interstate Bank was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B);” and, adopt Resolution No. 2017-06, “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Relocation costs paid to Wind and Sea Surf Shop was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance With Health And Safety Code Section 34191.4(B); and, adopt Resolution No. 2017-07, “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Acquisition Costs associated with the Second Block Alley and Street Improvement Project was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the
Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B);" and, adopt Resolution No. 2017-08, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Relocation, Property Acquisition, and Other Project Costs associated with the Third Block West Condominium/Retail/Office Project in the Main-Pier Redevelopment Project Area was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B);" and, adopt Resolution No. 2017-09, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Acquisition of Land Within the Main-Pier Project Area to Implement the Construction of Parking Facilities within the Downtown Main-Pier Area was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B);" and, adopt Resolution No. 2017-10, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Acquisition of Land within the Main-Pier Project Area for Phase II Development Projects was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B);" and, adopt Resolution No. 2017-11, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding Land and Right-Of-Way Acquisition Costs connected with the Gothard-Hoover Extension Project and Development of a Public Storage Facility in the Huntington Beach Redevelopment Project was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B);" and, adopt Resolution No. 2017-12, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding FY 2004-05 Capital Projects was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of Said Loan by the Successor Agency to the City Of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B);" and, adopt Resolution No. 2017-13, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Finding that the Loan Made by the City of Huntington Beach to the Former Redevelopment Agency of the City of Huntington Beach Regarding the Emerald Cove Property Transfer was for Legitimate Redevelopment Purposes, and Approving the Loan as an Enforceable Obligation and the Schedule for Repayment of said Loan by the Successor Agency to the City of Huntington Beach, in Accordance with Health and Safety Code Section 34191.4(B)."
The motion to adopt Resolution Nos. 2017-03, 2017-05, 2017-06, 2017-07, 2017-08, 2017-09, 2017-10, 2017-11, 2017-12, 2017-13 and 2017-14 carried by the following vote:

AYES: Bone, Delgleize, L. Dunn, Fritzal, Hardy
NOES: None
ABSENT: Delgado, A. Dunn

The motion to adopt Resolution No. 2017-04 carried by the following vote:

AYES: Delgleize, L. Dunn, Fritzal, Hardy
NOES: None
ABSENT: Delgado, A. Dunn
RECUSED: Bone

4. Adopted Oversight Board Resolution Nos. 2017-01 and 2017-02 approving the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the Huntington Beach Successor Agency for the period of July 1, 2017 through June 30, 2018, in accordance with Health and Safety Code Section 34177 and related action

Member Bone announced that the record should reflect his recusal from action on Resolution No. 2017-01 Exhibit “A” line items #2, #13, #75 and #88 due to a financial conflict of interest.

A motion was made by Hardy, second Delgleize, to adopt Resolution No. 2017-01, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Recognized Obligation Payment Schedule for the Period July 1, 2017 Through June 30, 2018 ("ROPS 17-18");" and, adopt Resolution No. 2017-02, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Successor Agency Administrative Budget for the Period July 1, 2017 Through June 30, 2018."

The motion to adopt Resolution No. 2017-01 carried by the following vote:

AYES: Bone (recused from Exhibit A Line Items #2, #13, #75 and #88), Delgleize, L. Dunn, Fritzal, Hardy
NOES: None
ABSENT: Delgado, A. Dunn

The motion to adopt Resolution No. 2017-02 carried by the following vote:

AYES: Bone, Delgleize, L. Dunn, Fritzal, Hardy
NOES: None
ABSENT: Delgado, A. Dunn

5. Approved and adopted the minutes of the Oversight Board Special Meeting of January 27, 2016

A motion was made by Bone, second Fritzal, to approve and adopt the minutes of the Oversight Board Special Meeting of January 27, 2016, as written and on file in the office of the Secretary of the Board.

The motion carried by the following vote:
AYES: Bone, Delgleize, L. Dunn, Fritzal, Hardy
NOES: None
ABSENT: Delgado, A. Dunn

MEMBER REPORTS/ANNOUNCEMENTS - None

ADJOURNMENT

Adjourned at 3:20 PM to the next Regular Meeting scheduled for Monday, April 10, 2017, 4:30 PM at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8.

Robin Estanislau
Secretary of the Huntington Beach Oversight Board of the Successor Agency of the Former City of Huntington Beach, California Redevelopment Agency

Barbara Delgleize
Chair of the Huntington Beach Oversight Board of the Successor Agency of the Former City of Huntington Beach, California Redevelopment Agency