



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

Oversight Board of the Successor Agency to the Paso Robles Redevelopment Agency AGENDA

Wednesday, August 22, 2012 - 2:00 PM

**MEETING LOCATION: PASO ROBLES LIBRARY/CITY HALL
LARGE CONFERENCE ROOM, 1000 SPRING STREET, 2nd FLOOR**

2:00 PM – CONVENE REGULAR MEETING

CALL TO ORDER

ROLL CALL Board members Nick Gilman, Mary Jarvis, Sandee McLaughlin, Tom Flynn, Ed Gallagher, Frank Mecham, and Chris Iversen,

PUBLIC COMMENTS

OLD BUSINESS

1. **Approval of Minutes of the Oversight Board Meeting of June 21, 2012**
2. **Funding Assistance Agreement between the City of El Paso de Robles Acting in It is Capacity as Successor Agency to the Redevelopment Agency (Agency) and the San Luis Obispo County Office of Education (COE) Regarding Assistance to Development of the First 5 Early Education Center (Continued from June 21, 2012 meeting)**

Explanation: This item is recommended to be further continued to the next Oversight Board Meeting.

Recommendation: By voice vote, continue this item to the next Oversight Board Meeting.

NEW BUSINESS

3. **Presentation from the County Auditor-Controller Regarding Management Letter**

Recommendation: Information items only; no action necessary.

4. **Recognized Obligation Payment Schedule (ROPS) for January 1 – June 30, 2013**
AB 1484 requires that: the ROPS be approved by the Oversight Board; ROPS approval resolutions be forwarded to the State Department of Finance (DOF) no later than September 1, 2012; and DOF shall have final approval authority over the ROPS.

Recommendation: Adopt a Resolution Approving a Recognized Obligation Payment Schedule Pursuant to Health and Safety Code Section 34177(l).

5. Loan Agreement to Pay Enforceable Obligations Pursuant to Health and Safety Code Section 34173(h)5.

The City proposes to loan the Successor Agency \$3.5 million to complete ADA improvements consisting of sidewalk and handicapped ramp improvements in the Downtown and along Spring Street and rehabilitation of the City Park Restrooms to be fully-accessible. The loan will be repaid from Redevelopment Bonds sold in 2009, prior to enactment of AB 1X 26. AB 1484 requires that the Oversight Board approve such loan agreements.

Recommendation: Adopt a Resolution Approving and Authorizing the Execution of a Loan Agreement Between the Successor Agency and the City of Paso Robles to Pay Enforceable Obligations Pursuant to Health and Safety Code Section 34173(h)

ADJOURNMENT to next meeting on a date and time to be determined.

Any writing or document pertaining to an open session item on this agenda which is distributed to a majority of the members of the Oversight Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the City Clerk's Office, 1000 Spring Street, Paso Robles, CA, during normal business hours, and may be posted on the City's web site at <http://www.prcity.com/government/citycouncil/agendas.asp>.

AMERICANS WITH DISABILITIES ACT Any individual, who because of a disability needs special assistance to attend or participate in this meeting, may request assistance by contacting the City Clerk's Office (805) 237-3960. Whenever possible, requests should be made four (4) working days in advance of the meeting.



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

Oversight Board of the Successor Agency to the Paso Robles Redevelopment Agency MINUTES

Thursday, June 21, 2012 1:30 PM

**MEETING LOCATION: PASO ROBLES LIBRARY/CITY HALL
LARGE CONFERENCE ROOM, 1000 SPRING STREET, 2nd FLOOR**

11:00 PM – CONVENE REGULAR MEETING

CALL TO ORDER

ROLL CALL Board members Flynn, Jarvis, McLaughlin, Gallagher, Gilman, and Iversen were present. Board member Mecham was absent at Roll Call.

PUBLIC COMMENTS

OLD BUSINESS

1. **Approval of Minutes of the Oversight Board Meeting of May 3, 2012**

It was moved by Member Flynn, seconded by Member McLaughlin, and passed unanimously (Member Mecham absent) to approve the minutes of the May 3, 2012 meeting as presented.

NEW BUSINESS

2. **Funding Assistance Agreement between the City of El Paso de Robles Acting in It is Capacity as Successor Agency to the Redevelopment Agency (Agency) and the San Luis Obispo County Office of Education (COE) Regarding Assistance to Development of the First 5 Early Education Center**

Board member Mecham arrived during the presentation of this item. Several board members expressed a concern that "Agreements" #4-6 would unnecessarily bind the City to providing funding for debt service should the State Department of Finance disallow the use of tax increment funds to provide the proposed funding assistance. It was the consensus of the board members to continue this item to the next board meeting in order that the City Attorney could advise if "Agreements" #4-6 could be removed from the proposed Funding Assistance Agreement.

ADJOURNMENT to next meeting on September 20, 2012 at 2:00 pm.

AGENDA ITEM 4

TO: Honorable Chairperson and Members of the Oversight Board of the
Successor Agency to the Dissolved Paso Robles Redevelopment Agency

FROM: Ed Gallagher, Community Development Director, City of Paso Robles

SUBJECT: Resolution of the Oversight Board of the Successor Agency to the dissolved Paso
Robles Redevelopment Agency approving a Recognized Obligation Payment Schedule
for the Period January 1 through June 30, 2013 pursuant to Health and Safety Code
Section 34177(m)

DATE: August 22, 2012

FACTS

1. On June 27, 2012, AB 1484 was enacted. This bill amends the Redevelopment Dissolution Act (AB 1X 26) to establish new deadlines for review and recommendations on Recognized Obligation Payment Schedules (ROPS). Health and Safety Code Section 34177(m) now requires that the Successor Agency submit an Oversight Board-approved ROPS, for the period January 1 – June 30, 2012 (aka ROPS 3, designating the third ROPS since enactment of AB 1X 26), to the State Department of Finance (DOF) by September 1, 2012. Failure to meet this deadline will subject the Successor Agency to fines of \$10,000 per day.
2. Section 34177(m) provides that ROPS 3 must be submitted on a form approved by DOF. Exhibit A of the attached resolution to adopt ROPS 3 is a draft ROPS prepared on a version of the form prepared by DOF in July. On August 10, the City received an updated ROPS form from DOF, and adjustments will need to be made. The revised ROPS 3 form will be presented at the Oversight Board Meeting and the differences will be explained.
3. CEQA: Approval of a ROPS does not commit the Oversight Board to any actions that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act (CEQA).
4. Fiscal Impact: No funds are involved with the approval of the ROPS.

RECOMMENDATION

Staff recommends that the Oversight Board, by motion, approve and adopt the attached resolution.

ATTACHMENTS

1. Oversight Board Resolution No. 12-XXX (ROPS 3)

RESOLUTION NO. 12-XXX

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
DISSOLVED PASO ROBLES REDEVELOPMENT AGENCY APPROVING A RECOGNIZED
OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE
SECTION 34177(m)**

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of El Paso de Robles (“RDA Successor Agency”) is the successor agency to the dissolved Paso Robles Redevelopment Agency (“Agency”), confirmed by Resolution No. 12-005 adopted on January 17, 2012; and

WHEREAS, Health and Safety Code Section 34179(a) provides that each successor agency shall have an oversight board composed of seven members; and

WHEREAS, the Oversight Board is the RDA Successor Agency’s oversight board pursuant to Health and Safety Code Section 34179(a); and

WHEREAS, Health and Safety Code Section 34180(g) requires the Oversight Board to approve the RDA Successor Agency’s establishment of the ROPS prior to the RDA Successor Agency acting upon the ROPS; and

WHEREAS, at its meeting of August 22, 2012, the Oversight Board approved an ROPS for the period January 1 through June 30, 2013 and directed that said ROPS be transmitted to the State of California Department of Finance for approval; and

WHEREAS, on August 21, 2012, the RDA Successor Agency staff prepared a draft of the ROPS for the period January 1 through June 30, 2013 and submitted it to the County of San Luis Obispo Auditor-Controller for its review; and

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED PASO ROBLES REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. CEQA Compliance. The approval of the ROPS for the period January 1 through June 30, 2013 through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 3. Approval of the ROPS. The Oversight Board hereby approves and adopts the ROPS, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177.

SECTION 4. Implementation. The Oversight Board hereby directs the RDA Successor Agency to submit copies of the ROPS approved by the Oversight Board to the County of San Luis Obispo Auditor-Controller, the State of California Controller and the State of California Department of Finance after the effective date of this Resolution or, if the State of California Department of Finance requests review of the ROPS prior to the effective date of this Resolution, upon approval of the ROPS by the State of California Department of Finance, and prior to September 4, 2012, and to post the ROPS on the RDA Successor Agency's website.

SECTION 5. Severability. 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 the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 6. Certification. The City Clerk of the City of El Paso de Robles, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

SECTION 7. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 22nd day of August, 2012, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chris Iversen, Chair

ATTEST:

Ed Gallagher, Secretary to the Oversight Board

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

[Attached behind this page]

Successor Agency Contact Information

Name of Successor Agency: City of Paso Robles
County: San Luis Obispo

Primary Contact Name: Jim Throop
Primary Contact Title: Dir. Administrative Services
Address: 821 Pine Street, Suite A
Contact Phone Number: 805-237-3999
Contact E-Mail Address: jthroop@prcity.com

Secondary Contact Name: Ed Gallagher
Secondary Contact Title: Dir. Community Development
Secondary Contact Phone Number: 805-237-3970
Secondary Contact E-Mail Address: egallagher@prcity.com

DRAFT

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: City of Paso Robles

	Total Outstanding Debt or Obligation
Outstanding Debt or Obligation	\$ 48,798,524
	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	4,779,991
B Anticipated Enforceable Obligations Funded with RPTTF	1,042,858
C Anticipated Administrative Allowance Funded with RPTTF	-
D Total RPTTF Requested (B + C = D)	1,042,858
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ 5,822,849
E Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ (1,042,858)
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	
H Enter Actual Obligations Paid with RPTTF	
I Enter Actual Administrative Expenses Paid with RPTTF	
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-
K Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 1,042,858

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

Name

Signature

Chairman

Title

08/22/2012

Date

Name of Successor Agency:

City of Paso Robles

County:

San Luis Obispo

Oversight Board Approval Date: August 22, 2012

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013**

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
Grand Total							\$ 48,798,524	\$ 7,063,547	\$ 100,000	\$ 4,679,991	\$ -	\$ -	\$ 1,042,858	\$ -	\$ 5,822,849
1	COPS - Financing Agreement	11/03/1993	06/30/2023	City of Paso Robles	Construction of City Library	RDA	5,975,224.00	312,988.75					52,329		52,329
2	Bonds for non-housing projects	10/01/2000	06/30/2028	Union Bank	Non-housing projects within the RDA	RDA	5,189,949.00	244,508.76					8,873		8,873
3	Bonds for non-housing projects - Series A	07/23/2009	06/30/2018	Union Bank	Non-housing projects within the RDA	RDA	19,476,500.00	561,025.00					280,512		280,512
4	Bonds for non-housing projects - Series B	07/23/2009	06/30/2038	Union Bank	Non-housing projects within the RDA	RDA	2,624,476.00	387,932.50					49,043		49,043
5	SERAF Repayment for State Take-away	05/10/2010	05/10/2015	RDA of City of Paso Robles	Loan from LMIH to pay the required SERAF paymtn to State	RDA	1,189,200.00	524,601.00					524,601		524,601
6	Hidden Creek Affordable Housing Participati	06/10/2010	06/10/2020	City of Paso Robles	Hidden Creek Affordable Housing Participation Agreement	RDA	908,000.00	100,000.00	100,000						100,000
7	ADA Improvements Per Settlement Agreem	07/23/2009	06/30/2039	Mis. Contractors of projects	Ramps, Sidewalks, Park Bathrooms, 21st St. Improvements	RDA	3,408,837.50	1,271,153.75		1,271,154					1,271,154
8	Cooperative Administrative Agreement	02/01/2012	06/30/2039	City of Paso Robles	Administrative Costs	RDA	4,455,000.00	170,000.00					85,000		85,000
9	Oversight Board Legal Expenses	02/01/2012	06/30/2039	BB&K Law Firm	Legal Costs for Oversight B oard and Successor Agency	RDA	1,620,000.00	60,000.00					30,000		30,000
10	HdL Consulting Agreement	02/01/2012	06/30/2039	HdL Companies	Consulting Services for Tax Increment, etc. relating to RDA	RDA	270,000.00	10,000.00					5,000		5,000
11	NHA Advisors	02/01/2012	06/30/2039	NHA Advisors	Advisor services for financial issues related to RDA	RDA	270,000.00	10,000.00					5,000		5,000
12	Due Diligence Review	Waiting for State to finish p	Waiting for State to finish p	Moss & Levy CPA Firm	State Required Due Diligence Review	RDA	2,500.00	2,500.00					2,500		2,500
13	Reimbursement for ADA costs from Bond Pr	2/16/2011, 2/28/12	Upon completion	Penfield&Smith, Rockwood Gener	ADA projects (ramps, street improvements)	RDA	3,198,966.50	3,198,966.00		3,198,966					3,198,966
14	Reimbursement for Bathroom costs from Bo	TBD	TBD	TBD	ADA Bathroom project in City Park	RDA	209,871.00	209,871.00		209,871					209,871
15															-
16															-
17															-
18															-
19															-
20															-
21															-
22															-
23															-
24															-
25															-
26															-
27															-

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Name of Successor Agency:

City of Paso Robles

County:

San Luis Obispo

**Pursuant to Health and Safety Code section 34186 (a)
 PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
 January 1, 2012 through June 30, 2012**

Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
		Grand Total				\$ 100,000	\$ 100,000	\$ 1,271,154	\$ 774,760	\$ -	\$ -	\$ -	\$ -	\$ 887,456	\$ 835,695	\$ -	\$ -
		COPS - Financing Agreement Between City and RDA	City of Paso Robles	Construction of City Library	RDA									55,660	\$ 55,660.00		
		2000 TI Bonds for Non-Housing RDA Projects	Union Bank	Non-housing Projects within the RDA	RDA									85,635	\$ 160,635.00		
		2009 Tax Exempt TI Bonds for Non-Housing RDA Projects	Union Bank	Non-housing Projects within the RDA	RDA									280,512	\$ 280,512.00		
		2009 Taxable TI Bonds for Non-Housing RDA Projects	Union Bank	Non-housing Projects within the RDA	RDA									53,888	338,888		
		SERAF Repayment for State Take-away	LMIH Fund for City of Paso Robles	Loan from the LMIH to the RDA for the State rec	RDA									286,761	-		
		Hidden Creek Affordable Housing Participation Agreement	City of Paso Robles	Hidden Creek Affordable Housing Participation A	RDA	100,000.00	100,000.00										
		ADA Improvements Per Settlement Agreement	Penfield&Smith, Rockwood G	Ramps, Sidewalks, Park Bathrooms, 21st St	RDA			1,271,154	774,760								
		Cooperative Administrative Cost Agreement	City of Paso Robles	Oversight Board and Successor Agency Ad	RDA									125,000	-		
		Oversight/Successor Agency Legal Expenses	BB&K Law Firm	Legal Costs for Oversight Board and Succes	RDA									-	-		
		RDA and TI Consulting Services	HdL Companies	Consulting Services for Tax Increment and c	RDA									-	-		
		Financial Advising	NHA Advisors	Financial Consulting Services	RDA									-	-		

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AGENDA ITEM 5

TO: Honorable Chairperson and Members of the Oversight Board of the
Successor Agency to the Dissolved Paso Robles Redevelopment Agency

FROM: Ed Gallagher, Community Development Director, City of Paso Robles

SUBJECT: Resolution of the Oversight Board of the Successor Agency to the dissolved Paso
Robles Redevelopment Agency Approving and Authorizing the Execution of a Loan
Agreement Between the Successor Agency and the City of Paso Robles to Pay
Enforceable Obligations Pursuant to Health and Safety Code Section 34173(h)

DATE: August 22, 2012

FACTS

1. In July 2009, Redevelopment Agency issued bonds for the purpose of paying certain costs of implementing the Redevelopment Plan, including costs of providing public improvements. Among the public improvements envisioned were ADA improvements consisting of sidewalk and handicapped ramp improvements in the Downtown and along Spring Street and rehabilitation of the City Park Restrooms to be fully-accessible.
2. In December 2010, the Redevelopment Agency (“Agency”) and the City executed a funding agreement in which the Agency agreed to pay up to \$3.25 million to the City for the purpose of making the subject ADA improvements.
3. AB 1X 26 (2011) provided that such funding agreements were void, however AB 1484 (2012) added Health and Safety Code Section 34194.1 which provides a means to authorize such agreements, subject to issuance of a finding of completion by the State Department of Finance (in the Spring of 2013) and approval by the Oversight Board.
4. A contract for the rehabilitation of the City Park Restrooms is ready to be awarded. However, the Successor Agency has insufficient funds to make the Agency’s contribution from bond funds. The Loan agreement authorizes the City to advance up to \$3.5 million to do the work until a finding of completion has been made.

RECOMMENDATION

Staff recommends that the Oversight Board, by motion, approve and adopt the attached resolution.

ATTACHMENTS

1. Oversight Board Resolution No. 12-XXX (Loan Agreement)

OVERSIGHT BOARD RESOLUTION NO. 12-XXX

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF EL PASO DE ROBLES TO PAY ENFORCEABLE OBLIGATIONS PURSUANT TO HEALTH AND SAFETY CODE SECTION 34173(h) UNDER A FUNDING AGREEMENT BETWEEN THE FORMER REDEVELOPMENT AGENCY AND THE CITY AND MAKING CERTAIN FINDINGS RELATED THERETO

WHEREAS, pursuant to the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City of El Paso de Robles created the Redevelopment Agency of the City of El Paso de Robles (“Redevelopment Agency”); and

WHEREAS, in July 2009, the Redevelopment Agency issued bonds (“Redevelopment Agency Bonds”) for the purpose of paying certain costs of implementing the Redevelopment Plan for the Paso Robles Redevelopment Project Area, including costs of providing public improvements to benefit the Redevelopment Project Area; and

WHEREAS, on September 7, 2010, the City Council made findings that the existing restroom facilities located west of the Carnegie Library are inadequate and obsolete, as well as being non-compliant with State of California and Americans with Disabilities Act requirements; and

WHEREAS, in settlement of a lawsuit filed against the City on March 16, 2010, the City entered into a Consent Decree dated December 11, 2010, which specified certain corrective actions to be undertaken by the City, including the design and construction of a new accessible restroom building in City Park (the “ADA Improvements”), located within the Redevelopment Project Area, which was entered into by the City in reliance upon the availability of proceeds of the Redevelopment Agency Bonds (the “Redevelopment Agency Bond Proceeds”) to pay a portion of the costs of the ADA Improvements; and

WHEREAS, to formalize the Redevelopment Agency’s commitment to fund a portion of the costs of the ADA Improvements, the Redevelopment Agency and City entered into that certain Funding Agreement, dated as of December 22, 2010 (“Funding Agreement”), whereby the Redevelopment Agency agreed to pay an amount not to exceed \$3,250,000.00 (“Agency Contribution”) from Redevelopment Agency Bonds Proceeds to assist with financing the ADA Improvements; and

WHEREAS, the actual costs of the ADA Improvements may exceed the amount approved in the Funding Agreement; and

WHEREAS, pursuant to AB 1X 26, enacted June 28, 2011 (as found constitutional and as partially reformed by the California Supreme Court in its decision in *California Redevelopment Association v. Matosantos* on December 29, 2011), and as amended by AB 1484,

enacted June 27, 2012 (the “Dissolution Act”), the Redevelopment Agency, along with all other redevelopment agencies in the State, was dissolved as of February 1, 2012; and

WHEREAS, pursuant to the authority provided in Health and Safety Code Section 34173, as enacted by AB 1X 26, the City Council of the City of El Paso de Robles (“City”) elected and determined that the City shall become the “successor agency” to the former Redevelopment Agency, and upon dissolution of the Redevelopment Agency under AB 1X 26, all authorities, rights, powers, duties and obligations previously vested with the former Redevelopment Agency, under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), were vested in the Successor Agency, including the former Redevelopment Agency’s rights, duties and obligations under the Funding Agreement; and

WHEREAS, also pursuant to the Dissolution Act, the Oversight Board was established to oversee, direct and approve specified actions of the Successor Agency; and

WHEREAS, as part of the Dissolution Act, agreements and contracts between the former redevelopment agency and the city that created the former redevelopment agency were deemed void. However, Section 34191.4, added by AB 1484, provides, in part, that loan agreements entered into between the former redevelopment agency and the city that created the former redevelopment agency shall be deemed to be enforceable obligations, if a finding of completion has been issued by the Department of Finance (“DOF”) pursuant to Health and Safety Code Section 34179.7, and the oversight board finds that the loan was for legitimate redevelopment purposes; and

WHEREAS, Section 34191.4 also provides, in part, that if a finding of completion has been issued by DOF pursuant to said Section 34179.7, bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold; and

WHEREAS, after a lengthy design and bidding process, the City is prepared to award a contract for construction of the ADA Improvements. Because the earliest the Successor Agency could obtain a finding of completion from DOF is the spring 2013, the Redevelopment Agency Bond Proceeds are not yet available for funding of the Successor Agency’s obligations under the Funding Agreement; and

WHEREAS, pursuant to Health and Safety Code Section 34173(h), the City may loan or grant funds to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses at the City’s discretion, but the receipt and use of those funds shall be reflected on the Recognized Obligation Payment Schedule (“ROPS”), and are subject to Oversight Board approval; and

WHEREAS, because the Successor Agency has insufficient funds to make the Agency Contribution out of existing Successor Agency funds, the City Council has determined that the City will loan funds to the Successor Agency to pay the Agency Contribution, with the understanding that upon issuance of a finding of completion by DOF, the City will be repaid from Redevelopment Agency Bond Proceeds; and

WHEREAS, Successor Agency and City staff have cooperated in preparing a “Loan Agreement to Pay Enforceable Obligations Pursuant to Health and Safety Code Section 34173(h)” (“Agreement”) to formalize the terms and conditions for the City to advance funds to the Successor Agency to pay the Agency Contribution under the Funding Agreement;

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. In accordance with Health and Safety Code Section 34191.4(b), the Oversight Board here finds and determines that the Funding Agreement previously entered into between the Redevelopment Agency and the City, and the Agency Contribution provided for under the Funding Agreement were for legitimate redevelopment purposes. The Oversight Board further finds and determines that the Loan Agreement between the Successor Agency and the City providing for the loan of funds to the Successor Agency to pay the Agency Contribution, as authorized under Health and Safety Code Section 34173(h), with the understanding that upon issuance of a finding of completion by DOF, the City will be repaid from Redevelopment Agency Bond Proceeds, is for legitimate redevelopment purposes. It is the intent of the Oversight Board, in making these findings, that the Funding Agreement and the Loan Agreement shall be reflected on the ROPS prepared by the Successor Agency, and shall be deemed to be enforceable obligations of the Successor Agency, and that Redevelopment Agency Bond Proceeds shall be used to repay the loan from the City under the Loan Agreement to pay the Agency Contribution required under the Funding Agreement, if a finding of completion is issued by the Department of Finance (“DOF”) pursuant to Health and Safety Code Section 34179.7.

Section 2. The Oversight Board hereby approves the Loan Agreement between the Successor Agency and the City in substantially the form on file with the Oversight Board Secretary, which Loan Agreement is incorporated herein by reference.

Section 3. The Oversight Board hereby further approves the Successor Agency’s acceptance of the Loan Amount from the City, in the amount of up to \$3,500,000, to enable the Successor Agency to meet its obligations under the Funding Agreement and pay its portion of the ADA Improvements.

Section 4. Severability. 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 the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. Certification. The City Clerk of the City of El Paso de Robles, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 6. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of

Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 22nd day of August, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Chris Iversen, Oversight Board Chair

ATTEST:

Ed Gallagher, Oversight Board Secretary

**LOAN AGREEMENT
TO PAY ENFORCEABLE OBLIGATIONS
PURSUANT TO HEALTH AND SAFETY CODE SECTION 34173(h)**

THIS LOAN AGREEMENT (“Agreement”) is dated as of _____, 2012 by and between the SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES, a public body corporate and politic (“Successor Agency”), and the CITY OF EL PASO DE ROBLES, a California municipal corporation (“City”). Successor Agency and City are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.” This Agreement is entered into with reference to the following recitals of fact (“Recitals”) that Successor Agency and City believe to be true, as of the date each Party executes this Agreement:

RECITALS

A. Pursuant to the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City created the Redevelopment Agency of the City of El Paso de Robles (“Redevelopment Agency”). In July 2009, the Redevelopment Agency issued bonds (“Redevelopment Agency Bonds”) for the purpose of paying certain costs of implementing the Redevelopment Plan for the Paso Robles Redevelopment Project Area, including costs of providing public improvements to benefit the Redevelopment Project Area.

B. On September 7, 2010, the City Council made findings that the existing restroom facilities located west of the Carnegie Library are inadequate and obsolete, as well as being non-compliant with State of California and Americans with Disabilities Act requirements.

C. In settlement of a lawsuit filed against the City on March 16, 2010, the City entered into a Consent Decree dated December 11, 2010, which specified certain corrective actions to be undertaken by the City, including the design and construction of a new accessible restroom building in City Park (the “ADA Improvements”), located within the Redevelopment Project Area. The Consent Decree was entered into by the City in reliance upon the availability of proceeds of the Redevelopment Agency Bonds (the “Redevelopment Agency Bond Proceeds”) to pay a portion of the costs of the ADA Improvements.

D. To formalize the Redevelopment Agency’s commitment to fund a portion of the costs of the ADA Improvements, the Redevelopment Agency and City entered into that certain Funding Agreement, dated as of December 22, 2010 (“Funding Agreement”), whereby the Redevelopment Agency agreed to pay an amount not to exceed \$3,250,000.00 (“Agency Contribution”) from Redevelopment Agency Bonds Proceeds to assist with financing the ADA Improvements. However, the actual costs of the ADA Improvements may exceed the amount set forth in the Funding Agreement.

E. Pursuant to AB 1X 26, enacted June 28, 2011 (as found constitutional and as partially reformed by the California Supreme Court in its decision in *California Redevelopment Association v. Matosantos* on December 29, 2011), and as amended by AB 1484, enacted June 27, 2012 (the “Dissolution Act”), the Redevelopment Agency, along with all other

redevelopment agencies in the State, was dissolved as of February 1, 2012. Pursuant to the authority provided in Health and Safety Code Section 34173, as enacted by the Dissolution Act, the City Council of the City elected and determined that the City shall become the “successor agency” to the former Redevelopment Agency, and upon dissolution of the Redevelopment Agency under the Dissolution Act, all authorities, rights, powers, duties and obligations previously vested with the former Redevelopment Agency, under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), were vested in the Successor Agency.

F. As part of the Dissolution Act, agreements and contracts between the former redevelopment agency and the city that created the former redevelopment agency were deemed void. However, Section 34191.4, added by AB 1484, provides, in part, that loan agreements entered into between the former redevelopment agency and the city that created the former redevelopment agency shall be deemed to be enforceable obligations, if a finding of completion has been issued by the Department of Finance (“DOF”) pursuant to Health and Safety Code Section 34179.7, and the oversight board finds that the loan was for legitimate redevelopment purposes. Section 34191.4 also provides, in part, that if a finding of completion has been issued by DOF pursuant to said Section 34179.7, bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold.

G. After a lengthy design and bidding process, the City is prepared to award a contract for construction of the ADA Improvements. Because the earliest the Successor Agency could obtain a finding of completion from DOF is the spring 2013, the Redevelopment Agency Bond Proceeds are not yet available for funding of the Successor Agency’s obligations under the Funding Agreement.

H. Pursuant to Health and Safety Code Section 34173(h), the City may loan or grant funds to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses at the City’s discretion, but the receipt and use of those funds shall be reflected on the Recognized Obligation Payment Schedule (“ROPS”), and are subject to Oversight Board approval.

I. Because the Successor Agency has insufficient funds to make the Agency Contribution out of existing Successor Agency funds, the City Council has determined that the City will loan funds to the Successor Agency to pay the Agency Contribution, with the understanding that upon issuance of a finding of completion by DOF, the City will be repaid from Redevelopment Agency Bond Proceeds.

J. The Parties now desire to enter into this Agreement to memorialize the terms and conditions of the City loan to the Successor Agency to enable the Successor Agency to meet its obligations under the Funding Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by Successor Agency and City, the Parties agree as follows:

1. EFFECTIVE DATE.

1.1 **Effective Date of Agreement.** This Agreement is dated [REDACTED], 2012 for reference purposes only. This Agreement shall not become legally effective or binding until the date on which all of the following are true (“Effective Date”):

1.1.1 This Agreement is approved by the Successor Agency and the City Council and executed by the authorized representatives of the Successor Agency and City, respectively;

1.1.2 This Agreement is approved by the Oversight Board of the Successor Agency; and

1.1.3 Pursuant to Health and Safety Code Section 34179(h), written notice and information about the approval of this Agreement by the Oversight Board is provided to the State of California Department of Finance and this Agreement becomes effective five (5) business days after notice has been provided to the State of California Department of Finance, pending a request for review by the State of California Department of Finance.

2. LOAN.

2.1 **Loan Amount.** City shall loan to the Successor Agency the amount up to THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000.00) (the “Loan Amount”), which Loan shall be evidenced by a Promissory Note in substantially the form attached hereto as Exhibit A. Upon execution of the Promissory Note, the City shall loan the Loan Amount to Successor Agency in immediately available funds.

2.2 **Use of Loan Amount.** The Loan Amount shall be used by Successor Agency for the sole purpose of paying the amount owed by the Successor Agency under the Funding Agreement, for construction of the ADA Improvements.

2.3 **Repayment of Loan Amount.** Successor Agency agrees to repay the Loan Amount pursuant to the terms and conditions of this Agreement and the Promissory Note executed by Successor Agency in substantially the form attached hereto as Exhibit B from Redevelopment Agency Bond Proceeds, within ten (10) days following completion of the later to occur of: (a) approval of the Funding Agreement by the Oversight Board to the Successor Agency, (b) inclusion of the Funding Agreement and this Agreement as enforceable obligations on the ROPS prepared by the Successor Agency, and (c) issuance of a finding of completion by the California Department of Finance pursuant to Health and Safety Code Section 34179.7, for the Successor Agency.

2.4 **Enforceable Obligation.** Pursuant to Health and Safety Code Section 34173(h), the Loan Amount shall be reflected on the ROPS prepared by the Successor Agency and, upon approval of this Agreement by the Oversight Board to the Successor Agency, the repayment of the Loan Amount shall be deemed to be an enforceable obligation of the Successor Agency.

3. GENERAL TERMS.

3.1 **Time Is Of The Essence.** Time of the essence in the performance of the Parties' obligations under this Agreement.

3.2 **No Third Party Beneficiaries.** This Agreement is expressly declared to be for the sole benefit of the Parties hereto. No other person or entity not a signatory to this Agreement shall have any rights or causes of actions against any Party to this Agreement because of that Party's entry into this Agreement.

3.3 **Assignment.** City may not assign any of its rights or obligations under this Agreement without the prior express written consent of Successor Agency, which may be given or withheld in Successor Agency's sole and absolute discretion.

3.4 **Failure to Strictly Enforce Not a Waiver.** Failure by any Party to this Agreement to insist upon the strict performance of any provision of the Agreement or at any one or more times shall not be deemed to constitute a waiver of that Party's right to insist upon strict performance of that or any other provision of this Agreement on future occasions. No alleged waiver of any right afforded to any Party under this Agreement shall be effective unless in writing.

3.5 **Attorneys' Fees.** In the event that any action or proceeding is commenced by either Successor Agency or City against the other to interpret or enforce any provision of this Agreement, the prevailing Party in such action or proceeding shall be entitled to recover from the non-prevailing Party, in addition to all other relief to which the prevailing Party may be entitled, the prevailing Party's reasonable attorneys' fees and litigation costs, as established by a court of law. Recoverable costs and fees shall include those incurred on appeal and in the enforcement of any judgment.

3.6 **Amendments and Modifications,** This Agreement may be amended only by written agreement of the Parties.

3.7 **Severability.** If any provision of this Agreement 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 Agreement that can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

[Signatures on Following Page]

SIGNATURE PAGE
TO
LOAN AGREEMENT

AGENCY:

SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY
OF THE CITY OF EL PASO DE ROBLES,
a public body, corporate and politic

CITY:

CITY OF EL PASO DE ROBLES
a California municipal corporation

By: _____
James L. App
Executive Director

By: _____
James L. App
City Manager

ATTEST:

By: _____
Dennis Fansler, Secretary

ATTEST:

By: _____
Dennis Fansler, City Clerk

APPROVED AS TO LEGAL FORM:

By: _____
Successor Agency Counsel

APPROVED AS TO LEGAL FORM:

By: _____
City Attorney

EXHIBIT A
TO
LOAN AGREEMENT

Promissory Note

[Attached Behind This Cover Page]

**SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
UNSECURED PROMISSORY NOTE**

FOR VALUE RECEIVED, this Unsecured Promissory Note is dated as of _____, 2012 (“Promissory Note”) and evidences an indebtedness of the Successor Agency to the Former Redevelopment Agency of the City of El Paso de Robles, a public body, corporate and politic (“Maker”), to the City of El Paso de Robles, a California municipal corporation (“Holder”). For value received, Maker hereby promises to pay to the order of Holder, at such address as Holder shall designate, the Loan Amount (as defined in with interest, in accordance with the terms of this Promissory Note.

1. **Loan Agreement.** The rights and obligations of Maker and Holder under this Promissory Note are made with respect to that certain agreement entitled “Loan Agreement To Pay Enforceable Obligations Under Health and Safety Code Section 34173(h),” dated _____, 2012 by and between Maker and Holder (“Agreement”), as approved by Resolution Number _____ of Maker, dated _____, 2012, and Resolution Number _____ of Holder, dated _____, 2012. The terms and provisions of the Agreement are incorporated into this Promissory Note by this reference. All initially capitalized terms used but not otherwise defined in this Promissory Note shall have the meaning ascribed to them in the Agreement.

2. **Unsecured Obligation.** The Maker’s obligations under this Promissory Note are not secured by any instrument encumbering any property or asset of Maker.

3. **Repayment of Promissory Note.** Maker shall pay to the order of Holder the Loan Amount, with interest accruing at the current Local Agency Investment Fund (LAIF) interest rate of 0.38% percent per annum, as follows:

3.1 Maker promises to pay to the order of Holder the Loan Amount, with interest, no later than ten (10) days following the later to occur of all of the following: (a) approval of the Funding Agreement by the Oversight Board to the Successor Agency, (b) inclusion of the Funding Agreement and this Agreement as enforceable obligations on the ROPS prepared by the Successor Agency, and (c) issuance of a finding of completion by the California Department of Finance pursuant to Health and Safety Code Section 34179.7, for the Successor Agency.

3.2 All payments due hereunder are payable in lawful money of the United States in same day funds. The Loan Amount may be prepaid, in whole or in part, at any time and from time to time without penalty or premium.

3.3 The entire unpaid balance of the Loan Amount shall be due and payable upon Maker’s material breach any of the obligations of this Promissory Note or the Agreement.

3.4 Maker's obligation to pay the unpaid principal balance of the Loan Amount shall be limited to the available funds of Maker which are not otherwise encumbered as of the date of this Promissory Note.

4. **Assignment.** Holder shall have no power to transfer or assign its right to receive any payment under this Promissory Note, unless Maker has first granted written approval to Holder for such a proposed assignment, in the Maker's sole and absolute discretion.

5. **Severability.** The unenforceability or invalidity of any provision or provisions of this Promissory Note as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other person or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

6. **Governing Law.** The validity, interpretation and performance of this Promissory Note shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of laws principles.

7. **Jurisdiction and Venue.** The Holder and the Maker acknowledge and stipulate that the obligation hereunder was entered into in the County of San Bernardino, California. Any legal action or proceeding to interpret, enforce, or which in any way arises out of this Promissory Note shall be instituted and prosecuted in the appropriate court in the County of San Bernardino, California. Holder and Maker expressly waive, to the maximum legal extent, any legal right either Party may have to have such action or proceeding transferred to or prosecuted in any other court or jurisdiction.

8. **Amendments and Modifications.** This Promissory Note may be amended or modified only in writing signed by the Holder and the Maker.

9. **Time of the Essence.** Time is of the essence of this Promissory Note.

[Signatures on Following Page]

SIGNATURE PAGE
TO
SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
UNSECURED PROMISSORY NOTE

MAKER:

SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF EL
PASO DE ROBLES,
a public body, corporate and politic

By: _____
James L. App
Executive Director

Date: _____

ATTEST:

By: _____
Dennis Fansler, Secretary

APPROVED AS TO LEGAL FORM:
BEST BEST & KRIEGER LLP

By: _____
Successor Agency Counsel