



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

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

AGENDA

Thursday, February 13, 2014 - 1:00 PM

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

1:00 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 September 27, 2013**

NEW BUSINESS

- 2. Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for July 1 – December 31, 2014**

AB 1484 requires that: the ROPS and Administrative Budget be approved by the Oversight Board; ROPS approval resolutions be forwarded to the State Department of Finance (DOF) no later than March 1, 2014; and DOF shall have final approval authority over the ROPS.

Recommendation:

- a. Adopt a Resolution Approving Administrative Budget;
- b. Adopt a Resolution Approving a Recognized Obligation Payment Schedule Pursuant to Health and Safety Code Section 34177(l).

- 3. Agreement to Repay Loan from Low and Moderate Income Housing Fund**

The former Redevelopment Agency borrowed from the Low- and Moderate-Income Housing Fund to make the 2009-2010 SERAF Payment. This agreement provides for repayment of that loan for deposit into the newly-created Low and Moderate-Income Housing Asset Fund.

Recommendation: Adopt a Resolution Approving an Agreement for Repayment of a Loan from Low and Moderate Income Housing Fund to Make 2009-2010 SERAF Payment

4. Agreement Regarding Expenditure of Excess Bond Proceeds

The Redevelopment Agency issued bonds in 2009 and has approximately \$2 million of unexpended proceeds. The Agreement would allow the Successor Agency to transfer remaining proceeds to the City, to be used in accordance with the bond covenants.

Recommendation: Adopt a Resolution Approving the Agreement Regarding Expenditure of Excess Bond Proceeds.

ADJOURNMENT to next meeting to be scheduled.

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

Friday, September 27, 2013 - 3:00 PM

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

4:00 PM – CONVENE REGULAR MEETING

CALL TO ORDER

ROLL CALL Board members Flynn, Jarvis, Gallagher, Mecham, and Iversen were present. Members McLaughlin and Gilman were absent.

PUBLIC COMMENTS None

OLD BUSINESS

1. Approval of Minutes of the Oversight Board Meeting of March 5, 2013

It was moved by Member Jarvis, seconded by Member Flynn, and passed 5-0-2 to approve the minutes of the March 5, 2013 meeting as presented; Member Flynn abstained.

NEW BUSINESS

2. Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for January 1 – June 30, 2014

Member Sandee McLaughlin arrived. Jim Throop, Administrative Services Director for the City of Paso Robles distributed a one-page "Summary of Financial Situation". He and Don Fraser, financial consultant for the City, explained the summary.

It was moved by Member Mecham, seconded by Member McLaughlin, and passed unanimously (6-0-1) to adopt Resolution 13-003 to Approve ROPS 1314B and the Administrative Budget for January 1 – June 30, 2014.

ADJOURNMENT to next meeting to be scheduled.

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.

AGENDA ITEM 2

- 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: Administrative Budget and Recognized Obligation Payment Schedule for the Period
July 1 through December 31, 2014 pursuant to Health and Safety Code Section 34177
- DATE: February 13, 2014
- Needs: For the Oversight Board to consider approval of an Administrative Budget and
Recognized Obligation Payment Schedules (ROPS) for the Successor Agency to the
Dissolved Paso Robles Redevelopment Agency
- 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 ROPS.
 2. Health and Safety Code Section 34177 requires that the Successor Agency approve
the following documents, following review and approval by the Oversight Board,
and submit them to the State Department of Finance (DOF) by March 1, 2014:
 - a. Administrative Budget of the Successor Agency covering the six-month
period July 1 through December 31, 2014; and
 - b. ROPS for the period July 1 through December 31, 2014 (aka ROPS 14-15A)
on a form approved by DOF.
 3. Failure to approve and submit these documents to DOF by March 1, 2014 will
subject the Successor Agency to fines of \$10,000 per day.
 4. Attached are two resolutions for adoption by the Oversight Board to approve the
administrative budget and ROPS 14-15A.
 5. 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).
- Options:
- a. (1) Adopt the attached Resolution Approving an Administrative Budget for
Successor Agency for the Period July 1 through December 31, 2014;
 - (2) Adopt the attached Resolution Approving a Recognized Obligation Payment
Schedule for the Period July 1 through December 31, 2014 (ROPS 14-15A);

b. Amend, modify, or reject the foregoing option.

Attachments:

1. Resolution Approving an Administrative Budget for Successor Agency for the Period July 1 through December 31, 2014
2. Resolution Approving a Recognized Obligation Payment Schedule for the Period July 1 through December 31, 2014 (ROPS 14-15A)

RESOLUTION NO. 14-001

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER PASO ROBLES REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR THE JULY 1, 2014 THROUGH DECEMBER 31, 2014 PERIOD RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15A PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the Successor Agency ("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, 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 34177(j) requires the Successor Agency to prepare and submit to the Oversight Board for approval a proposed administrative budget ("Administrative Budget") covering each six-month fiscal period; and

WHEREAS, the RDA Successor Agency has prepared an Administrative Budget covering July 1, 2014 through December 31, 2014, and has submitted said Administrative Budget to the Oversight Board for approval;

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 Administrative Budget for the period covering July 1, 2014 through December 31, 2014 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 Administrative Budget. The Oversight Board hereby approves and adopts the Administrative Budget for the period July 1, 2014 through December 31, 2014, in substantially the form attached to this Resolution as Exhibit B, pursuant to Health and Safety Code Section 34177.

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

PASSED, APPROVED AND ADOPTED this 13th day of February, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chris Iversen, Chair

ATTEST:

Ed Gallagher, Secretary

EXHIBIT A

Administrative Budget 14-15A

[to be inserted]

Administrative Budget
Successor Agency to the Paso Robles Redevelopment Agency

	Budget FY13/14	Budget FY14/15	Budget FY15/16	Budget FY16/17
EMPLOYEE SERVICES				
Full Time Regular	\$181,000	\$181,000	\$181,000	\$181,000
Total Employee Services	\$181,000	\$181,000	\$181,000	\$181,000
MAINTENANCE & OPERATIONS				
Materials & Services	\$2,000	\$2,000	\$2,000	\$2,000
Professional Services	\$10,000	\$10,000	\$10,000	\$10,000
Legal Services	\$54,000	\$54,000	\$54,000	\$54,000
Education, Travel & Meetings	\$3,000	\$3,000	\$3,000	\$3,000
Total Maintenance & Operations	\$69,000	\$69,000	\$69,000	\$69,000
DIVISION TOTAL	\$250,000	\$250,000	\$250,000	\$250,000

RESOLUTION NO. 14-002

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
FORMER PASO ROBLES REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED
OBLIGATION PAYMENT SCHEDULE 14-15A PURSUANT TO
HEALTH AND SAFETY CODE SECTION 34177 (ROPS 14-15A)

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the Successor Agency (“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, 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 34177(l) requires the RDA Successor Agency to prepare and submit to the Oversight Board for approval a Recognized Obligation Payment Schedule “ROPS”) covering each six-month fiscal period; and

WHEREAS, the RDA Successor Agency has prepared a ROPS covering July 1, 2014 through December 31, 2014 (“ROPS 14-15A”), and has submitted said ROPS to the Oversight Board for approval;

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 covering July 1, 2014 through December 31, 2014 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 14-15A. The Oversight Board hereby approves and adopts the ROPS 14-15A, in substantially the form attached to this Resolution as Exhibit B, 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 adoption of this Resolution but in any event prior to March 1, 2014, 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 Secretary of the Oversight Board 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 Department of Finance and therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the state Department of Finance.

PASSED, APPROVED AND ADOPTED this 13th day of February, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chris Iversen, Chair

ATTEST:

Ed Gallagher, Secretary

EXHIBIT A

ROPS 14-15A

[to be inserted]

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: El Paso De Robles
 Name of County: San Luis Obispo

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):		\$ 2,261,003
B	Bond Proceeds Funding (ROPS Detail)	2,014,003
C	Reserve Balance Funding (ROPS Detail)	247,000
D	Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 985,104
F	Non-Administrative Costs (ROPS Detail)	878,104
G	Administrative Costs (ROPS Detail)	107,000
H Current Period Enforceable Obligations (A+E):		\$ 3,246,107

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	985,104
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 985,104

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	985,104
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)		985,104

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	Title
/s/ _____	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments	
ROPS 13-14A Actuals (07/01/13 - 12/31/13)									
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	2,014,003					(1,705,382)		
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013						1,210,021		
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs						1,214,521		
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A								
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						-	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 2,014,003	\$ -	\$ -	\$ -	\$ -	\$ (1,709,882)		
ROPS 13-14B Estimate (01/01/14 - 06/30/14)									
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 2,014,003	\$ -	\$ -	\$ -	\$ -	\$ (1,709,882)		
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014				247,000		978,254	Part of RPTTF needed for ROPS 14-15 B DS	
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)						978,258	Includes reserve shown in column F	
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 2,014,003	\$ -	\$ -	\$ 247,000	\$ -	\$ (1,709,886)		

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: Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-
2010 SERAF Payment

DATE: February 13, 2014

Needs: For the Oversight Board to consider approval of an Agreement to Repay Loan from
Low- and Moderate-Income Housing Fund for 2009-2010 SERAF Payment

Facts:

1. The legislation that dissolved redevelopment agencies, AB 1x 26 and AB 1484 (collectively, the “Dissolution Law”) also prescribes the procedures to be followed for winding down the former redevelopment agency’s affairs.
2. The Dissolution Law provides that after Fiscal Year 2013-14, repayment of loans made by the Low- and Moderate-Income Housing Fund of the former Redevelopment Agency may be repaid, if the Oversight Board approves the repayment schedule. The Redevelopment Agency was required by Health and Safety Code section 33690 to make a payment in 2009-10 to the Supplemental Educational Revenue Augmentation Fund of \$1,189,200, all of which was borrowed from the Low- and Moderate-Income Housing Fund.
3. The proposed Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-2010 SERAF Payment, if approved, would allow the Successor Agency to claim RPTTF for repayment of the loan. The repayment schedule is in accordance with the formula set forth in Health and Safety Code section 34176(e)(6)(B).

Analysis &
Conclusions: California Health and Safety Code section 34176(e)(6)(B) authorizes the repayment of loans from the former redevelopment agency’s Low- and Moderate-Income Housing Fund after 2013-2014. The proposed Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-2010 SERAF Payment would the loan to be repaid, and deposited into a new Low- and Moderate-Income Housing Asset Fund to be used for affordable housing purposes.

Reference: California Health and Safety Code section 34176(e)(6)(B).

Options:

1. Adopt the attached Resolution approving the Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-2010 SERAF Payment; or

2. Amend, modify or reject the above-listed action.

Attachments:

1. Resolution Approving Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-2010 SERAF Payment; and
2. Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-2010 SERAF Payment.

OVERSIGHT BOARD RESOLUTION NO. 14-003

RESOLUTION OF THE PASO ROBLES OVERSIGHT BOARD
APPROVING AGREEMENT FOR REPAYMENT OF LOAN FROM LOW- AND
MODERATE-INCOME HOUSING FUND TO MAKE 2009-2010 SERAF PAYMENT

WHEREAS, pursuant to Assembly Bill 1X 26, enacted on June 28, 2011, and Assembly Bill 1484, enacted on June 27, 2012, (collectively the “Dissolution Law”), the Redevelopment Agency of the City of El Paso de Robles (“Redevelopment Agency”) was dissolved on February 1, 2012; and

WHEREAS, on January 17, 2012, under the authority of the Dissolution Act and by adoption of Resolution No. 2012-005, the City of El Paso de Robles (“City”) elected to be the successor Agency to the former Redevelopment Agency (“Successor Agency”) upon the Redevelopment Agency’s dissolution; and

WHEREAS, on January 17, 2012, under the authority of the Dissolution Act and by adoption of Resolution No. 2012-0006, the City opted to retain the housing functions and obligations of the former Redevelopment Agency as the designated housing successor (“Housing Successor”);

WHEREAS, the Oversight Board to the Successor Agency was established under the Dissolution Law to direct and oversee the Successor Agency’s action in winding down the affairs of the Redevelopment Agency and to perform other related functions; and

WHEREAS, pursuant to Health and Safety Code section 34176(e)(6)(B), repayment of loans made by the Low- and Moderate-Income Housing Fund are authorized after fiscal year 2013-14 if the oversight board has approved the repayment schedule; and

WHEREAS, the Low- and Moderate-Income Housing Fund loaned \$1,189,200 (the “Loan”) to the former Redevelopment Agency to enable the Redevelopment Agency to make a payment to the Supplemental Educational Revenue Augmentation Fund (“SERAF”) for the 2009-10 fiscal year, as required by Health and Safety Code section 33690; and

WHEREAS, no portion of the Loan has been repaid;

NOW, THEREFORE BE ITS RESOLVED, the Paso Robles Oversight Board hereby finds and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein.

Section 2. The Agreement to Repay Loan from Low and Moderate-Income Housing Fund for 2009-2010 SERAF Payment, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and the Successor Agency is hereby authorized to execute said agreement.

Section 3. All legal prerequisites to the adoption of this Resolution have been satisfied.

Section 4. The Executive Director of the Successor Agency or designee is hereby authorized to take such actions as are necessary and appropriate to implement this decision of the Oversight Board, including, but not limited to, listing the Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-2010 SERAF Payment on the Successor Agency's ROPS as an enforceable obligation. The repayment schedule is consistent with the provisions of Health and Safety Code section 34176(e)(6)(B).

Section 5. This Resolution shall become effective in accordance with Health and Safety Code section 34179(h), which authorizes DOF to review all actions taken by the Oversight Board.

PASSED AND ADOPTED this ____ day of February 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chris Iversen, Chair

Ed Gallagher, Secretary

Exhibit A

[Agreement Regarding SERAF Loan Repayment]

**AGREEMENT TO REPAY LOAN FROM LOW- AND MODERATE INCOME
HOUSING FUND FOR 2009-2010 SERAF PAYMENT**

THIS AGREEMENT (this “Agreement”) is entered into this _____ day of _____, 2014, by and between the SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES, a public body (the “Successor Agency”) and the CITY OF EL PASO DE ROBLES, in its capacity as the Housing Successor to the former Redevelopment Agency (“City”).

RECITALS

The City and the Successor Agency (individually, a “Party” and collectively, the “Parties”) enter into this Agreement with reference to the following facts and circumstances:

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the City Council of City activated the Redevelopment Agency of the City of El Paso de Robles (the “Redevelopment Agency”) and subsequently adopted the Redevelopment Plan for the Paso Robles Redevelopment Project (the “Redevelopment Plan”).

B. Pursuant to Health and Safety Code sections 33690 and 33690.5, the Redevelopment Agency was required to make payments to the Supplemental Educational Revenue Augmentation Fund (“SERAF”) for fiscal years 2009-10 and 2010-11. Because the Redevelopment Agency did not have sufficient funds to make the payment in 2009-10, it borrowed the necessary funds from its Low and Moderate-Income Housing Fund, as authorized by those statutes.

C. On December 15, 2009, the City Council adopted Council Resolution No. 09-160 and the Redevelopment Agency adopted Agency Resolution No. 09-010, both of which approved a borrowing from the Low and Moderate-Income Housing Fund in the amount of \$1,189,200 to make the SERAF payment for 2009-10 (the “SERAF Loan”). True and correct copies of Council Resolution No. 09-160 and Agency Resolution No. 09-010 are attached hereto as **Exhibits A** and **B**, respectively.

D. Assembly Bill 1X 26 (“AB 26”), enacted in June 2011, and AB 1484 (“AB 1484”), enacted in June 2012 (collectively, the “Dissolution Act”) required the dissolution of redevelopment agencies and established certain procedures and requirements for the wind-down of their activities.

E. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

F. Pursuant to Health and Safety Code section 34176, the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency.

G. Health and Safety Code section 34176(e)(6)(B) provides that after fiscal year 2013-14, loans of monies borrowed from the Low and Moderate Income Housing Fund may be repaid.

H. The parties desire to enter into this Agreement in repay the amounts borrowed from the Low- and Moderate-Income Housing Fund and to have the payments deposited into the newly-created Low- and Moderate-Income Housing Asset Fund to be used by the City, as the housing successor, for affordable housing purposes.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Recitals. All of the above recitals are true and correct and are incorporated herein.

2. Purpose. The purpose of this Agreement is to document the obligation to repay the SERAF Loan as an enforceable obligation to be listed by the Successor Agency on each successive Recognized Obligation Payment Schedule (“ROPS”), as required to be prepared under Health and Safety Code section 34177, until such time as the SERAF Loan has been fully repaid.

3. Loan Amount. It is the understanding and agreement of the parties that the total amount of the SERAF Loan was One Million One Hundred Eighty-Nine Thousand Two Hundred Dollars (\$1,189,200).

4. Schedule of Repayment. Pursuant to Health and Safety Code section 34176(e)(6)(B), repayments of SERAF loans are restricted to the formula set forth therein. Therefore the repayment of the SERAF Loan each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code section 34176(e)(6)(B).

5. Deposit in Low- and Moderate-Income Housing Asset Fund. Repayments of the SERAF Loan shall be made to the City as the housing successor. City shall deposit such repayments in a Low- and Moderate-Income Housing Asset Fund, established pursuant to Health and Safety Code section 34176(d), and shall use them in accordance with the requirements for such fund.

[Signatures on following page]

IN WITNESS WHEREOF, the City, as housing successor, and Successor Agency have executed this Agreement as of the date first set forth above.

**CITY OF EL PASO DE ROBLES, as
Housing Successor**

By: _____
James L. App, City Manager

ATTEST:

By: _____
Dennis Fansler, City Clerk

APPROVED AS TO FORM:

By: _____
Iris P. Yang, City Attorney

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

By: _____
James L. App, Executive Director

ATTEST:

By: _____
Dennis Fansler, Agency Secretary

APPROVED AS TO FORM:

By: _____
Iris P. Yang, Agency Counsel

EXHIBIT A
(COUNCIL RESOLUTION NO. 09-160)

Exhibit A

COUNCIL RESOLUTION 09-160

RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF EL PASO DE ROBLES MAKING CERTAIN FINDINGS REGARDING
THE INABILITY OF THE REDEVELOPMENT AGENCY OF THE CITY OF PASO
ROBLES TO MAKE THE FULL AMOUNT OF PAYMENT
TO THE COUNTY SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION
FUND FOR FISCAL YEAR 2009-2010

WHEREAS, the California State Legislature recently enacted AB x4 26, which requires redevelopment agencies to make certain payments to its county Supplemental Educational Revenue Augmentation Fund ("SERAF") in fiscal years 2009-2010 and 2010-2011; and

WHEREAS, the Redevelopment Agency of the City of El Paso de Robles ("Agency") has been notified that its payment to SERAF for 2009-20 will be \$1,189,200, which payment would be required to be made by May 10, 2010; and

WHEREAS, Health and Safety Code section 33691 provides that, if an agency is unable to make its full SERAF payment, it must hold a noticed public hearing and adopt, prior to December 31, 2009, a resolution making certain findings regarding its existing indebtedness, as defined in Health and Safety Code section 33691; and

WHEREAS, Health and Safety Code section 33691 additional provides that the legislative body shall adopt a similar resolution making findings similar to those of the agency and

WHEREAS, a notice of a public hearing was published on December 11, 2009 in the *Tribune*;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, AS FOLLOWS:

Section 1. The Agency has been notified by the California state Director of Finance that the Agency shall be required to remit to the county auditor, for payment to SERAF, the amount of One Million One Hundred Eighty-Nine Thousand Two Hundred Dollars (\$1,189,200) for fiscal year 2009-10 (the "Required SERAF Payment"). Based on the amount of existing indebtedness of the Agency, as that term is defined in Health and Safety Code section 33691 and as detailed in Exhibit A to this resolution and incorporated herein by reference, the Agency hereby finds that it is unable to make the full amount of the Required SERAF Payment, and instead, is only able to allocate an amount of Eight Hundred Thousand Dollars (\$800,000) to SERAF ("Agency Allocation") by borrowing from its Low- and Moderate-Income Housing Fund. The determination is made based on the following facts:

- a. The difference between the Agency Allocation and the amount of the Required SERAF Payment is necessary to make payments on existing

indebtedness that are due or required to be committed, set aside, or reserved by the Agency during the 2009-2010 fiscal year, and that are used by the Agency for that purpose, and the Agency has no other funds that can be used to pay this existing indebtedness and no other feasible method to reduce or avoid this indebtedness.

- b. Exhibit A describes the indebtedness existing prior to the effective date of AB 4x 26, the indebtedness on which a payment is required to be made during fiscal year 2009-2010, the amount and timing of each payment, and the total amount of such payments. Exhibit A was prepared and reviewed for accuracy by the Agency's chief fiscal officer.

Section 2. The finding in this resolution is based on the information currently available to the Agency and the City Council.

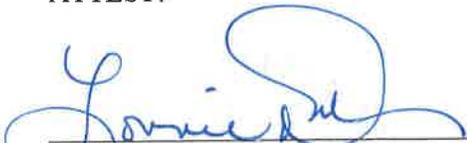
PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 15th day of December, 2009, by the following roll call vote:

AYES: Gilman, Hamon, Steinbeck, Strong and Picanco
NOES:
ABSTAIN:
ABSENT:



Duane Picanco, Mayor

ATTEST:



Lonnie Dolan, Deputy City Clerk

Attachment A

Redevelopment Agency - City of Paso Robles, CA
 Indebtedness - FY2010

<u>Type of Debt</u>	<u>Date of Issuance</u>	<u>Amount of Issuance</u>	<u>Annual Debt Service</u>	<u>Annual Expense</u>	<u>Total Expense</u>	<u>Payment Date</u>
Tax Increment Bond Issue 2009	8/4/2009	\$12,115,000	\$278,667	N/A	\$278,667	July/January
Tax Increment Bond Issue 2000	10/4/2000	\$4,090,000	\$240,181	N/A	\$240,181	July/January
Administrative Costs (90% of FY06)	N/A	N/A	N/A	\$92,887	\$92,887	Dec/Apr
Housing Set-aside **	N/A	N/A	N/A	\$839,705	\$839,705	Dec/Apr
Pass-thru agreements	N/A	N/A	N/A	\$193,419	\$193,419	Dec/Apr
Hidden Creek Village set-aside	N/A	N/A	N/A	\$100,000	\$100,000	Dec/Apr
Uptown/Town Centre Plan	N/A	N/A	N/A	\$600,000	\$600,000	Dec/Apr
Sulfur Hole Repair	N/A	N/A	N/A	\$200,000	\$200,000	Dec/Apr
Chet Dotter Housing - per agreement	N/A	N/A	N/A	\$300,000	\$300,000	Dec/Apr
First Five - SLO COE - per agreement	N/A	<u>N/A</u>	<u>N/A</u>	<u>\$83,000</u>	<u>\$83,000</u>	Dec/Apr
Total		<u>\$16,205,000</u>	<u>\$518,848</u>	<u>\$2,409,011</u>	<u>\$2,927,859</u>	

** These funds may possibly be used to make a portion of the required SERAF payment.

EXHIBIT B
(AGENCY RESOLUTION NO. 09-010)

AGENCY RESOLUTION 09-010

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
CITY OF EL PASO DE ROBLES MAKING CERTAIN FINDINGS REGARDING
IT'S INABILITY TO MAKE THE FULL AMOUNT OF PAYMENT
TO THE COUNTY SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION
FUND FOR FISCAL YEAR 2009-2010

WHEREAS, the California State Legislature recently enacted AB x4 26, which requires redevelopment agencies to make certain payments to its county Supplemental Educational Revenue Augmentation Fund ("SERAF") in fiscal years 2009-2010 and 2010-2011; and

WHEREAS, the Redevelopment Agency of the City of El Paso de Robles ("Agency") has been notified that its payment to SERAF for 2009-20 will be One Million One Hundred Eighty-Nine Thousand Two Hundred Dollars (\$1,189,200), which payment is required to be made by May 10, 2010; and

WHEREAS, Health and Safety Code section 33691 provides that, if an agency is unable to make its full SERAF payment, it must hold a noticed public hearing and adopt, prior to December 31, 2009, a resolution making certain findings regarding its existing indebtedness, as defined in Health and Safety Code section 33691; and

WHEREAS, a notice of a public hearing was published on December 11, 2009 in the *Tribune*;

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES, AS FOLLOWS:

Section 1. The Agency has been notified by the California state Director of Finance that the Agency shall be required to remit to the county auditor, for payment to SERAF, the amount of One Million One Hundred Eighty-Nine Thousand Two Hundred Dollars (\$1,189,200) for fiscal year 2009-10 (the "Required SERAF Payment"). Based on the amount of existing indebtedness of the Agency, as that term is defined in Health and Safety Code section 33691 and as detailed in Exhibit A to this resolution and incorporated herein by reference, the Agency hereby finds that it is unable to make the full amount of the Required SERAF Payment, and instead, is only able to allocate an amount of EIGHT HUNDRED THOUSAND DOLLARS (\$800,000) to SERAF ("Agency Allocation") out of its Low- and Moderate-Income Housing Fund. The determination is made based on the following facts:

- a. The difference between the Agency Allocation and the amount of the Required SERAF Payment is necessary to make payments on existing indebtedness that are due or required to be committed, set aside, or reserved by the Agency during the 2009-2010 fiscal year, and that are used by the Agency for that purpose, and the Agency has no other funds

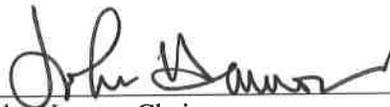
that can be used to pay this existing indebtedness and no other feasible method to reduce or avoid this indebtedness.

- b. Exhibit A describes the indebtedness existing prior to the effective date of AB 4x 26, the indebtedness on which a payment is required to be made during fiscal year 2009-2010, the amount and timing of each payment, and the total amount of such payments. Exhibit A was prepared and reviewed for accuracy by the Agency's chief fiscal officer.

Section 2. The finding in this resolution is based on the information currently available to the Agency.

PASSED AND ADOPTED by the Redevelopment Agency of the City of El Paso de Robles this 15th day of December, 2009, by the following roll call vote:

AYES: Gilman, Picanco, Steinbeck, Strong and Hamon
NOES:
ABSTAIN:
ABSENT:



John Hamon, Chairman

ATTEST:



Agency Secretary

Attachment A

Redevelopment Agency - City of Paso Robles, CA
 Indebtedness - FY2010

<u>Type of Debt</u>	<u>Date of Issuance</u>	<u>Amount of Issuance</u>	<u>Annual Debt Service</u>	<u>Annual Expense</u>	<u>Total Expense</u>	<u>Payment Date</u>
Tax Increment Bond Issue 2009	8/4/2009	\$12,115,000	\$278,667	N/A	\$278,667	July/January
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Administrative Costs (90% of FY06)	N/A	N/A	N/A	\$92,887	\$92,887	Dec/Apr
Housing Set-aside **	N/A	N/A	N/A	\$839,705	\$839,705	Dec/Apr
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Uptown/Town Centre Plan	N/A	N/A	N/A	\$600,000	\$600,000	Dec/Apr
Sulfur Hole Repair	N/A	N/A	N/A	\$200,000	\$200,000	Dec/Apr
Chet Doffer Housing - per agreement	N/A	N/A	N/A	\$300,000	\$300,000	Dec/Apr
First Five - SLO COE - per agreement	N/A	N/A	N/A	\$83,000	\$83,000	Dec/Apr
Total		\$16,205,000	\$518,848	\$2,409,011	\$2,927,859	

** These funds may possibly be used to make a portion of the required SERAF payment.

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: Agreement Regarding Expenditure of Excess Bond Proceeds between the Paso Robles
Successor Agency and the City of El Paso de Robles

DATE: February 13, 2014

Needs: For the Oversight Board to consider approval of an Agreement Regarding
Expenditure of Excess Bond Proceeds between the Paso Robles Successor Agency and
the City of El Paso de Robles

Facts:

1. The legislation that dissolved redevelopment agencies, AB 1x 26 and AB 1484 (collectively, the “Dissolution Law”), also prescribes the procedures to be followed for winding down the former redevelopment agency’s affairs.
2. The Dissolution Law provides that after the successor agency has received a finding of completion from the state Department of Finance (“DOF”), the successor agency may enter into an agreement to list obligations to expend excess bond proceeds, so long as the expenditures are consistent with the bond covenants.
3. The successor agency received a finding of completion from DOF on July 16, 2013.
4. If the agreement is approved by the oversight board and DOF, the successor agency may list the agreement as an enforceable obligation on its Recognized Obligation Payment Schedule.
5. The proposed Agreement Regarding Expenditure of Excess Bond Proceeds would authorize the Successor Agency to transfer excess bond proceeds from the Redevelopment Agency’s 2009 Tax Allocation Bond (Series A and B) issue to the City, to be used in accordance with the bond covenants. DOF has approved similar agreements transferring bond proceeds from a successor agency to its city.

Analysis &

Conclusions: California Health and Safety Code Section 34191.4(c) authorizes the successor agency to enter into an agreement, subject to the approval of its oversight board, to expend excess bond proceeds. The proposed Agreement Regarding Expenditure of Excess Bond Proceeds with the City would permit all excess bond proceeds to be transferred

to the City, which must use the proceeds in accordance with the bond covenants. DOF has approved similar agreements.

Reference: California Health and Safety Code Section 34191.4(c)

- Options:
1. Adopt the attached Resolution approving the Agreement Regarding Expenditure of Excess Bond Proceeds between the Successor Agency and City of El Paso de Robles; or
 2. Amend, modify or reject the above-listed action.

Attachments:

1. Resolution Approving Bond Expenditure Agreement between the Successor Agency to the Redevelopment Agency of the City of El Paso de Robles and the City of El Paso de Robles
2. Agreement Regarding Expenditure of Excess Bond Proceeds

OVERSIGHT BOARD RESOLUTION NO. 14-003

RESOLUTION OF THE PASO ROBLES OVERSIGHT BOARD
APPROVING A BOND EXPENDITURE AGREEMENT BETWEEN
THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
CITY OF EL PASO DE ROBLES AND THE CITY OF EL PASO DE ROBLES

WHEREAS, pursuant to Assembly Bill 1X 26, enacted on June 28, 2011, and Assembly Bill 1484, enacted on June 27, 2012, (collectively the "Dissolution Law"), the Redevelopment Agency of the City of El Paso de Robles ("Redevelopment Agency") was dissolved on February 1, 2012; and

WHEREAS, on January 17, 2012, under the authority of the Dissolution Act and by adoption of Resolution No. 2012-005, the City of El Paso de Robles declared itself to be the Successor Agency to the Redevelopment Agency ("Successor Agency") upon the Redevelopment Agency's dissolution; and

WHEREAS, the Oversight Board to the Successor Agency was established under the Dissolution Law to direct and oversee the Successor Agency's action in winding down the affairs of the Redevelopment Agency and to perform other related functions; and

WHEREAS, pursuant to Health and Safety Code section 34191.4(c), after a successor agency has received a finding of completion from the state Department of Finance ("DOF"), a successor agency, with the approval of its oversight board, to list enforceable obligations to expend excess bond proceeds on its Recognized Obligation Payment Schedule ("ROPS"), so long as such expenditures are consistent with the bond covenants; and

WHEREAS, the Successor Agency received a Finding of Completion from DOF on July 16, 2013; and

WHEREAS, the Successor Agency has excess bond proceeds from the Redevelopment Agency's 2009 Series A and Series B Tax Allocation Bonds; and

WHEREAS, the Successor Agency and City desire to have all the excess bond proceeds held by the Successor Agency transferred to the City, to be expended in a manner consistent with the applicable bond covenants; and

WHEREAS, the proposed Agreement Regarding Expenditure of Excess Bond Proceeds has been submitted to the Oversight Board for its approval;

NOW, THEREFORE BE ITS RESOLVED, the Paso Robles Oversight Board hereby finds and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein.

Section 2. The Agreement Regarding Expenditure of Excess Bond Proceeds, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and the Successor Agency is hereby authorized to execute said agreement.

Section 3. All legal prerequisites to the adoption of this Resolution have been satisfied.

Section 4. The Executive Director of the Successor Agency or designee is hereby authorized to take such actions as are necessary and appropriate to implement this decision of the Oversight Board, including, but not limited to, listing the Agreement Regarding Expenditure of Excess Bond Proceeds on the Successor Agency's ROPS as an enforceable obligation.

Section 5. This Resolution shall become effective in accordance with Health and Safety Code section 34179(h), which authorizes DOF to review all actions taken by the Oversight Board.

PASSED AND ADOPTED this ____ day of February 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Chair

_____, Secretary

Exhibit A

[Agreement Regarding Expenditure of Excess Bond Proceeds]

**AGREEMENT REGARDING
EXPENDITURE OF EXCESS BOND PROCEEDS**

This Agreement Regarding Expenditure of Excess Bond Proceeds (“Agreement”) is entered into this ____ day of _____, 2014 by and between the Successor Agency to the Redevelopment Agency of the City of El Paso de Robles (“Successor Agency”) and the City of El Paso de Robles, a municipal corporation (“City”). The Successor Agency and the City are hereinafter collectively referred to as the “Parties.”

RECITALS

A. Pursuant to the Community Redevelopment Law (Health & Saf. Code §33000 *et al.*) (“CRL”), the former Redevelopment Agency of the City of El Paso de Robles (“Redevelopment Agency”) had responsibility to implement the Paso Robles Redevelopment Plan, originally adopted by Ordinance No. 540 enacted by the City Council of the City of El Paso de Robles (“City Council”).

B. Pursuant to a Supplemental Indenture of Trust dated October 1, 2000, and executed by and between the Redevelopment Agency and Union Bank, N.A. as Trustee (the “2000 Indenture”), the Agency issued 2000 Tax Allocation Refunding Bonds in the aggregate principal amount of \$4,090,000 (the “2000 Bonds”). The 2000 Bonds were to be used for repayment of outstanding Redevelopment Agency loan obligations and to finance the construction of certain road and bridge improvements.

C. Pursuant to a Second Supplemental Indenture of Trust dated as of August 1, 2009, and executed by and between the Redevelopment Agency and Union Bank, N.A. as Trustee (the “2009 Indenture”), the Agency issued 2009 Tax Allocation Refunding Bonds (Series A) in the aggregate principal amount of \$9,330,000 and 2009 Tax Allocation Bonds (Series B) in the aggregate principal amount of \$2,785,000 (the “2009 Bonds”). The 2009 Bonds are on parity with the 2000 Bonds. The 2009 Series A Bonds are to be used to (i) refund and defease the Redevelopment Agency’s 1996 Tax Allocation Bonds; (ii) finance certain redevelopment activities within or of benefit to the Paso Robles Redevelopment Project; (iii) finance certain low and moderate income housing projects of the Redevelopment Agency; (iv) repay a portion of a loan from the City; (v) fund the Series A Reserve Account for the 2009 Bonds; and (vi) pay issuance costs. Proceeds of the 2009 Series B Bonds are to be used to (i) repay a portion of a loan from the City; (ii) pay certain amounts to the Paso Robles Joint Unified School District; (iii) fund the Series B Reserve Account for the 2009 Bonds; and (iv) pay issuance costs.

D. Pursuant to Resolution No. 2012-005, adopted by the City Council on January 17, 2012, the City agreed to serve as the Successor Agency to the Redevelopment Agency commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill 1X 26.

E. Health and Safety Code section 34191.4(c) provides that once the Successor Agency has been issued a Finding of Completion by the California Department of Finance (“DOF”) the

Successor Agency is authorized to use bond proceeds for the purposes for which the bonds were sold. Further, the Successor Agency may designate the use of and commit indebtedness obligation proceeds that were derived from indebtedness issued for redevelopment purposes on or before December 31, 2010, and that remain available after the satisfaction of enforceable obligations that have been approved on a Recognized Obligation Payment Schedule (“ROPS”) and that are consistent with the indebtedness obligation covenants (hereafter “Excess Bond Proceeds”).

F. The DOF issued a Finding of Completion to the Successor Agency on July 16, 2013.

G. Health and Safety Code section 34191.4(c) further provides that the expenditure of Excess Bond Proceeds must be listed separately on the applicable ROPS.

H. The Parties desire to enter into this Agreement to use the Excess Bond Proceeds for the purposes identified in and consistent with the covenants contained in the 2009 Indenture and related documents (the “Bond Covenants”) and the requirements of the CRL, and to provide for the Successor Agency to transfer the Excess Bond Proceeds to the City to be used for such purposes.

I. As of February 1, 2014, the Successor Agency had the following Excess Bond Proceeds available: \$2,014,003 from the 2009 Bonds.

J. This Agreement was approved by the Oversight Board to the Successor Agency in a public meeting on _____, 2014.

K. The execution of this Agreement was approved in a public meeting of the City Council and the Successor Agency on _____, 2014.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises herein contained, the Parties hereby agree as follows:

1. Recitals. The Recitals above are true and correct and are incorporated herein by reference.

2. Effective Date. This Agreement shall become effective upon the date set forth pursuant to Health and Safety Code section 34179(h).

3. Term. The term of this Agreement shall commence on the Effective Date, and shall continue in effect until the date that all Excess Bond Proceeds are expended in accordance with the requirement of this Agreement.

4. Use of Excess Bond Proceeds. The City agrees that it shall use the Excess Bond Proceeds solely for the purposes identified in Recital C above, the projects identified in this Section 4., or for other projects consistent with the 2009 Bond covenants and the provisions of the CRL that apply to the expenditure of redevelopment funds.

5. Transmittal of Excess Bond Proceeds. Upon the Effective Date, the Successor Agency shall transfer the Excess Bond Proceeds (including any interest accrued thereon by the Effective Date) to the City, and the City shall deposit such funds into a separate 2009 Excess Bond Proceeds Account for the City's use in accordance with the terms, conditions and purposes set forth in this Agreement.

6. Project Approvals; Environmental Review. This Agreement is not intended to limit in any manner the discretion of the City in connection with the issuance of approvals and entitlements for the projects described in this Agreement, nor to avoid legally required processes attendant to project approval, including, without limitation, the undertaking and completion of any required environmental review pursuant to the California Environmental Quality Act and the National Environmental Protection Act, as applicable, and the review and approval of plans and specifications.

7. Severability. If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant or condition can be accomplished to the maximum extent legally permissible.

8. No Third-Party Beneficiaries; Assignments. Nothing in this Agreement is intended to create any third-party beneficiaries to this Agreement, and no person or entity other than the Successor Agency and the City, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

9. Further Assurances. Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of the transactions contemplated by this Agreement.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

12. Amendment. This Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed by the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

[Signatures on following page]

CITY OF EL PASO DE ROBLES

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF EL PASO DE ROBLES**

By: _____
Duane Picanco, Mayor

By: _____
Duane Picanco, Chairperson

Attest:

By: _____
Dennis Fansler, City Clerk

By: _____
Dennis Fansler, Secretary

Approved as to Form:

By: _____
Iris P. Yang, City Attorney