OVERSIGHT BOARD FOR THE REDEVELOPMENT SUCCESSOR AGENCY OF THE
CITY OF HEALDSBURG

RESOLUTION NO. OB4-2015

RESOLUTION OF THE OVERSIGHT BOARD FOR THE
REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF
HEALDSBURG APPROVING A LOAN REPAYMENT
AGREEMENT BETWEEN THE CITY OF HEALDSBURG AND
THE SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY OF HEALDSBURG

WHEREAS, the California Legislature adopted, the Governor signed, and the California
Supreme Court, in California Redevelopment Association, et al. v. Matosantos, (2012) 53
Cal.4th 231, upheld Assembly Bill x1 26 ("ABx1 26"); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former
Redevelopment Agency of the City of Healdsburg (the "Redevelopment Agency"), effective
February 1, 2012; and

WHEREAS, all subsequent "Section" references are to the California Health and Safety
Code; and

WHEREAS, as added by ABx1 26, Sections 34171(j) and 34173 originally provided that
a city or county that formed a redevelopment agency would serve as the successor agency to the
dissolved redevelopment agency unless such city or county affirmatively elected not to fill that
role; and

WHEREAS, pursuant to ABx1 26, the City of Healdsburg (the "City") began serving as
the successor agency to the Redevelopment Agency as of February 1, 2012 (the "Successor
Agency"); and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights,
powers, duties and obligations previously vested with the former redevelopment agencies are
vested in the successor agencies; and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (together with AB
1484, the "Dissolution Law") to clarify that successor agencies are separate public entities from
their sponsoring city or county; and

WHEREAS, pursuant to Section 34179, this oversight board (the "Oversight Board") has
been established to direct the Successor Agency to take certain actions to wind down the affairs
of the Agency and perform other related functions; and

WHEREAS, on March 2, 2009, the Healdsburg City Council (the "Council") adopted a
resolution approving a loan agreement with the former Redevelopment Agency of the City of
Healdsburg in the amount of $2,395,000 to cover the cost of an upgrade to the Badger
Substation; and

WHEREAS, on June 16, 2008, the Council adopted a resolution approving a loan agreement with the former Redevelopment Agency of the City of Healdsburg in the amount of $2,100,000 to cover the cost of a long-term lease with the Healdsburg Unified School District for the use of Foss Creek School; and

WHEREAS, on January 30, 2012, the Board of the former Redevelopment Agency of the City of Healdsburg adopted a resolution forgiving the two loans between the City of Healdsburg and the former Redevelopment Agency of the City of Healdsburg; and

WHEREAS, the State Controller's Office (SCO) reviewed the asset transfers made by the Healdsburg Redevelopment Agency (RDA) after January 1, 2011; and

WHEREAS, in a report dated March 2015 prepared by the SCO, the SCO found the forgiven loans to be unallowed transfers, and has ordered the City to transfer $4,495,000 to the Successor Agency to the Redevelopment Agency of the City of Healdsburg (the "Successor Agency"); and

WHEREAS, the City does not have sufficient funds available to transfer the amount of $4,495,000 to the Successor Agency; and

WHEREAS, the Successor Agency and the City have negotiated a repayment agreement to effect a payment plan for the transfer of $4,495,000 to the Successor Agency with a 20 year payback period and 0.25% interest; and

WHEREAS, the 20 year payback period will consummate full payment of the loan at the same time the Successor Agency debt is paid in full; and

WHEREAS, the LAIF rate is the same rate the City receives on funds held in the LAIF account and invested by the State Treasurer's office; and while no particular interest rate was suggested by DOF, the Redevelopment Dissolution Law references the LAIF rate in several of its provisions; and

WHEREAS, The loan repayment agreement is not a 'project' as defined under CEQA pursuant to State CEQA Guidelines Section 15378(b)(2)(4) and (5) because it is the creation of a Government funding mechanism that will not result in a direct or indirect physical change in the environment.

NOW THEREFORE, BE IT RESOLVED that the Oversight Board for the City of Healdsburg hereby finds and resolves as follows:

SECTION 1. The foregoing recitals and the recitals contained in Exhibit "A" are true and correct.

SECTION 2. The loan repayment agreement is not a 'project' as defined under CEQA pursuant to State CEQA Guidelines Section 15378(b)(2)(4) and (5) because it is the creation of a Government funding mechanism that will not result in a direct or indirect physical change in the environment.

SECTION 3. The Redevelopment Successor Agency to the City Of Healdsburg is hereby authorized to enter into the Loan Repayment Agreement with the City of Healdsburg as set forth in the attached Exhibit "A".

SECTION 4. All legal prerequisites to the adoption of this Resolution have occurred.

SECTION 5. This action is authorized pursuant and in response to an Order of the State Controller's Office rather than to an order or determination of the California Department of Finance.

SECTION 6. The Executive Director of Successor Agency or designee is hereby directed to take such actions as are necessary and appropriate to implement this decision of the Oversight Board.

SECTION 7. This Resolution shall be submitted to the California Department of Finance pursuant to Health and Safety Code Section 34179(h).

PASSED, APPROVED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Healdsburg this 4th day of August, 2015, by the following vote:

AYES: Board Members: (5) Brown, Gleason, Herrington, Schaffner and Chairperson Plass

NOES: Board Members: (0) None

ABSENT: Board Members: (2) Navarrette and Ziedrich

ABSTAINING: Board Members: (0) None

SO ORDERED: ATTEST:

_____   _____
Gary W. Plass, Chairperson   Maria Curiel, Board Secretary