

## RESOLUTION NO. 21

### **A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED SHAFTER COMMUNITY DEVELOPMENT AGENCY, APPROVING A BOND EXPENDITURE AGREEMENT WITH THE CITY OF SHAFTER TO TRANSFER EXCESS TAX ALLOCATION BOND PROCEEDS NOT PREVIOUSLY OBLIGATED TO THE CITY FOR BOND-ELIGIBLE PURPOSES.**

**WHEREAS**, pursuant to Health and Safety Code Section 34173(d), the City of Shafter became the successor agency to the Shafter Community Development Agency (“Successor Agency”); and

**WHEREAS**, pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City; and

**WHEREAS**, the Successor Agency received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on March 21, 2013; and

**WHEREAS**, Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold; and

**WHEREAS**, the Successor Agency has and will have so-called “excess” bond proceeds, i.e., pre-2011 tax allocation bond proceeds that are not otherwise obligated for a project or income generated by projects and assets funded by pre-2011 tax allocation bonds that are restricted to bond-eligible uses; and

**WHEREAS**, the Successor Agency wishes to use such proceeds for redevelopment purposes consistent with bond covenants; and

**WHEREAS**, the Community Redevelopment Law (Health and Safety Code Section 33000, et seq.) provides for a cooperative relationship between redevelopment agencies, and their successor agencies, and cities; and

**WHEREAS**, Health and Safety Code Section 33220(e) authorizes a local public agency to enter into an agreement with a redevelopment agency, and its successor agency, to further redevelopment purposes; and

**WHEREAS**, Health and Safety Code Sections 34180(h) and 34178(a) authorize a successor agency to enter into new agreements with its sponsoring city with the approval of the oversight board; and

**WHEREAS**, the Successor Agency desires to provide excess bond proceeds to the City to enable the City to use such funds, in a manner consistent with the original bond covenants, to

undertake projects and programs eligible for redevelopment funding, which were not previously funded and obligated by Successor Agency or the City; and

**WHEREAS**, the transfer of excess bond proceeds to the City under the Bond Expenditure Agreement will benefit the taxing entities by facilitating the efficient use of such funds to support projects and programs that will enhance property values and increase tax revenues to the taxing entities; and

**WHEREAS**, the transfer of excess bond proceeds to the City under the Bond Expenditure Agreement will help fulfill the intent of the dissolution laws to expeditiously wind-down the affairs of the former Redevelopment Agency; and

**WHEREAS**, Health and Safety Code Section 34177(1), as amended, requires a successor agency to prepare a Recognized Obligation Payment Schedule (“ROPS”) listing the former agency’s recognized enforceable obligations, payment sources, and related information for each six month fiscal period; and

**WHEREAS**, Health and Safety Code Section 34191.4(c)(2)(A) requires that excess bond obligations be listed separately on a successor agency’s ROPS; and

**WHEREAS**, The Successor Agency has listed the use of excess tax allocation bond proceeds on ROPS 14-15A, which shall be implemented through this Bond Expenditure Agreement; and

**WHEREAS**, The Board of Directors of the Successor Agency approved this Bond Expenditure Agreement on March 4, 2014 by way of Resolution No. 2321; and

**WHEREAS**, The City Council of the City of Shafter approved this Bond Expenditure Agreement on March 4, 2014 by way of Resolution No. 2322; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISOLVED SHAFTER COMMUNITY DEVELOPMENT 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. Findings.** The Oversight Board hereby finds and determines that the transfer to, and use of excess bond proceeds by, the City for expenditures consistent with the applicable bond covenants will benefit the affected taxing entities by promoting the efficient use of such funds and thereby will result in community benefits and increased tax revenues to the taxing entities, based on the reasons and analysis set forth above and in the staff report

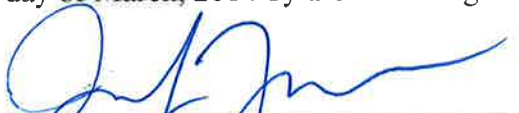
accompanying this Resolution. The Successor Agency hereby further finds and determines the transfer of excess bond proceeds to the City will help fulfill the intent of the dissolution laws to expeditiously wind-down the affairs of the former Shafter Community Development Agency.

**Section 3. Approval of a Bond Expenditure Agreement.** The Oversight Board hereby approves the Successor Agency's execution and performance under a Bond Expenditure Agreement between the Successor Agency and the City of Shafter as included as Exhibit "A" and incorporated by reference herein.


**Section 4. Transmittal.** The Oversight Board directs the City Manager and Administrative Services Director to present this resolution and the Bond Expenditure Agreement to the California Department of Finance for review.

**Section 5. Effectiveness.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** at a special meeting of the Oversight Board of the Successor Agency to the dissolved Shafter Community Development Agency on the 17<sup>th</sup> day of March, 2014 by the following vote:

  
James L. Zervis, Vice Chairman

ATTEST:

  
Yazmina Pallares, Deputy City Clerk

**EXHIBIT A**

**BOND EXPENDITURE AGREEMENT**

**[Attached behind this page]**


CERTIFICATE OF GOVERNING BODY'S ACTION

STATE OF CALIFORNIA   )  
  ) ss.  
COUNTY OF KERN        )

**I, HEREBY CERTIFY** that the above and foregoing Resolution No. 21 was duly passed and adopted by the Oversight Board of the Successor Agency to the Dissolved Shafter Community Development Agency at its special meeting held on the 17<sup>th</sup> day of March, 2014, by the following vote:

AYES:                               Bray, Hurlbert, Rodriguez, Slayton and Zervis.  
NOES:                               None.  
ABSENT:                            Feichter and Hitchcock.  
ABSTAINING:                       None.

DATED:                              March 17, 2014

  
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Yazmina Pallares, Deputy City Clerk