

OAKLAND OVERSIGHT BOARD

RESOLUTION NO. 2013- 15

A RESOLUTION APPROVING A BOND EXPENDITURE AGREEMENT BETWEEN THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY AND THE CITY OF OAKLAND TO TRANSFER EXCESS TAX ALLOCATION BOND PROCEEDS NOT PREVIOUSLY OBLIGATED TO THE CITY FOR BOND-ELIGIBLE PURPOSES

WHEREAS, the Oakland Redevelopment Successor Agency (“ORSA”) has succeeded to the authority, rights, powers, duties and obligations of the Redevelopment Agency of the City of Oakland under the Community Redevelopment Law; and

WHEREAS, ORSA received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 29, 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 any purposes for which the bonds were sold; and

WHEREAS, ORSA 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, ORSA 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, ORSA 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 ORSA or the City; and

WHEREAS, the City Council and the ORSA governing board have authorized entering into a Bond Expenditure Agreement to govern the transfer to and the use of such funding by the City for the costs of those projects and programs from current and future excess tax allocation bond proceeds; 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(l), 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, ORSA will list the Bond Expenditure Agreement on ROPS 13-14B as an obligation against excess tax allocation bond proceeds; now, therefore:

Based on the foregoing recitals and the documentation presented to the Oakland Oversight Board at a public meeting, the Oakland Oversight Board does resolve as follows:

SECTION 1. The Oakland 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 Oakland Oversight Board 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 Redevelopment Agency.

SECTION 2. The Oakland Oversight Board hereby approves ORSA's execution and performance under a Bond Expenditure Agreement between ORSA and the City of

Oakland that would (1) transfer current and future excess tax allocation bond proceeds to the City to fund redevelopment projects and programs not previously funded and obligated by ORSA or the City, and (2) require that such funds be used by the City consistent with the applicable bond covenants in furtherance of the purposes of redevelopment under the California Community Redevelopment Law. The Oakland Oversight Board finds that the Bond Expenditure Agreement and the obligations of ORSA thereunder will constitute the creation of excess bond proceeds obligations under Health and Safety Code Section 34191.4(c)(2)(A).

SECTION 3. The Oakland Oversight Board directs ORSA to include the Bond Expenditure Agreement and the transfer of excess tax allocation bond proceeds thereunder on ROPS 13-14B and on future ROPS as applicable. The effectiveness of the Bond Expenditure Agreement and transfers thereunder shall be contingent on the inclusion of the Bond Expenditure Agreement as an excess bond proceeds obligation on an approved ROPS.

ADOPTED, OAKLAND, CALIFORNIA, July 29, 2013

PASSED BY THE FOLLOWING VOTE:

AYES- CARSON, GERHARD, LEVIN, ORTIZ, QUAN, YEE, ~~TUCKER~~

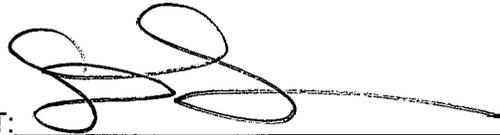
BULLS

NOES-

ABSENT-

ABSTENTION-

ATTEST:



SECRETARY, OAKLAND
OVERSIGHT BOARD