

RESOLUTION NO. OB-2015-01

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF GONZALES RECOGNIZING A LOAN MADE IN 2010 IN THE AMOUNT OF \$500,000 FROM THE CITY OF GONZALES TO THE FORMER GONZALES REDEVELOPMENT AGENCY IS AN ENFORCEABLE OBLIGATION, AND FINDING THAT THE LOAN WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, INCLUDING AGENCY PLANNING, UNDERTAKING, CONSTRUCTION AND OPERATION

WHEREAS, with the passage of AB 26 4x in 2009, the California State Legislature mandated a \$2.05 billion dollar shift of funds from redevelopment agencies to county Supplemental Revenue Augmentation Funds of allocation to school entities; and

WHEREAS, as a result of the passage of the legislation, the former Gonzales Redevelopment Agency was required to pay the State \$495,763 in May of Fiscal Year 2009-2010 with another similar payment required in Fiscal Year 2010-2011; and

WHEREAS, neither of these payments was anticipated by the former Agency, and the state mandated take-away of funds significantly impacted the former Agency's operating/project capital; and

WHEREAS, as a result of the funding shift, the former Agency requested a loan from the City in the amount of \$500,000, and on October 18, 2010, the City Council granted the loan request by the passage of Resolution 2010-67, which approved a Promissory Note wherein the former Agency promised to pay the City the principal sum of \$500,000, together with interest on the outstanding principal; and

WHEREAS, recently the State Department of Finance ('DOF') has agreed that the City's loan to the former Agency was legitimate for redevelopment purposes, and recommended that the Successor Agency should recognize the loan as an enforceable obligation, list the loan as an item to be paid on the Recognized Obligation Payment Schedule ("ROPS") 15-16A, and continue to include the item as an enforceable obligation on future ROPS until such debt to the City has been fully repaid.

WHEREAS, consistent with HSC § 34173 (h), the Successor Agency has included the repayment of the loan as enforceable obligation No. 20 on its ROPS 15-16A, and shall continue to include this repayment enforceable obligation on future ROPS until the debt to the City has been fully repaid.

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Successor Agency of the former Redevelopment Agency of the City of Gonzales, as follows:

Section 1. The foregoing recitals are true and correct and are a substantive part of this

Resolution.

Section 2. The action implemented by adoption of this Resolution is not a “project” for purposes of CEQA, as that term is defined by the State CEQA Guidelines (California Code of Regulations, Title 14, §§ 15000 *et seq.*, hereafter the “Guidelines”) Section 15378, because the action is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378(b) (5) of the Guidelines.

Section 3. The Oversight Board hereby finds and determines that the loan from the City to the former redevelopment agency was for legitimate redevelopment purposes, and provided assistance for the former Agency’s project planning, undertaking, construction and operation.

Section 4. The Successor Agency Executive Officer, or designee, is hereby authorized and directed to include the repayment of the \$500,000 that the former redevelopment agency borrowed from the City as an enforceable obligation on its Recognized Obligation Payment Schedule (“ROPS”) 15-16A, and shall continue to include this repayment enforceable obligation on future ROPS until the debt to the City has been fully repaid.

Section 5. Subsequent to the approval of this Resolution, the Successor Agency Executive Officer, or designee, is hereby authorized and directed to forward this Resolution and other appropriate documentation to the County Auditor-Controller, the County Administrative Officer, the California Department of Finance and the California State Controller’s Office for their review.

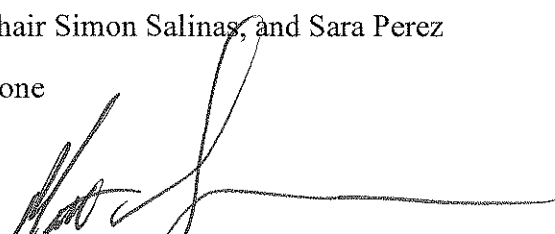
PASSED AND ADOPTED by the Oversight Board at a special meeting held on the 23rd day of February 2015 by the following vote to wit:

AYES: BOARD MEMBERS: Vice Chair Matt Gourley, Scott Funk, Rene Mendez, and Jayanti Addleman

NOES: BOARD MEMBERS: None


ABSENT: BOARD MEMBERS: Chair Simon Salinas, and Sara Perez

ABSTAIN: BOARD MEMBERS: None



Matt Gourley, The Honorable Vice Chair

ATTEST:



Rene L. Mendez, Secretary