

**NOTICE AND CALL OF SPECIAL MEETING OF
THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS**

TO THE MEMBERS OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF SANTA FE SPRINGS AND TO THE OVERSIGHT BOARD CLERK:

NOTICE IS HEREBY GIVEN that a Special Meeting of the Oversight Board of the Successor Agency to the Community Development Commission of the City of Santa Fe Springs is hereby called to be held on Wednesday, April 2, 2014, at 4:30 p.m. in the Council Chambers at City Hall, 11710 E. Telegraph Road, SFS, CA, 90670.

CONSENT AGENDA

Approval of Minutes

Minutes of the February 26, 2014 Special Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

NEW BUSINESS

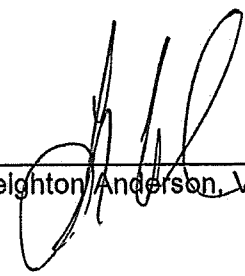
Resolution No. OB-2014-003 Approving a Bond Expenditure Agreement between the City of Santa Fe Springs and the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs

Recommendation: That the Oversight Board Adopt Resolution No. OB-2014-003 approving a Bond Expenditure Agreement between the City of Santa Fe Springs ("City") and the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs ("Successor Agency").

ORAL COMMUNICATIONS

This is the time when comments may be made by interested persons on matters not on the agenda having to do with Oversight Board business.

Dated: 3/27/14



Leighton Anderson, Vice Chair

Dated: 3-27-14



Anita Jimenez, CMC
Oversight Board Clerk



AGENDA

SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

APRIL 2, 2014
4:30 P.M.

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

Gerald M. Caton, Chair
Leighton Anderson, Vice Chair
Mike Foley, Board Member
Louie Gonzalez, Board Member
Cuong Nguyen, Board Member
Harry Stone, Board Member
Noorali Delawalla, Board Member

Public Comment: The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the Oversight Board, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. The Oversight Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Oversight Board will hear public comment on matters not listed on the agenda during the Oral Communications period.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Please Note: Agendas are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and alternate Fridays. Telephone (562) 868-0511.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Oversight Board.

Approval of Minutes

A. Minutes of the February 26, 2014 Special Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

NEW BUSINESS

5. Resolution No. OB-2014-003 Approving a Bond Expenditure Agreement between the City of Santa Fe Springs and the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs

Recommendation: That the Oversight Board Adopt Resolution No. OB-2014-003 approving a Bond Expenditure Agreement between the City of Santa Fe Springs ("City") and the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs ("Successor Agency").

6. ORAL COMMUNICATIONS

This is the time when comments may be made by interested persons on matters not on the agenda having to do with Oversight Board business.

7. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 24 hours prior to the meeting.

Anita Jimenez

Anita Jimenez, CMC
Santa Fe Springs
Oversight Board Clerk

March 27, 2014

Date

**MINUTES OF THE SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT
AGENCY OF THE CITY OF SANTA FE SPRINGS**

FEBRUARY 26, 2014

1. CALL TO ORDER

The meeting was called to order at 4:35 p.m. by Chair Caton.

2. ROLL CALL

Present: Board Members Delawalla, Foley, Nguyen, and Stone, Vice Chair Anderson, and Chair Caton, Oversight Board Counsel Peter Wallin, and Board Clerk Anita Jimenez
Absent: Board Member González

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Chair Anderson.

4. CONSENT AGENDA

Approval of Minutes

A. Minutes of the December 11, 2013 Regular Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

Board Member Stone moved the approval of Item 4A; Board Member Nguyen seconded the motion which passed unanimously.

NEW BUSINESS

5. Resolution No. OB-2014-001 Approving the Successor Agency's Administrative Budget for the Period July 1, 2014 through December 31, 2014

Recommendation: That the Oversight Board adopt Resolution No. OB-2014-001.

The City's Assistant Director of Finance, Travis Hickey, stated that the State Department of Finance (DOF) requires that Oversight Boards approve Successor Agencies administrative budgets every six months.

Board Member Stone moved to approve Item 5; Vice Chair Anderson seconded the motion which passed by the following vote roll call vote: Delawalla, Foley, Nguyen, Stone, Anderson, Caton.

6. Revision to Successor Agency's Recognized Obligation Payment Schedule (ROPS 14-15A) for the Period July 1, 2014 through December 31, 2014

Recommendation: That the Oversight Board Adopt Resolution No. OB-2014-002 inclusive of changes made to the ROPS 14-15A based upon recent developments from the California Department of Finance ("DOF").

Mr. Hickey presented the ROPS to the Board. Board Member Delawalla asked if the \$19 million was a principle amount. Mr. Hickey stated that the funds are in an interest-earning account, therefore the amount included principle and interest. Mr. Delawalla asked when the bonds had been issued. Mr. Hickey stated that the bonds had varying issue dates between 2001 and 2007. Mr. Delawalla asked if any arbitrage required. Mr. Hickey stated arbitrage was required every 5 years, and it had been done 2 years ago.

Board Member Stone moved to approve Item 6; Vice Chair Anderson seconded the motion which passed by the following roll call vote: Delawalla, Foley, Nguyen, Stone, Anderson, Caton.

7. ORAL COMMUNICATIONS

Oral Communications were opened at 4:40 p.m. There being no one wishing to speak, Oral Communications were closed.

8. ADJOURNMENT

At 4:41 p.m., Chair Caton adjourned the meeting.

ATTEST:

Gerald M. Caton
Oversight Board Chair

Anita Jimenez, Board Clerk

Date

NEW BUSINESS

Oversight Board
April 2, 2014

TO: Oversight Board Members

FROM: Successor Agency to the Santa Fe Springs CDC

ORIGINATED BY: Thaddeus McCormack, City Manager

SUBJECT: Resolution No. OB-2014-003 Approving a Bond Expenditure Agreement between the City of Santa Fe Springs and the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs

RECOMMENDED ACTION

That the Oversight Board Adopt Resolution No. OB-2014-003 approving a Bond Expenditure Agreement between the City of Santa Fe Springs ("City") and the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs ("Successor Agency").

BACKGROUND

In June 2011, ABx1 26 dissolved California redevelopment agencies and prohibited spending of any outstanding unspent bond proceeds. AB 1484 subsequently amended the dissolution bill and provided a mechanism to allow successor agencies to spend unspent bond proceeds from bonds issued prior to January 1, 2011. The bill provided that upon obtaining a Finding of Completion ("FOC") successor agencies would be allowed to spend unspent bond proceeds from pre-2011 bonds. An FOC is required to be issued upon California Department of Finance ("DOF") acceptance of required reports and payment of available cash balances. The Successor Agency completed all required steps and received its FOC on December 5, 2013.

Currently, the Successor Agency may only pay obligations approved on a Recognized Obligation Payment Schedule ("ROPS") which is prepared twice a year covering the 6-month periods from July to December and January to June of each year. The ROPS are required to be submitted several months prior to the effective date which creates timing problems in terms of entering into obligations related to projects funded by unspent bond proceeds.

As a result, the DOF has provided guidance that allows the Successor Agency and City to enter into an agreement to transfer unspent bond proceeds to the City to complete projects and activities consistent with the original bond requirements, including spending the proceeds within the project areas. The proposed agreement was drafted by the City Attorney based on information from DOF staff and is modeled after a similar agreement between the City of Oakland and the Oakland Redevelopment Successor Agency, which was approved by DOF. Under the agreement, only the initial transfer of the bond proceeds is required to be included on an approved ROPS.

On February 26, 2014, the Oversight Board approved ROPS 14-15A covering the period of July 1, 2014 through December 31, 2014, which includes the transfer of \$19,271,985 in unspent bond proceeds to the City. The proposed agreement formalizes the obligation for the

Successor Agency to transfer the bond proceeds and for the City to spend the proceeds in accordance with the bond requirements.

The agreement is being considered by the Successor Agency and City at its regularly scheduled meeting of March 27, 2014. If approved by the City, Successor Agency, and Oversight Board, the agreement will be forwarded to DOF for final approval. Upon final approval and as of July 1, 2014, the City will have authority to enter into contracts to carry out the projects and activities authorized in the bond documents. The City is currently working with the Capital Improvement Projects (CIP) sub-committee of the City Council to prioritize projects to be funded with the bond proceeds.

FISCAL IMPACT

If approved, the agreement will provide for unspent bond proceeds in the amount of \$19,271,985, plus accrued interest, to be transferred to the City of Santa Fe Springs for spending in accordance with the bond documents.

A handwritten signature in black ink, appearing to read 'Thaddeus McCormack', is written over the printed name.

Thaddeus McCormack
City Manager

Attachments:

Resolution OB-2014-003

Exhibit A – Bond Expenditure Agreement

RESOLUTION NO. OB-2014-003

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE
SPRINGS APPROVING A BOND EXPENDITURE AGREEMENT
BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF SANTA FE SPRINGS**

THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF
THE CITY OF SANTA FE SPRINGS HEREBY RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to applicable law, the Oversight Board hereby approves that certain Bond Expenditure Agreement between the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs and the City of Santa Fe Springs, previously approved by the Successor Agency on March 27, 2014, a copy of which is attached hereto as Exhibit "A".

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The Oversight Board hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 3. The Oversight Board Clerk shall certify to the adoption of this Resolution.

SECTION 4. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

PASSED AND ADOPTED, by the Oversight Board of the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs on April 2, 2014.

Oversight Board Chair

ATTEST:

Oversight Board Clerk

BOND EXPENDITURE AGREEMENT

This Bond Expenditure Agreement (this "Agreement") is entered into on March 27, 2014, by and between the City of Santa Fe Springs, a municipal corporation (the "City"), and the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs (the "Successor Agency"). This Agreement shall not be effective until approved by the Successor Agency's Oversight Board and the State Department of Finance.

Recitals

A. The Successor Agency received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on December 5, 2013.

B. 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, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS").

C. The Successor Agency has and will have "excess bond proceeds", and wishes to use such proceeds for redevelopment purposes consistent with applicable bond covenants.

D. The California Community Redevelopment Law (Health and Safety Code Section 33000, et seq.) provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. Under Health and Safety Code Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Health and Safety Code Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. Health and Safety Code Section 34178 allows a successor agency and its sponsoring city to enter into agreements with the approval of the oversight board.

E. 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 that were not previously funded and obligated by the Successor Agency or the City. The City Council has found that the use of excess bond proceeds to fund projects that involve City-owned public buildings, facilities, structures, or other improvements is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679 and other applicable law.

F. In order to facilitate the use of excess bond proceeds consistent with the bond covenants, the Successor Agency and the City have negotiated this Agreement requiring the transfer of current and future excess bond proceeds from the Successor Agency to the City, and the City's use of such proceeds consistent with applicable bond covenants and all applicable laws. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c)(2)(A) to be paid from excess bond proceeds. With Oversight Board approval, the Successor Agency has listed this Agreement, and the requirement to transfer excess bond proceeds herein, on its Recognized Obligation Payment Schedule ("ROPS") for July through December of 2014 ("ROPS 14-15A") as an obligation to be funded with excess bond proceeds.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. RECITALS

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. DEFINITIONS

For purposes of this Agreement, the following terms shall have the indicated meaning:

The "Dissolution Law" means Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, commencing with Section 34170, and other statutes governing the dissolution of redevelopment agencies and the wind-down of redevelopment activities.

"Bond Proceeds" mean (1) proceeds from tax allocation bonds issued on or before December 31, 2010, (2) rents, sale proceeds and other revenues generated by properties acquired and/or improved with proceeds from tax allocation bonds issued on or before December 31, 2010, (3) interest and principal paid on loans funded by proceeds from tax allocation bonds issued on or before December 31, 2010, and (4) other income or revenues generated from assets acquired or funded with proceeds from tax allocation bonds issued on or before December 31, 2010.

"Excess Bond Proceeds" means Bond Proceeds that are not needed to satisfy Enforceable Obligations approved on a ROPS.

"Enforceable Obligations" mean enforceable obligations, other than Excess Bond Proceeds obligations, as defined under the Dissolution Law.

3. THE SUCCESSOR AGENCY'S OBLIGATIONS

The Successor Agency shall have the following obligations under this Agreement:

3.1. CURRENT EXCESS BOND PROCEEDS. The Successor Agency shall transfer to the City, no earlier than July 1, 2014 and no later than July 31, 2014, Excess Bond Proceeds in the amount of \$19,271,985, plus all interest accrued thereon up to the date of such transfer.

3.2. FUTURE EXCESS BOND PROCEEDS. The Successor Agency shall transfer to the City all future Excess Bond Proceeds held or received by the Successor Agency. Such future Excess Bond Proceeds shall include, without limitation: (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project or other Enforceable Obligation, and (3) any other funds held by the Successor Agency that qualify as Excess Bond Proceeds under this Agreement.

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond Proceeds become available. The transfer of future Excess Bond Proceeds shall be made pursuant to an approved ROPS within 30 days of the commencement of the relevant ROPS period. The Successor Agency shall be responsible for ensuring that payments of future Excess Bond Proceeds, as such funds become available, are included on the next possible ROPS.

3.3. PROJECTS FUNDED BY EXCESS BOND PROCEEDS. The Successor Agency assigns to the City all responsibilities and contracts, if any, related to the administration of any projects or programs funded by Excess Bond Proceeds.

4. THE CITY'S OBLIGATIONS

The City shall have the following obligations under this Agreement:

4.1. RETENTION OF EXCESS BOND PROCEEDS. The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City pursuant to this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives, such as revenue generated from properties acquired or improved with Excess Bond Proceeds or payments on loans funded from Excess Bond Proceeds, without any obligation to return such funds to the Successor Agency, and shall use such funds for uses consistent with applicable bond covenants.

4.2. USE OF EXCESS BOND PROCEEDS. The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity authorized by the City Council of the City. However, the City must spend Excess Bond Proceeds consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must comply with all requirements of federal tax law and all applicable requirements of the California Community Redevelopment Law as to the use of such funds. The City shall be solely responsible for ensuring that Excess Bond

Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs and activities, as long as the transfer is within a single project area if applicable bond covenants restrict such funds to a particular project area.

The City shall indemnify and defend the Successor Agency, and its officers and agents, against, and shall hold the Successor Agency, and its officers and agents, harmless from, any claims, causes of action, or liabilities arising from the misuse of Excess Bond Proceeds by the City or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the California Community Redevelopment Law.

The City assumes all contracts, if any, entered into by the Successor Agency or the former Community Development Commission/Redevelopment Agency related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by the Successor Agency relating to Enforceable Obligations. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

5. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

5.1. This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

5.2. This Agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there shall be no third party beneficiaries under this Agreement.

5.3. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

6. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. 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.

7. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non- defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

8. BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

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 this Agreement.

In witness whereof, the undersigned parties have executed this Bond Expenditure Agreement as of the date first above written.

THE CITY OF SANTA FE SPRINGS,
a municipal corporation

By: _____
Juanita Trujillo, Mayor

Approved as to form and legality:

By: _____ City Attorney

**THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS**

By: _____
Juanita Trujillo, Chairperson