

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A BOND PROCEEDS EXPENDITURE AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA PROVIDING FOR THE TRANSFER OF EXCESS BOND PROCEEDS BY THE SUCCESSOR AGENCY TO THE CITY FOR BOND-ELIGIBLE PURPOSES, ACCEPTING SUCH FUNDS FROM THE SUCCESSOR AGENCY, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, the Successor Agency (“Successor Agency”) to the Redevelopment Agency of the City of Chula Vista has been established to take certain actions to wind down the affairs of the Redevelopment Agency of the City of Chula Vista in accordance with the Health and Safety Code; and

WHEREAS, Section 34191.4(c)(1)(A) of the Dissolution Act allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued on or before December 31, 2010 for the 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; 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 May 7, 2013; and

WHEREAS, 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; and

WHEREAS, under Health and Safety Code Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects; and

WHEREAS, 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; and

WHEREAS, Health and Safety Code Section 34178(a) allows a successor agency and its sponsoring city to enter into agreements, subject to approval by the Oversight Board to the Successor Agency pursuant to Health and Safety Code Section 34180(h); and

WHEREAS, the Successor Agency has and will have proceeds of its Redevelopment Agency of the City of Chula Vista 2008 Tax Allocation Refunding Bonds (Merged

Redevelopment Project) (together with other funds described in the Agreement, “Bond Proceeds”) that are not otherwise obligated for a project or other enforceable obligation; and

WHEREAS, the Successor Agency desires to transfer its Excess Bond Proceeds (defined in the Agreement) to the City to enable the City to use such Excess Bond Proceeds for redevelopment purposes, including capital public improvement expenditures previously made by the City, and in a manner consistent with the original bond covenants; and

WHEREAS, in order to facilitate the use of Excess Bond Proceeds consistent with all applicable bond covenants, the Successor Agency and the City have negotiated the terms of that certain Bond Proceeds Expenditure Agreement (“Agreement”) requiring the transfer of current and future excess bond proceeds by the Successor Agency to the City, and the City’s use of such proceeds consistent with all applicable bond covenants; and

WHEREAS, the Successor Agency and City intend that the Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c)(1)(A) to be paid from Excess Bond Proceeds; and

WHEREAS, the City Council desires to approve the Agreement in substantially the form submitted herewith; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista as follows:

Section 1. The foregoing Recitals are incorporated into this Resolution by this reference.

Section 2. The City Council hereby finds and determines, based on all evidence and testimony contained in the record before it, that the use of Excess Bond Proceeds to fund City capital improvement projects including acquisition and/or construction of 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.

Section 3. The City Council has determined that the expenditure of Excess Bond Proceeds in accordance with the Agreement will benefit the affected taxing entities and hereby approves the execution of the Agreement and accepts the transfer of Excess Bond Proceeds from the Successor Agency for the purposes described in the Agreement.

Section 4. The City Council hereby approves the Bond Proceeds Expenditure Agreement in substantially the form submitted herewith.

Section 5. The City Council hereby authorizes and directs the City Manager to take the following actions:

a. Execute the Bond Proceeds Expenditure Agreement in the form presented herewith with such changes, insertions and omissions as may be approved by the City Manager;

b. Upon receiving Excess Bond Proceeds from the Successor Agency pursuant to the Agreement, allocate and/or expend such moneys in accordance with all applicable covenants relating to the use of such proceeds.

Section 6. This Resolution shall take effect upon the date of adoption.

Section 7. The City Clerk shall certify to the adoption of this Resolution.

Presented by

Approved as to form by

David Bilby, MSBA, CPFO
Director of Finance/Treasurer

Glen R. Googins
City Attorney