

STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OF THE STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND APPROVING CERTAIN RELATED ACTIONS

The Stockton Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Stockton ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

The City of Stockton City Council ("City Council") has adopted redevelopment plans for City's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

AB 1X 26 ("AB 26") and AB 1X 27 ("AB 27") were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing –[with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code ("Health and Safety Code"); and

The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.*, Case No. S194861) alleging that AB 26 and AB 27 were unconstitutional; and

On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding as constitutional AB 26, invalidating as unconstitutional AB 27, and holding that AB 26 may be severed from AB 27 and enforced independently; and

The Supreme Court generally reformed and revised the effective dates and deadlines for performance of obligations under Health and Safety Code Part 1.85 of AB 26 arising before May 1, 2012, to take effect four months later, while leaving the effective dates or deadlines for performance of obligations under Health and Safety Code Part 1.8 of AB 26 unchanged; and

As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code section 34173, and successor agencies are tasked with paying,

performing, and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

The City Council adopted Resolution No. 11-0251 on August 23, 2011, pursuant to Part 1.85, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

According to Health and Safety Code Section 34177(l)(1) of AB 26, a Recognized Obligation Payment Schedule ("ROPS") must be prepared before each six month fiscal period; and

For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, and (v) the Redevelopment Property Tax Trust Fund but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provision of Part 1.85 of AB 26; and

Pursuant to Health and Safety Code section 34177(l)(2)(A) of AB 26, the Successor Agency adopted its first Recognized Obligation Payment Schedule ("ROPS") on February 28, 2012, by Resolution No. SRD-2012-02-28-1501, and the adopted ROPS was submitted to the Controller's Office and the Department of Finance by April 15, 2012; and

The Stockton Successor Agency Oversight Board ("Oversight Board"), on April 24, 2012, by Resolution No. OB-2012-04-24-01 approved the initial ROPS; and

Pursuant to AB 26, the approved ROPS was forwarded to the State Controller, Department of Finance, County Auditor Controller, and posted on the Successor Agency's website; and

Pursuant to Health and Safety Code section 34177(l)(2)(A) of AB 26, the Successor Agency adopted a ("ROPS") on May 8, 2012, by Resolution No. SRD-2012-05-08-1503 for the period of July 1 through December 31, 2012; and

The ROPS must now be approved by the Oversight Board and forwarded in accordance with AB 26.

Pursuant to Health and Safety Code section 34177(a)(3), commencing on May 1, 2012, only payments listed in the ROPS may be made by the Successor Agency from the funds specified in the ROPS and, commencing May 1, 2012, the ROPS shall supersede the Statement of Indebtedness of the Redevelopment Agency; and

It is the intent of AB 26 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's bi-annual payment obligations by amount and source and, subsequent to the audit and approval of the ROPS as specified in AB 26; and

In accordance with Health and Safety Code Section 34182(c)(3), the County Auditor-Controller will provide property tax revenue estimates prior to each six-month fiscal period; and

In accordance with Health and Safety Code Section 34183(b) and (c), the Successor Agency must report to the County Auditor Controller if funds are insufficient to cover payments listed on the ROPS. If such notice is provided, the County Treasurer may loan any funds from the County treasury that are necessary to ensure prompt payments of redevelopment agency debts; and

The Successor Agency's resolution and adopted ROPS, which is consistent with the requirements of the Health and Safety Code and other applicable law, is attached to this Resolution as Exhibit "1"; and

This Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

This Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines; and

All of the prerequisites with respect to the approval of this Resolution have been met; now, therefore,

BE IT RESOLVED BY THE STOCKTON OVERSIGHT BOARD, AS FOLLOWS:

1. The foregoing recitals are true and correct and are a substantive part of this Resolution and all prerequisites to its adoption have occurred.
2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB 26 through administrative or judicial proceedings.
3. The Oversight Board hereby approves the ROPS, attached hereto as Exhibit 1 and incorporated herein by this reference, to preserve the Successor Agency's rights to make payments as authorized under Section 34177(l)(1).
4. The Executive Director, or designee, of the Successor Agency, is hereby authorized and directed to submit the approved ROPS to State of California Department of Finance, State Controller, and San Joaquin County Auditor-Controller.
5. The Successor Agency determines that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a

direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.

6. This Resolution shall take effect three business days following the date of its adoption.

7. The Executive Director, or designee of the Successor Agency, is hereby authorized to take such actions as are necessary and appropriate to comply with Section 34177 and the purposes and intent of this Resolution.

PASSED, APPROVED, and ADOPTED May 9, 2012.


Paul Sensibaugh, Chairperson
of the Stockton Successor Agency
Oversight Board

ATTEST:


Bonnie Paige, Secretary
of the Stockton Successor Agency
Oversight Board

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