

**RESOLUTION NO. SARDA2012-013**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY APPROVING YEAR-END BUDGET ADJUSTMENTS FOR FISCAL YEAR 2011/2012**

RECITALS:

A. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), including adding Part 1.8 (commencing with Section 34161)("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85").

B. 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 X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case, largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

C. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later.

D. As a result of the Supreme Court's decision, the Highland Redevelopment Agency (the "Redevelopment Agency"), a redevelopment agency in the City of Highland (the "City"), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012.

E. By its Resolution No. 2012-003, adopted on January 10, 2012, the City Council of the City made an election to serve as the successor agency for the Redevelopment Agency under Part 1.85 (the "Successor Agency").

F. By its Resolution No. SARDA 2012-02, adopted on February 14, 2012, the City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors (the "Board") consisting of the members of the City Council of the City.

G. Health and Safety Code Section 34170.5 provides that each successor agency shall create within its treasury a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

H. Accordingly, the Board desires to adopt this Resolution creating a Redevelopment Obligation Retirement Fund within the treasury of the Successor Agency.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

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

Section 2. The Finance Director is hereby authorized and directed to perform the approve budget adjustments in the funds created within the treasury of the Successor Agency a Redevelopment Obligation Retirement Fund to be administered by the Successor Agency.

**PASSED, APPROVED AND ADOPTED** this 25th day of September, 2012.

  
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Penny Lilburn  
Vice Chairwoman

ATTEST:

  
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Betty Hughes, MMC  
Secretary

**EXHIBIT A**

**YEAR-END BUDGET ADJUSTMENTS FOR FISCAL YEAR 2011/2012**

Fiscal Year 2011/2012 Year-End Budget Adjustments-Expenditures

RDA Obligation Retirement Fund-Bond Proceeds

Expenditure	Fund	Department	Account	Proposed Increase	Current Budget	Proposed Budget
Capital Projects-RDA Bond Proceeds	087-RDA ORF Bond Proceeds	8070-RDA ORF Bond Proceeds	4198-City Administration	35,415	-	35,415
Capital Projects-RDA Bond Proceeds	087-RDA ORF Bond Proceeds	8070-RDA ORF Bond Proceeds	4509-Contract Services-Architect	32,920	-	32,920
Capital Projects-RDA Bond Proceeds	087-RDA ORF Bond Proceeds	8070-RDA ORF Bond Proceeds	4550-Contract Services-Engineering	108,635	-	108,635
Capital Projects-RDA Bond Proceeds	087-RDA ORF Bond Proceeds	8070-RDA ORF Bond Proceeds	6030-Building	1,462,000	-	1,462,000
Capital Projects-RDA Bond Proceeds	087-RDA ORF Bond Proceeds	8070-RDA ORF Bond Proceeds	6530-Street/Sidewalk Construction	30,000	-	30,000
Capital Projects-RDA Bond Proceeds	087-RDA ORF Bond Proceeds	8070-RDA ORF Bond Proceeds	6813-Bridge Construction	500,000	-	500,000

RDA Obligation Retirement Fund-LMIH

Expenditure	Fund	Department	Account	Proposed Increase	Current Budget	Proposed Budget
Housing-20% Set-aside Funds	088-RDA ORF LMIH	8080-RDA ORF LMIH	3010-Salaries	53,330	-	53,330
Housing-20% Set-aside Funds	088-RDA ORF LMIH	8080-RDA ORF LMIH	4198-City Administration	5,555	-	5,555
Housing-20% Set-aside Funds	088-RDA ORF LMIH	8080-RDA ORF LMIH	4349-Grant Programs	44,580	-	44,580
Housing-20% Set-aside Funds	088-RDA ORF LMIH	8080-RDA ORF LMIH	4520-Contract Service-Attorney	55	-	55

RDA Obligation Retirement Fund-Debt Service

Expenditure	Fund	Department	Account	Proposed Increase	Current Budget	Proposed Budget
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4198-City Administration	27,130	-	27,130
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4210-Postage	150	-	150
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4248-Equipment Rental/Lease	6,730	-	6,730
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4330-Training	585	-	585
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4349-Grant Programs	107,290	-	107,290
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4507-Contract Services-Chamber of Commerce	3,345	-	3,345
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4520-Contract Service-Attorney	10,045	-	10,045
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4534-Contract Service-GIS	4,945	-	4,945
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	4554-Contract Service-Consultant	5,750	-	5,750
Debt Service/Admin/Tax Increment Funds	089-RDA ORF Debt Service	8090-RDA ORF Debt Service	5200-Interest	1,379,385	-	1,379,385

Summary

Current Expenditure Budget						
Total Proposed Expenditure Increases	3,817,845					3,817,845
Total Proposed Expenditure Budget	3,817,845					3,817,845

STATE OF CALIFORNIA            )  
COUNTY OF SAN BERNARDINO)  
CITY OF HIGHLAND            )

I, BETTY HUGHES, Secretary of the Successor Agency to the Highland Redevelopment Agency of the City of Highland, California, do hereby certify Successor Agency to the Redevelopment Agency Resolution No. SARDA2012-013 was duly and regularly adopted by the Successor Agency to the Highland Redevelopment Agency, Highland, California, at a regular meeting thereof held on the 25th day of September, 2012, by the following vote:

AYES:           Lilburn, Racadio, Scott, Timmer

NOES:           None

ABSTAIN:       None

ABSENT:        McCallon

  
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BETTY HUGHES, MMC  
SECRETARY