

RESOLUTION NO. SARDA2015-011

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT
AGENCY MAKING A FINDING TO RE-ESTABLISH THE \$1,300,000
LOAN AS AN ENFORCEABLE OBLIGATION AND TAKING CERTAIN
RELATED ACTIONS**

WHEREAS, the Highland Redevelopment Agency (the “Former Agency”) was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law (the “Redevelopment Law”) set forth in Section 33000 et seq. of the Health and Safety Code (“HSC”) of the State of California; and

WHEREAS, pursuant to the Redevelopment Law, the Former Agency undertook a program to redevelop the Highland Redevelopment Project No. 1 (the “Project Area”) and, in that connection, the City of Highland (the “City”) from time to time assisted the Former Agency to finance the implementation of the redevelopment program; and

WHEREAS, the City assisted the Former Agency by entering into a loan agreement with the City, dated November 25, 1997, (the “Loan Agreement”) pursuant to which the City loaned the Former Agency the sum of \$1,300,000 for the purchase of land at the southwest corner of Base Line/Central Avenue (the “Loan”); and

WHEREAS, as of the date of this Resolution, the Loan remains outstanding in the total principal amount of \$1,300,000, together with certain accrued and unpaid interest thereon; and

WHEREAS, pursuant to AB X1 26 (which became effective in June 2011), and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal. 4th 231(2011)), the Former Agency was dissolved as of February 1, 2012, the Highland Redevelopment Successor Agency was constituted as the successor entity to the Former Agency, and an oversight board of the Successor Agency (the “Oversight Board”) was established; and

WHEREAS, pursuant to HSC Sections 34171(d) and 34178, the Loan Agreement became non-binding on the Successor Agency as of February 1, 2012; provided, however, that pursuant to HSC Section 34191.4(b), the Loan shall be re-established and the Loan Agreement shall be deemed to be an enforceable obligation after the Successor Agency receives a finding of completion (a “Finding of Completion”) from the State Department of Finance (the “DOF”) under HSC 34179.7, if the Oversight Board makes a finding that the Loan was for legitimate redevelopment purposes; and

WHEREAS, pursuant to HSC Section 34191.4(b), the repayment amount authorized each fiscal year for all loans re-established pursuant to HSC Section 34191.4(b) to be repaid by the Successor Agency to the City shall not exceed one-half of the increase between the amount distributed to taxing entities pursuant to HSC Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to HSC Section 34183(a)(4) in the 2012-13 base year; and

WHEREAS, pursuant to HSC Section 34191.4(b)(2), 20 percent of each loan repayment for loans re-established pursuant to HSC Section 34191.4(b) shall be deducted and transferred to the Low and Moderate Income Housing Asset Fund established and held by the housing successor to the Former Agency pursuant to HSC Section 34176; and

WHEREAS, the DOF issued a Finding of Completion to the Successor Agency on May 24, 2013; and

WHEREAS, the Board of Directors desires to adopt this Resolution to request the Oversight Board to make a finding that the Loan was made for legitimate redevelopment purposes and authorizing future repayment of the Loan by the Successor Agency for the purposes of HSC Section 34191.4(b);

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

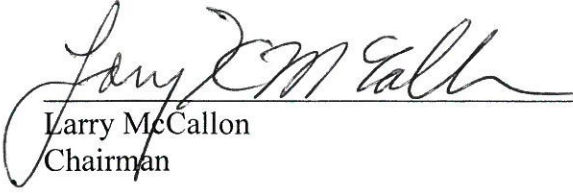
SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Board of Directors hereby requests the Oversight Board to make a finding that the Loan was for legitimate redevelopment purposes, and the Loan Agreement is an enforceable obligation; provided, that the repayment terms thereunder shall be modified in accordance with the requirements of HSC Section 34191.4(b).

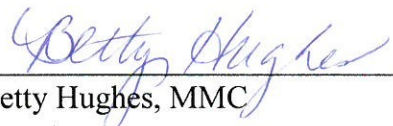
SECTION 3. The Finance Officer of the Successor Agency is hereby authorized to develop a repayment schedule for the Loan in accordance with the requirements of Section 34191.4(b). Recognizing that the actual dollar amount to be repaid by the Successor Agency for each scheduled repayment is subject to the availability of funds from the Redevelopment Property Tax Trust Fund and the limitations set forth in HSC Section 34191.4(b), the Finance Officer of the Successor Agency is hereby authorized to modify the repayment schedule from time to time based on the requirements of HSC Section 34191.4(b) and the actual circumstances at the time of the modification.

SECTION 4. The officers and staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution.

PASSED, APPROVED AND ADOPTED on this 22nd day of September, 2015.


Larry McCallon
Chairman

ATTEST:


Betty Hughes, MMC
Secretary

STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO)

CITY OF HIGHLAND)

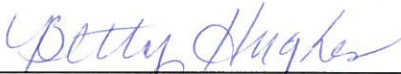
I, BETTY HUGHES, Secretary of the Successor Agency to the Highland
Redevelopment Agency of the City of Highland, California, do hereby certify Successor
Agency to the Redevelopment Agency Resolution No. SARDA2015-011 was duly and
regularly adopted by the Successor Agency to the Highland Redevelopment Agency,
Highland, California, at a regular meeting thereof held on the 22nd day of September,
2015, by the following vote:

AYES: Lilburn, McCallon, Racadio, Scott, Timmer

NOES: None

ABSTAIN: None

ABSENT: None



BETTY HUGHES, MMC
SECRETARY