

RESOLUTION NO. OBSARDA2015-003

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY APPROVING THE EXECUTION AND DELIVERY OF A HOUSING BOND PROCEEDS FUNDING AGREEMENT BY AND BETWEEN THE HIGHLAND REDEVELOPMENT SUCCESSOR AGENCY AND THE HIGHLAND HOUSING AGENCY, AS HOUSING SUCCESSOR, 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, the Former Agency previously issued its Highland Redevelopment Project Area No. 1 Tax Allocation Bonds, 2004A (the “Housing Bonds”). The Housing Bonds were issued and sold to, among other things, finance low and moderate income housing activities; and

WHEREAS, the Housing Bonds were issued pursuant to an Indenture, dated as of June 1, 1994, as supplemented by a First Supplemental Indenture (together, the “Indenture”), each by and between the Former Agency and U.S. Bank National Association, as trustee; 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 Section 34175(b), all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Agency, including the unspent proceeds of the Housing Bonds transferred to the control of the Successor Agency by operation of law. The proceeds of the Housing Bonds have not otherwise been obligated for approved enforceable obligations and there remains a balance in the Successor Agency’s accounts of approximately \$2,928,000 (the “Housing Bond Proceeds”); and

WHEREAS, pursuant to HSC Section 34176(a), the City Council of the City of Highland adopted Resolution No. 2012-005 on January 27, 2012, electing for the Highland Housing Agency to assume the housing assets and housing functions previously performed by the Former Agency, as allowed by law, and thereby becoming the Housing Successor; and

WHEREAS, HSC Section 34176(g) provides that the Housing Successor may designate the use of, and commit, the Housing Bond Proceeds provided that such use or commitment of Housing Bond Proceeds is consistent with the bond covenants in the Indenture (the “Bond Covenants”); and

WHEREAS, HSC Section 34176(g) further provides that a designation of the use, or commitment, of the Housing Bond Proceeds must be listed on a Recognized Obligation Payment Schedule (“ROPS”) and that the Housing Successor must provide notice to the Successor Agency regarding a designation of the use, or commitment, of the Housing Bond Proceeds before submitting the ROPS to the Oversight Board; and

WHEREAS, HSC Section 34176(g) provides that the review by the Successor Agency, the Oversight Board and the State Department of Finance (the “DOF”) of the Housing Successor’s designations and commitments of Housing Bond Proceeds shall be limited to a determination that the designations and commitments are consistent with the Bond Covenants and that there are sufficient funds available therefor; and

WHEREAS, the Successor Agency received notice from the Highland Housing Agency, acting in its capacity as the Housing Successor, designating the use of the Housing Bond Proceeds solely for projects that are consistent with applicable provisions of law, including the applicable provisions of the Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*), the respective redevelopment plans, the Bond Covenants, and the Housing Successor’s Low and Moderate Income Housing Asset Fund and only in connection with projects for which the Housing Successor has determined that there are sufficient funds available (the “Housing Projects”); and

WHEREAS, the Successor Agency and the Housing Successor desire to enter into a Housing Bond Proceeds Funding Agreement (the “Housing Funding Agreement”) in connection with the transfer of the Housing Bond Proceeds to the Housing Successor; and

WHEREAS, the Oversight Board has received a copy of Resolution No. SARDA2015-008, adopted by the Board of Directors of the Successor Agency on August 11, 2015, requesting the Oversight Board to approve the execution and delivery by the Successor Agency of the Housing Funding Agreement;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY DOES RESOLVE AS FOLLOWS:

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

SECTION 2. This Oversight Board hereby approves the execution and delivery by the Successor Agency of the Housing Funding Agreement, substantially in the form attached hereto as Exhibit A.

SECTION 3. The members of this Oversight Board and the 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 and the Funding Agreement.

PASSED, APPROVED AND ADOPTED on this 10th day of September, 2015.


Larry McCallon
Chairman

ATTEST:


Betty Hughes, MMC
Secretary

EXHIBIT A

HOUSING BOND PROCEEDS FUNDING AGREEMENT

(in substantial final form)

HOUSING BOND PROCEEDS FUNDING AGREEMENT

This HOUSING BOND PROCEEDS FUNDING AGREEMENT (this “Agreement”), dated as of August 11, 2015, is entered into by and between the Highland Housing Authority, in its capacity as the successor to the housing assets and functions of the former Highland Redevelopment Agency (the “Housing Successor”) and the Highland Redevelopment Successor Agency (the “Successor Agency,” and together with the Housing Successor, the “Parties”).

RECITALS:

A. The former Highland Redevelopment Agency (the “Former Agency”) previously issued its Highland Redevelopment Project Area No. 1 Tax Allocation Bonds, 2004A (the “Housing Bonds”). The Housing Bonds were issued and sold to, among other things, finance low and moderate income housing activities.

B. The Housing Bonds were issued pursuant to an Indenture, dated as of June 1, 1994, as supplemented by a First Supplemental Indenture, dated as of May 1, 2004 (together, the “Indenture”), each by and between the Former Agency and U.S. Bank National Association, as trustee.

C. Pursuant to AB X1 26 (enacted in June 2011), as modified by 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 12, 2012, the 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.

D. Pursuant to California Health and Safety Code (“HSC”) Section 34175(b), all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Agency, including the unspent proceeds of the Housing Bonds transferred to the control of the Successor Agency by operation of law. The proceeds of the Housing Bonds have not otherwise been obligated for approved enforceable obligations and there remains a balance in the Successor Agency’s accounts of approximately \$2,928,000 (the “Housing Bond Proceeds”).

E. Pursuant to HSC Section 34176(a), the City Council of the City of Highland adopted Resolution No. 2012-005 on January 27, 2012, electing for the Highland Housing Authority to assume the housing assets and housing functions previously performed by the Former Agency, as allowed by law, and thereby becoming the Housing Successor.

F. HSC Section 34176(g) provides that the Housing Successor may designate the use of, and commit, the Housing Bond Proceeds provided that such use or commitment of Housing Bond Proceeds is consistent with the bond covenants in the Indenture (the “Bond Covenants”).

G. HSC Section 34176(g) further provides that a designation of the use, or commitment, of the Housing Bond Proceeds must be listed on a Recognized Obligation Payment Schedule (“ROPS”) and that the Housing Successor must provide notice to the Successor Agency regarding a designation of the use, or commitment, of the Housing Bond Proceeds before submitting the ROPS to the Oversight Board.

H. HSC Section 34176(g) provides that the review by the Successor Agency, the Oversight Board and the State Department of Finance (the "DOF") of the Housing Successor's designations and commitments of Housing Bond Proceeds shall be limited to a determination that the designations and commitments are consistent with the Bond Covenants and that there are sufficient funds available therefor.

I. The Successor Agency received notice from the Highland Housing Authority, acting in its capacity as the Housing Successor, designating the use of the Housing Bond Proceeds solely for projects that are consistent with applicable provisions of law, including the applicable provisions of the Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*), the respective redevelopment plans, the Bond Covenants, and the Housing Successor's Low and Moderate Income Housing Asset Fund ("LMIHAF") and only in connection with projects for which the Housing Successor has determined that there are sufficient funds available (the "Housing Projects").

J. The Housing Successor and the Successor Agency desire to enter into this Agreement in connection with the use of Housing Bond Proceeds by the Housing Successor for the Housing Projects.

K. This Agreement provides for the inclusion of the Housing Bond Proceeds on ROPS 15-16B and the transfer of the Housing Bond Proceeds to the Housing Successor.

L. Resolution No. OBSARDA2015-003 adopted by the Oversight Board on September 10, 2015, approving the Successor Agency's execution and delivery of this Agreement was approved [deemed approved] by the DOF pursuant to HSC Section 34179(h) on _____, 2015.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. (a) The Successor Agency shall prepare and submit ROPS 15-16B to the Oversight Board and the DOF and, subject to the approval of the Oversight Board and DOF, shall include therein the transfer of the Housing Bond Proceeds to the Housing Successor, with the amount of Housing Bond Proceeds to include estimated interest earnings through the date of transfer under Section 2(b).

(b) The Successor Agency shall transfer the Housing Bond Proceeds to the Housing Successor, in the amount approved by the DOF per ROPS 15-16B, at the commencement of the ROPS 15-16B period.

Section 2. Upon receipt, the Housing Successor shall deposit the Housing Bond Proceeds into the LMIHAF, which fund has been established and is maintained by the Housing Successor pursuant to HSC Sections 34176 and 34176.1.

Section 3. The Housing Successor covenants that it shall hold and use the Housing Bond Proceeds solely for projects that are consistent with applicable provisions of law, including applicable provisions of the Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*), the respective redevelopment plans, the Bond Covenants, and the LMIHAF and only in connection with projects for which the Housing Successor has determined that there are sufficient funds available.

Section 4. Each Party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other Party at all reasonable times.

Section 5. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 6. This Agreement may be amended from time to time by written instrument executed by both Parties.

Section 7. No official, agent, or employee of the Successor Agency or the Highland Housing Agency, or members of the Highland Housing Authority Board of Directors, or members of the Successor Agency Board of Directors or Oversight Board shall be individually or personally liable for any payment hereunder in the event of any default or breach by the Successor Agency or the Highland Housing Authority, or for any amount which may otherwise become due to the Highland Housing Authority or Successor Agency, or successor thereto, or on any obligations under the terms of this Agreement.

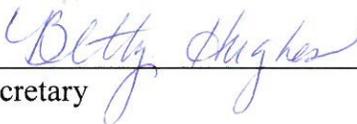
Section 8. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

**HIGHLAND REDEVELOPMENT
SUCCESSOR AGENCY**

By 
Executive Director

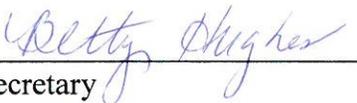
ATTEST:


Secretary

**HIGHLAND HOUSING AUTHORITY, as
HOUSING SUCCESSOR**

By 
Executive Director

ATTEST:


Secretary

APPROVED:

**OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE
HIGHLAND REDEVELOPMENT
AGENCY**

By 
Chair

Date: 09.10.2015

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

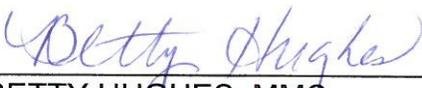
I, BETTY HUGHES, Secretary of the Oversight Board of the Successor Agency to the Highland Redevelopment Agency of the City of Highland, California, do hereby certify Oversight Board of the Successor Agency to the Redevelopment Agency Resolution No. OBSARDA2015-003 was duly and regularly adopted by the Oversight Board of the Successor Agency to the Highland Redevelopment Agency, Highland, California, at a special meeting thereof held on the 10th day of September, 2015, by the following vote:

AYES: Haller, Huff, Mainez, McCallon

NOES: None

ABSTAIN: None

ABSENT: Henry, Peukert, Saks



BETTY HUGHES, MMC
SECRETARY