

MEETING DATE:

02/09/15

AGENDA ITEM:

Adoption of a Resolution Directing the Transfer of Bond Proceeds Specified in the Master Agreement Between the City and the Successor Agency to the Culver City Redevelopment Agency.

ATTACHMENTS

1. Proposed Resolution

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1 WHEREAS, pursuant to the Indenture, as amended by a First Supplemental
2 Indenture dated as of April 1, 2002, executed by and between the Former CCRA and the
3 Trustee, the Former CCRA issued Tax Allocation Bonds, 2002 Series A, in the principal
4 amount of \$28,280,000 (the "2002 Bonds"). Pursuant to page 3 of the Official Statement for
5 the 2002 Bonds, the 2002 Bonds are required to be used to provide financing for, inter alia, "a
6 wide variety of projects to implement the Redevelopment Plan for the Project Area. Some of
7 the currently contemplated projects include funding the costs of public improvements and
8 public facilities, streetscape and infrastructure improvements, off-street parking facilities and
9 commercial rehabilitation grants"; and,
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11 WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) (referred to
12 herein as "Dissolution Act") was signed by the Governor of California on June 28, 2011,
13 making certain changes to the CRL and to the California Health and Safety Code ("H&S
14 Code") including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85
15 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code; and,
16

17 WHEREAS, on December 29, 2011, the California Supreme Court delivered its
18 decision in *California Redevelopment Association v. Matosantos*, finding the Dissolution Act
19 largely constitutional and reformed certain deadlines set forth in the Dissolution Act; and,
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21 WHEREAS, pursuant to the Dissolution Act, as modified by the California
22 Supreme Court on December 29, 2011 by its decision in *California Redevelopment*
23 *Association v. Matosantos*, all California redevelopment agencies, including the Culver City
24 Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were
25 designated and vested with the responsibility of paying, performing and enforcing the
26 enforceable obligations of the former redevelopment agencies and expeditiously winding
27 down the business and fiscal affairs of the former redevelopment agencies; and,
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1 WHEREAS, the City Council adopted Resolution No. 2012-R001 on January 9,
2 2012, pursuant to Part 1.85 of the Dissolution Act, accepting for the City the role of successor
3 agency to the Former CCRA ("Successor Agency"); and,

4 WHEREAS, on February 6, 2012, the Board of Directors of the Successor
5 Agency, adopted Resolution No. 2012-SA001 naming itself the "Successor Agency to the
6 Culver City Redevelopment Agency", the sole name by which it will exercise its powers and
7 fulfill its duties pursuant to Part 1.85 of the Dissolution Act and establishing itself as a
8 separate legal entity with rules and regulations that will apply to the governance and
9 operations of the Successor Agency; and,

11 WHEREAS, H&S Code Section 34191.4(c) provides that once a finding of
12 completion ("FOC") has been issued by the California Department of Finance (the "DOF"), a
13 successor agency is authorized to use bond proceeds for the purposes for which the bonds
14 were sold. Such successor agency may designate the use of and commit indebtedness
15 obligation proceeds that were derived from indebtedness issued for redevelopment purposes
16 on or before December 31, 2010 that remain available after the satisfaction of enforceable
17 obligations that have been approved on a Recognized Obligation Payment Schedule and that
18 are consistent with the indebtedness obligation covenants (collectively, the "Bond Proceeds");
19 and,
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21 WHEREAS, the DOF issued an FOC to the Successor Agency on December 5,
22 2013; and,

24 WHEREAS, the Bond Proceeds have been transferred to the City; and,

25 WHEREAS, as of May 31, 2014, the following amounts of Bond Proceeds were
26 available: (i) 1999 Bonds: \$2,772,076 and (ii) 2002 Bonds: \$13,965,558; and,
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1 WHEREAS, the City desired to enter into with the Successor Agency a Master
2 Agreement Regarding Retention And Expenditure Of Bond Proceeds ("Master Agreement") in
3 order to use the Bond Proceeds for the purposes identified in and consistent with the
4 applicable indebtedness obligation covenants and the requirements of the CRL by providing
5 for the City to retain the transferred Bond Proceeds and to use them for such purposes; and,

6 WHEREAS, on June 23, 2014, the City Council adopted Resolution No. 2014-
7 R045 approving the Master Agreement between the Successor Agency and the City of Culver
8 City; and,

9
10 WHEREAS, an oversight board has been established for the Successor Agency
11 ("Oversight Board") and all seven (7) members have been appointed to the Oversight Board
12 pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board
13 are primarily set forth in H&S Code Sections 34179 through 34181 of the Dissolution Act;
14 and,

15
16 WHEREAS, subject to approval of the Oversight Board, the Successor Agency
17 desired to enter into with the City the Master Agreement in order to use the Bond Proceeds
18 for the purposes identified in and consistent with the applicable indebtedness obligation
19 covenants and the requirements of the CRL by providing for the City to retain the transferred
20 Bond Proceeds and to use them for such purposes; and,

21
22 WHEREAS, on June 23, 2014, the Board of Directors of the Successor Agency,
23 adopted Resolution No. 2014-SA012 approving, and recommending to its Oversight Board
24 approval of, the Master Agreement between the Successor Agency and the City of Culver
25 City; and,

1 WHEREAS, pursuant to California Health and Safety Code Section 34180(h),
2 the Successor Agency submitted the Master Agreement to the Oversight Board and
3 requested its approval to enter into the Master Agreement prior to executing it; and,

4 WHEREAS, on July 24, 2014, the Oversight Board adopted Resolution No.
5 2014-OB-013 approving the Master Agreement between the Successor Agency and the City;
6 and,

7 WHEREAS, on September 3, 2014, the DOF approved the Oversight Board's
8 July 24, 2014 adoption of Resolution No. 2014-OB-013 approving the Master Agreement
9 between the Successor Agency and the City; and,

10 WHEREAS, as a result, the Master Agreement is a valid agreement by and
11 between the City and the Successor Agency and is in full force and effect; and,

12 WHEREAS, the City desires to transfer the Bond Proceeds to the Successor
13 Agency, consistent with H&S Section 34167.5, prior to further implementing the Master
14 Agreement; and

15 WHEREAS, H&S Section 34167.5 does not require that a successor agency
16 consent to such a transfer; and,

17 WHEREAS, Resolution No. 2014-R045 approving the Master Agreement
18 between the Successor Agency and the City of Culver City authorizes and directs the City
19 Manager or designee to take all actions necessary or desirable in order to implement and
20 effectuate the Master Agreement and to administer the City's obligations, responsibilities, and
21 duties to be performed; and

22 WHEREAS, the City's adoption of this Resolution is not intended to, and would
23 not, amend, terminate, negate, nullify or alter the Master Agreement and/or Resolution No.
24 2014-R045, or the City's responsibilities and obligations thereunder, in any way; and

1 WHEREAS, the activity proposed for approval by this Resolution has been
2 reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"),
3 the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq.,
4 hereafter the "Guidelines"), and the City's environmental evaluation procedures. The activity
5 proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term
6 is defined by Guidelines Section 15378, because the activity is an organizational or
7 administrative activity that will not result in a direct or indirect physical change in the
8 environment, per Section 15378(b)(5) of the Guidelines; and,

10 WHEREAS, all other legal prerequisites to the adoption of this Resolution have
11 occurred.

12 NOW, THEREFORE, the City Council of the City of Culver City DOES HEREBY
13 RESOLVE as follows:

14 SECTION 1. The foregoing recitals are true and correct.

15 SECTION 2. All legal prerequisites to the adoption of this Resolution have
16 occurred.

17 SECTION 3. The City Council hereby authorizes and directs the City Manager
18 or designee to transfer the Bond Proceeds to the Successor Agency, consistent with H&S
19 Section 34167.5, prior to further implementing the Master Agreement.

20 SECTION 4. The City Council hereby authorizes and directs the City Manager
21 or designee (i) to take all actions and to execute any and all documents, instruments, and
22 agreements necessary or desirable on behalf of the City, as approved by the City Manager
23 and the City Attorney, in order to implement and effectuate the actions approved by this
24 Resolution, including, without limitation, approving changes, implementations, or revisions to
25 documents, instruments, and agreements as determined necessary by the City Manager, or
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1 designee; and (ii) to administer the City's obligations, responsibilities, and duties to be
2 performed pursuant to this Resolution and all documents, instruments, and agreements
3 required thereunder.

4 SECTION 5. If any provision of this Resolution or the application of any such
5 provision to any person or circumstance is held invalid, such invalidity shall not affect other
6 provisions or applications of this Resolution that can be given effect without the invalid
7 provision or application, and to this end the provisions of this Resolution are severable. The
8 City declares that its City Council would have adopted this Resolution irrespective of the
9 invalidity of any particular portion of this Resolution.
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11 SECTION 6. The adoption of this Resolution is not intended to and shall not
12 constitute a waiver by the City of any constitutional, legal or equitable rights that the City may
13 have to challenge, through any administrative or judicial proceedings, the effectiveness
14 and/or legality of all or any portion of the Dissolution Act, any determinations rendered or
15 actions or omissions to act by any public agency or government entity or division in the
16 implementation of the Dissolution Act, and any and all related legal and factual issues, and
17 the City expressly reserves any and all rights, privileges, and defenses available under law
18 and equity.
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20 SECTION 7. The City hereby determines that the activity approved by this
21 Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines
22 Section 15378, because the activity approved by this Resolution is an organizational or
23 administrative activity that will not result in a direct or indirect physical change in the
24 environment, per Section 15378(b)(5) of the Guidelines.
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1 SECTION 8. This Resolution shall take effect upon the date of its adoption.

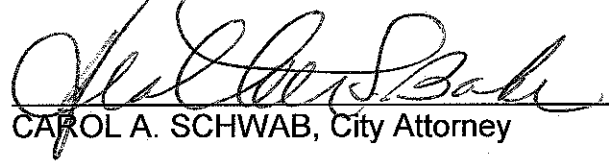
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3 APPROVED AND ADOPTED, this ____ day of _____, 2015.

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6 _____
MEGHAN SAHLI-WELLS, Mayor
City of Culver City

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8 ATTEST:

9 APPROVED AS TO FORM:

10 _____
MARTIN R. COLE, City Clerk

11 
CAROL A. SCHWAB, City Attorney

12 A15-00051