

**OVERSIGHT BOARD FOR SUCCESSOR AGENCY
TO THE LOMA LINDA REDEVELOPMENT AGENCY**

AGENDA

Loma Linda Community Room
25541 Barton Road, Loma Linda, California

Regular Meeting
Tuesday, January 26, 2016
4:30 p.m.
Beginning Resolution No. 2016-001

CALL TO ORDER

1. Roll Call

BUSINESS ITEMS

1. Minutes of November 24, 2015
2. Resolution approving an Administrative Budget for the period of 7/1//2016-6/30/2017
3. Resolution approving Recognized Obligation Payment Schedule (ROPS) 16-17 for the period of 7/1/2016-6/30/2017
4. Resolution approving a plan for spending excess Tax Allocation Bond Proceeds, Authorizing a Bond Expenditure Agreement with the City, Directing transfer of funds to the City

STAFF REPORTS

CHAIR AND BOARD MEMBERS' ITEMS

PUBLIC COMMENT

This is the time set aside for public comment on any matter not listed on the agenda. Please complete a "Request to Speak" form and limit your comments to three minutes. When addressing the Oversight Board, please state your name and address,

ADJOURNMENT

Oversight Board for the Successor Agency
To the Loma Linda Redevelopment Agency

Minutes

Regular Meeting of November 24, 2015

A regular meeting of the Oversight Board for the Successor Agency to the Loma Linda Redevelopment Agency was called to order by Chairman Rigsby at 4:31 p.m., Tuesday, November 24, 2015 in the Community Room of the Civic Center, 25541 Barton Road, Loma Linda, California.

Board Members Present:	Rhodes Rigsby, Chairman Konrad Bolowich Edward Gonzales Victoria Ostermann Steve Sutorus
Board Members Absent:	Brian Guggisberg Douglas Headrick
Others Present:	T. Jarb Thaipejr, City Manager Mark Huebsch, Special Counsel to the Loma Linda Housing Authority and the Successor Agency to the former Loma Linda Redevelopment Agency

Business Items

OB-2015-009 – Minutes of September 8, 2015

Motion by Bolowich, seconded by Sutorus and unanimously carried to approve the Minutes of September 8, 2015 as presented. Board Members Guggisberg and Headrick absent.

OB-2015-010 – Resolution approving a Long Range Property Management Plan

Special Counsel Huebsch presented a summary of the Plan, stating that dissolution successor agencies were required, whether or not they had properties, to adopt a long range property management plan. Loma Linda was precluded from adopting a plan previously because of litigation that has been settled.

Loma Linda's Plan consists of two categories of properties: 1) properties currently devoted to governmental use; and 2) properties for sale. The governmental use properties will transfer to the City without compensation to taxing agencies. The for sale properties will be marketed as individual sales, each prospective sale to be submitted to the Oversight Board. Even though the properties have recorded book values in the Plan, there was no guarantee as to the revenue each would bring to the taxing entities.

A question-and-answer period followed. Mr. Huebsch clarified that the proceeds from the property sales would either go to satisfy enforceable obligations or to the taxing agencies; that if there were current enforceable obligations and sufficient revenue to pay the enforceable obligations, then the proceeds would go to the taxing agencies. The proceeds would be deposited into a property trust fund and then to LPTTF for distribution. The combined book value of the properties was approximately \$9 million.

Motion by Bolowich, seconded by Gonzales and unanimously carried to adopt a resolution approving a Long Range Property Management Plan. Board Members Guggisberg and Headrick absent.

Resolution No. 2015-06

A Resolution of the Oversight Board to the Successor Agency to the Loma Linda Redevelopment Agency approving a Long Range Property Management Plan

Public Comments

No public comments were offered upon invitation from the Chairman.

The meeting adjourned at 4:40 p.m.

Approved at the meeting of _____, 2016.

Secretary

AGENDA REPORT

Oversight Board of the Successor Agency to the Loma Linda Redevelopment Agency

MEETING DATE: January 26, 2016

SUBJECT/ACTION: APROVE THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET AND THE 2016-17 ROPS, OUTLINING EXPENDITUES FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017

RECOMMENDED ACTION

- 1. Adopt Oversight Board Resolution No. 2016-01: A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY APPROVING AN ADMINSTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017; and**
- 2. Adopt Oversight Board Resolution No. 2016-02: A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017**

BACKGROUND AND DISCUSSION

Assembly Bill x1 26 (Redevelopment Dissolution Statutes) requires each successor agency to prepare a ROPS using a form provided by Department of Finance ("DOF"), which sets forth the minimum payment amounts and due dates for all enforceable obligations of the former redevelopment agencies for each six-month fiscal period. The ROPS also includes authorization for the administrative obligations necessary for the continued administration of the successor agency to wind down the former redevelopment agency.

The first major change to AB x1 26 was AB 1484, the redevelopment dissolution/unwind trailer bill passed by the Legislature and signed by the Governor on June 29, 2012. AB 1484 made certain technical and substantive amendments to AB x1 26 including actions related to the ROPS. Under AB 1484, this ROPS must be approved by the Oversight Board and submitted to DOF by October 1st. Failure to do so will result in a \$10,000 per day penalty assessed against the City of Loma Linda.

The Redevelopment Dissolution Statutes were again changed in 2015 by SB 107. SB 107 was adopted in September 2015 and became effective immediately as a budget trailer provision. It changed ROPS deadlines and requirements and delayed the consolidation of oversight boards. Starting with the current cycle, the ROPS is changed to an annual ROPS and includes two six month fiscal periods: "A" covers the period of July 1 to December 31, 2016 and "B" covers January 1, 2017 through June 30, 2017. In San Bernardino County, the current 26 oversight boards are to be consolidated into a single oversight board for the entire County starting in July, 2018.

Status on ROPS 2015-16B

ROPS 2015-16B was approved by the Oversight Board and submitted to DOF prior to the October 1st deadline. For the first time, DOF approved expenditures related to the City loan based on the litigation settlement agreement. They again denied administrative costs reimbursements for the Housing Successor and denied the ROPS funding for the litigation costs. DOF continued to deny these changes even after conducting a Meet and Confer conference with the Successor Agency

Administrative Budget

Given that the ROPS now covers a 12 month period, the Administrative Budget has likewise been expanded. Like the ROPS, it includes two 6 month periods to coincide with the ROPS. Both amounts proposed by the Successor Agency are equal to the minimum as provided in state law.

Summary ROPS 2016-17

As you may recollect, the repayment of City loan and the annual reimbursement to the City for a portion of the 2002 Lease Revenue Bonds (Items Nos. 15 and 16 on the ROPS) were under litigation but have now been resolved through a Settlement Agreement. The entries for ROPS 2016-17 reflect the terms of the Settlement Agreement. Specifically, the entire amount owing for the current and prior years is included for the City loan (line 15) and will continue to be included until RPTTF revenue is sufficient to repay the amounts owing. [Confirm or change] In exchange, the Agency agreed to forgo its claim for payments under the Lease Revenue Bonds, which expense does not appear on the proposed 2016-17 ROPS.

In addition, now that the Agency received a Finding of Completion, the ROPS contains an additional entry reflecting the transfer of bond proceeds to the City to be spent in accordance with the restrictions placed on tax exempt bonds. A separate staff report and resolution covers the authorization of the transfer.

CONCLUSION

Successor Agency staff recommends that Oversight Board adopt the attached resolutions approving the administrative budget and the ROPS.

Respectfully submitted,

Agenda Report
January 26, 2016

Successor Agency to the
Loma Linda Redevelopment Agency

Attachments:

1. Oversight Board Resolution No. 2016-01
Exhibit A, Administrative Budget
2. Oversight Board Resolution No. 2016-02
Exhibit A, 2016-17 ROPS

ATTACHMENT 1

Oversight Board Resolution No. 2016-01

(Attached)

RESOLUTION NO. OB 2016-01

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY APPROVING AN ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017

WHEREAS, Health and Safety Code Section 34177(j) provides that the Successor Agency may prepare a proposed administrative budget (“Successor Agency Administrative Budget”) and submit it to the Oversight Board for the Oversight Board’s approval;

NOW THEREFORE, BE IT RESOLVED by the Oversight Board, as follows:

SECTION 1. The Oversight Board approves the Successor Agency Administrative Budget attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 2. The Successor Agency is authorized and directed to submit the approved Administrative Budget to the California Department of Finance, the County Administrative Officer and the County Auditor-Controller.

SECTION 3. The Successor Agency shall maintain on file as a public record this Resolution and the Administrative Budget as approved hereby.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Oversight Board of Successor Agency to Loma Linda Redevelopment Agency, held on this the 26th day of January, 2016 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Rhodes Rigsby, Chairman, Oversight Board of Successor Agency to Loma Linda Redevelopment Agency

ATTEST:

Pamela Byrnes-O’Camb
Oversight Board Secretary

Exhibit A

Successor Agency Administrative Budget July 1, 2016 through June 30, 2017

Exhibit A
 Loma Linda Successor Agency
 Administrative Budget for 2016-17
 7/1/2016 to 6/30/2017

Description	Annual Budget	2016-17A	2016-17B
Full Time Employees / Portion Finance	212,000	106,000	106,000
Contractual Services / Consultants / Legal	30,000	15,000	15,000
Agency Counsel / City Attorney	-		
Other Consultants	-		
Contractual Services / Operations	-	-	-
Office Operating	1,000	500	500
Utilities	-	-	-
Property Management (2)	-	-	-
Other Direct Costs (Allowances)	-	-	-
Auditing Services	7,000	3,500	3,500
TOTAL	250,000	125,000	125,000

ATTACHMENT 2

Oversight Board Resolution No. 2016-02

(Attached)

RESOLUTION NO. OB 2016-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017

WHEREAS, the Oversight Board for the Successor Agency to the Loma Linda Redevelopment Agency ("Oversight Board" as applicable) has previously met, has duly considered a draft recognized obligation payment schedule for the period January 1, 2012 through June 30, 2012 (the "Initial Draft ROPS") and approved a recognized obligation payment schedule for the period January 1, 2012 (as approved, the "Initial ROPS") at its meeting of March 20, 2012 and, at its meeting on April 10, 2012, a recognized obligation payment schedule for the period July 1, 2012 through December 31, 2012 (the "Second ROPS"), and at its meeting on August 28, 2012, a recognized obligation payment schedule for the period January 1, 2013 through June 30, 2013 (the "Third ROPS") and at its meeting on February 28, 2013, a recognized obligation payment schedule for the period July 1 2013 through December 31, 2013; at its meeting on September 24, 2013, a recognized obligation payment schedule for the period of January 1, 2014 through June 30, 2014; at its meeting on February 13, 2014, a recognized obligation payment schedule for the period July 1 2014 through December 31, 2014; at its meeting on September 23, 2014, a recognized obligation payment schedule for the period January 1, 2015 through June 30, 2015; and at its meeting of February 24, 2015 a recognized obligation payment schedule for the period of July 1, 2015 through December 31, 2015; and at its meeting on September 8, 2015, a recognized obligation payment schedule for the period January 1, 2016 through June 30, 2016.

WHEREAS, the members of the Oversight Board have been presented with a draft recognized obligation payment schedule for the period July 1, 2016 through June 30, 2017 (the "Draft ROPS 2016-17"); and

WHEREAS, the Oversight Board has reviewed the Draft ROPS 2016-17 and those instruments referenced in the Draft ROPS 2016-17; and

WHEREAS, the Oversight Board has met and has duly considered the Draft ROPS 2016-17 and desires to express its approval of a recognized obligation payment schedule for the period July 1, 2016 through June 30, 2017;

NOW THEREFORE, BE IT RESOLVED by the Oversight Board, as follows:

SECTION 1. The Oversight Board finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Oversight Board approves as the Draft Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017, the ROPS 2016-17.

SECTION 3. The Successor Agency is authorized and directed to submit the ROPS 2016-17 to the California Department of Finance, the State Controller's Office, the County Administrative Officer and the County Auditor-Controller.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution and the ROPS 2016-17 as approved hereby.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Oversight Board of Successor Agency to Loma Linda Redevelopment Agency, held on this the 26th day of January 2016 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Rhodes Rigsby, Chairman, Oversight
Board of Successor Agency to Loma
Linda Redevelopment Agency

ATTEST:

Pamela Byrnes-O'Camb
Oversight Board Secretary

Exhibit A
ROPS 2016-17
(attached)

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency:	Loma Linda
County:	San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding			
A Sources (B+C+D):	\$ 4,636,501	\$ -	\$ 4,636,501
B Bond Proceeds Funding	4,636,000	-	4,636,000
C Reserve Balance Funding	-	-	-
D Other Funding	501	-	501
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 7,664,762	\$ 7,995,937	\$ 15,660,699
F Non-Administrative Costs	7,539,762	7,870,937	15,410,699
G Administrative Costs	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 12,301,263	\$ 7,995,937	\$ 20,297,200

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
certify that the above is a true and accurate Recognized Obligation
Payment Schedule for the above named successor agency.

Name	Title
/s/	Date
Signature	Date

Loma Linda Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L				M		N		Q	R				W								
											16-17A										16-17B											
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF					Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF						
											Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area		Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	Bond Proceeds		Reserve Balance	Other Funds	Non-Admin	Admin	16-17A Total	Bond Proceeds	Reserve Balance	Other Funds
1	2003 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	5/1/2003	1/1/2031	U.S. Bank (Trustee)	Refund 1993 and 1994 TAB's and Fund Non-Housing Projects	Merged	\$ 76,239,202		\$ 20,297,200	\$ 4,636,000	\$ -	\$ 501	\$ 7,539,762	\$ 125,000	\$ 12,301,263	\$ -	\$ -	\$ -	\$ 7,870,937	\$ 125,000	\$ 7,995,937										
2	Subordinate 2005A Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/1/2005	1/1/2031	U.S. Bank (Trustee)	Financing Non-Housing Projects	Merged	20,369,178	N	\$ 1,084,878				337,439		\$ 337,439				747,439		\$ 747,439										
3	Subordinate 2005B Taxable Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/1/2005	1/1/2026	U.S. Bank (Trustee)	Financing Non-Housing Projects	Merged	7,688,530	N	\$ 856,362				165,681		\$ 165,681				690,681		\$ 690,681										
4	2008 Taxable Housing Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	4/1/2009	7/1/2029	U.S. Bank (Trustee)	Financing Low-Mod Housing Projects	Merged	12,732,415	N	\$ 981,986				325,993		\$ 325,993				655,993		\$ 655,993										
6	Professional Services	Fees	7/1/2016	6/30/2017	Stradling, Yocca, Carlson & Rauth	Continuing Disclosure annual reports	Merged	2,500	N	\$ 2,500				-		\$ -				2,500		\$ 2,500										
7	Contractual Services	Property Dispositions	7/1/2016	6/30/2017	Benefiel Appraisal Service	Property Appraisals	Merged	13,000	N	\$ 13,000				6,500		\$ 6,500				6,500		\$ 6,500										
14	Contractual Services	Property Maintenance	2/1/1989	6/30/2017	JJ Ramirez Citrus Mgmt	Weed Abatement and Maintenance of Successor Agency land held for resale	Merged	7,000	N	\$ 7,000				3,500		\$ 3,500				3,500		\$ 3,500										
15	Loans from the City of Loma Linda	Reentered Agreements	5/29/1979	6/1/2027	City of Loma Linda	Loans for Redevelopment Activities (Cash Principal & Accrued Interest)	Merged	21,175,072	N	\$ 11,479,497				6,385,161		\$ 6,385,161				5,094,336		\$ 5,094,336										
23	Contractual Agreement (Contract term ongoing)	Fees	12/1/2005	6/30/2017	U.S. Bank (Trustee)	Bond Trustee Services - 2003, 2005 A & B	Merged	7,500	N	\$ 7,500				7,500		\$ 7,500						\$ -										
24	Contractual Agreement (Contract term ongoing)	Fees	4/1/2009	6/30/2017	U.S. Bank (Trustee)	Bond Trustee Services - 2008 Housing Bonds	Merged	3,501	N	\$ 3,501			501	3,000		\$ 3,501						\$ -										
27	Administrative Costs	Admin Costs	7/1/2016	6/30/2017	Employees, various consultants	To fund SA administrative budget as approved by the Oversight Board	Merged	250,000	N	\$ 250,000					125,000	\$ 125,000					125,000	\$ 125,000										
39	Housing Entity Administrative Cost Allowance	Housing Entity Admin Cost	7/1/2014	7/1/2018	Loma Linda Housing Authority	Administrative cost allowance for Housing purposes as allowed by AB 471	Merged	750,000	N	\$ 300,000				150,000		\$ 150,000				150,000		\$ 150,000										
40	Oversight Board Counsel	Legal	7/1/2014	6/30/2016	Gresham, Savage, Nolan & Tilden	Representation of the Oversight Board in litigation with the Department of Finance	Merged		Y	\$ -						\$ -						\$ -										
45	Successor Agency Litigation Expenses and Attorney Fees	Litigation	4/30/2013	6/30/2016	City of Loma Linda	Successor Agency litigation counsel services in lawsuit with Department of Finance and State Controller's Office	Merged		Y	\$ -						\$ -						\$ -										
46	Bond Proceeds Expenditure Agreement	Bond Funded Project - Pre-2011	1/26/2016	1/1/2031	City of Loma Linda	Transfer pre-2011 excess bond proceeds to the City for expenditure in accordance with the bond covenants	Merged	4,700,000	N	\$ 4,636,000	4,636,000					\$ 4,636,000						\$ -										
47									N	\$ -						\$ -						\$ -										
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**Loma Linda Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [CASH BALANCE TIPS SHEET](#)

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)	5,511,025				23,094	83,846	Column G is a combination of column F and G from the cash flow 6/30/2015 ending balance in ROPS 2015-16B	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	7,401				501	1,156,966	Column G equals interest earnings on non-bond proceeds.	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)					20,980	1,171,788		
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	890,001							
5	ROPS 15-16A RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 4,628,425	\$ -	\$ -	\$ -	\$ 2,615	\$ 69,024		
ROPS 15-16B Estimate (01/01/16 - 06/30/16)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,518,426	\$ -	\$ -	\$ -	\$ 2,615	\$ 69,024	PPA for 2015-16B	
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016	7,575					3,716,695	Actual disbursement on 1/6/2016	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)					2,114	3,785,719	Total ROPS amount exceeded total revenue so all available revenues will be spent	
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	890,001							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 4,636,000	\$ -	\$ -	\$ -	\$ 501	\$ -	Column G used to offset expenditures on 2016-17A	

Loma Linda Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017

Item #	Notes/Comments
1 to 4	Outstanding Balances for the bonds equal the balance as of July 1, 2016 (before the July 1, 2016 payment is made). Amounts shown as due are the payments due July 1, which are required to be transmitted to the Trustee in June.
6	Costs required by the bond documents for the Agency's bond financings. See items 1 through 4 above.
7	The estimated cost for property appraisals.
14	Estimated costs for property maintenance.
15	Approved through the settlement of litigation. See Settlement Agreement by and between the City, the Successor Agency, the State Department of Finance and the State Controller's Office. As of June 1, 2012, the unpaid principal balance plus accrued interest owing by the RDA to the City was \$21,175,072. The City and RDA entered into their original Cooperative Agreement on May 29, 1979. The original Cooperative Agreement was subsequently amended on or about November 1, 2005, and March 8, 2011, and was implemented by and through at least 17 loan advances that occurred and the loan amounts for which were carefully memorialized between approximately August 8, 1995, and June 14, 2011. This loan was re-authorized by the Loma Linda Oversight Board on May 8, 2012, pursuant to Health & Safety Code Sections 34178(a) and 34180(a) (as the same were in effect prior to the enactment of AB 1484, which was not effective until June 27, 2012), subject to extension of the repayment term (from 10 years to not to exceed 15 years), reduction of the interest rate on a prospective basis (from 12% per annum to the LAIF rate in effect from time to time), and fixed semi-annual payments of \$819,574.00 (which were based on a presumed full amortization of the loan over 15 years at a 2%/annum average interest rate).
15 (cont)	Amount shown as due in ROPS 2016-17A includes the amount included in the Settlement Agreement, plus a \$819,475 semi-annual payment, less the amount that is estimated to be paid in ROPS 2015-16B. the Settlement Agreement amount equals payments DOF previously denied for the obligation, defined in the Settlement Agreement as the Past Due Balance of \$5,759,804, plus the \$819,574 regular semi-annual payments that became due after the Settlement Agreement (ROPS 2015-16B and 2016-17A). The amount shown for ROPS 2016-17B was calculated the same way, although the estimated payment 2016-17A was subtracted.
23	Trustee fees as required by the 2003 and 2005 bond issues are due in August each year.
24	Trustee fees as required by the 2008 Housing Bonds are due in August each year.
27	Administrative costs
39	Housing entity administrative cost allowance as allowed by AB 471 which was signed by the Governor on February 19, 2014.
40	This item is marked for deletion.
45	This item is marked for deletion.

Oversight Board to the Successor Agency Agenda Report

TO: Oversight Board Members

FROM: T. Jarb Thaipejr, Executive Director of the Successor Agency to the Loma Linda Redevelopment Agency

DATE: For meeting of: January 26, 2016

SUBJECT: Consideration of a Resolution Approving Transfer of Unexpended Bond Proceeds from the Successor Agency to the City

RECOMMENDATION:

By motion, adopt a Resolution approving: adoption of a Plan for spending excess tax allocation bond proceeds; authorizing a bond expenditure agreement between the Successor Agency a Bond Proceeds Expenditure Agreement to transfer the remaining bond proceeds from the Loma Linda Redevelopment Agency, Subordinate 2005A Tax Allocation Bonds (Loma Linda Redevelopment Project) from the Successor Agency to the City of Loma Linda to fund eligible projects.

DISCUSSION:

The Successor Agency received its Finding of Completion on August 14, 2015, from the State Department of Finance (DOF) and Section 34191.4(c) of the Health and Safety Code allows the Successor Agency to use bond proceeds remaining from bonds issued prior to 2011. Therefore, the Successor Agency can now spend the remaining bond proceeds (Excess Bond Proceeds) from the Loma Linda Redevelopment Agency, Subordinate 2005A Tax Allocation Bonds (Loma Linda Redevelopment Project)(the “2005A Bonds”) for the purposes the proceeds were intended. The Bond Proceeds Expenditure Agreement and Bond Spending Plan (Exhibits A and B, respectively) to the Resolution (Attachment 1) provide for the Successor Agency to transfer the Excess Bond Proceeds from the 2005A Bonds to the City of Loma Linda in an amount not to exceed the sum of (i) \$4,700,000 plus (ii) such amounts as are held by the trustee for the 2005A Bonds to fund those projects described in the Bond Spending Plan.

Upon approval of the Bond Proceeds Expenditure Agreement, the Excess Bond Proceeds should be available to be expended without necessity of further actions by the Oversight Board. The City would be responsible under the Bond Proceeds Expenditure Agreement to see that the Excess Bond Proceeds are expended in conformity with the indenture of trust in connection with the issuance of the 2005A Bonds. Any funds transferred which are currently held by the trustee for the 2005A Bonds would remain subject to the provisions of the indenture of trust for the 2005A Bonds.

FISCAL IMPACT:

The Excess Bond Proceeds have been on deposit with the Successor Agency pending the Finding of Completion and the authorization to spend the bond proceeds. There is no fiscal impact to the Successor Agency to transfer these funds to the City.

ENVIRONMENTAL IMPACT:

Not applicable.

ATTACHMENT:

Attachment 1 -Resolution

OVERSIGHT BOARD RESOLUTION NO. 2016-003

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY (1) APPROVING A PLAN FOR SPENDING EXCESS TAX ALLOCATION BOND PROCEEDS, (2) AUTHORIZING A BOND EXPENDITURE AGREEMENT WITH THE CITY OF LOMA LINDA TO TRANSFER SUCH FUNDS TO THE CITY FOR BOND-ELIGIBLE PURPOSES, (3) DIRECTING THE TRANSFER OF SUCH FUNDS TO THE CITY, AND (4) MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, the City of Loma Linda (“City”) is a chartered municipal corporation organized and operating under the Constitution and laws of the State of California; and

WHEREAS, the Successor Agency is a public body, corporate and politic, organized and operating under Part 1.85 of Division 24 of the Dissolution Act (defined below); and

WHEREAS, the Loma Linda Redevelopment Agency (“former Agency”) previously was a California public body, corporate and politic, duly formed by the City Council of the City (“City Council”) and was organized, existed and exercised the powers of a community redevelopment agency under the California Community Redevelopment Law, Health & Safety Code Section 33000, *et seq.*; and

WHEREAS, Assembly Bill x1 26 (“AB x1 26”), effective on June 28, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 (“Matosantos Decision”), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 (“AB 1484”) that was effective on June 27, 2012 (together AB x1 26, the Matosantos Decision, and AB 1484 are referred to as the “Dissolution Act”); and

WHEREAS, as of February 1, 2012, the former Agency became a dissolved community redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, as of and on and after February 1, 2012, the Successor Agency is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the former Agency and is engaged in activities necessary and appropriate to wind down the affairs of the former Agency, all subject to the review and approval by a seven-member Oversight Board formed thereunder; and

WHEREAS, Section 34191.4(c) of the Dissolution Act allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for the purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute “excess bond proceeds

obligations” that shall be listed separately on the successor agency’s Recognized Obligation Payment Schedule; and

WHEREAS, the Successor Agency received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on August 14, 2015; and

WHEREAS, the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies; and

WHEREAS, under Health and Safety Code Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects; and

WHEREAS, Health and Safety Code Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes; and

WHEREAS, Health and Safety Code Section 34178(a) allows a successor agency and its sponsoring city to enter into agreements, subject to Oversight Board approval pursuant to Health and Safety Code Section 34180(h); and

WHEREAS, the Successor Agency has and will have proceeds of its Loma Linda Redevelopment Agency, Subordinate 2005A Tax Allocation Bonds (Loma Linda Redevelopment Project)(the “2005A Bonds”) that are not otherwise obligated for a project or other enforceable obligation as more fully described below; and

WHEREAS, the Successor Agency desires to transfer such Excess Bond Proceeds (defined in the Agreement) to the City to enable the City to expend such Excess Bond Proceeds for redevelopment purposes consistent with all applicable bond covenants; and

WHEREAS, the Successor Agency desires to transfer its Excess Bond Proceeds to the City to enable the City to use such Excess Bond Proceeds in a manner consistent with the original bond covenants and to undertake projects and programs that were not previously funded and obligated by the Successor Agency or the City; and

WHEREAS, City and Successor Agency staff have prepared a spending plan for using such Excess Bond Proceeds (“Bond Spending Plan”) to advance the City’s community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development; and

WHEREAS, in order to facilitate the use of Excess Bond Proceeds consistent with all applicable bond covenants, the Successor Agency and the City have negotiated the terms of that certain Bond Proceeds Expenditure Agreement (“Agreement”) requiring the transfer of current and future excess bond proceeds by the Successor Agency to the City, and the City’s use of such proceeds consistent with all applicable bond covenants; and

WHEREAS, the Successor Agency will list the Agreement, and the requirement to transfer excess bond proceeds set forth therein, on its Recognized Obligation Payment Schedule for 2016-17 as an obligation to be funded with Excess Bond Proceeds; and

WHEREAS, approval of the Agreement will promote the administrative efficiency of operating the Oversight Board by obviating the need for additional meetings to address particular expenditures of bond proceeds; and

WHEREAS, the Oversight Board desires to approve the Agreement and the Bond Spending Plan in substantially the form attached hereto as Exhibits A and B, respectively.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY:

Section 1. Each of the foregoing recitals is true and correct.

Section 2. The Oversight Board hereby finds and determines, based on all evidence and testimony contained in the record before it, that the use of Excess Bond Proceeds in accordance with the Bond Spending Plan to fund projects referenced therein.

Section 3. The Oversight Board finds and determines that the expenditure of Excess Bond Proceeds in accordance with the Agreement will benefit the affected taxing entities.

Section 4. The Oversight Board hereby approves the Bond Proceeds Expenditure Agreement in substantially the form attached hereto as Exhibit A and incorporated herein. The Oversight Board acknowledges that, pursuant to the terms of the Bond Proceeds Expenditure Agreement, the City may amend the Bond Spending Plan, subject to compliance with all applicable bond covenants.

Section 5. The Oversight Board hereby approves the Bond Spending Plan in substantially the form attached hereto as Exhibit B and incorporated herein. The Oversight Board acknowledges that, pursuant to the terms of the Bond Proceeds Expenditure Agreement, the City may amend the Bond Spending Plan, subject to compliance with all applicable bond covenants.

Section 6. The Successor Agency is hereby authorized and directed as follows:

- a. Execute the Bond Proceeds Expenditure Agreement in the form presented herewith with such changes, insertions and omissions as may be approved by the Executive Director of the Successor Agency;
- b. List the Agreement, and the requirement to transfer excess bond proceeds set forth therein, on the Successor Agency's Recognized Obligation Payment Schedule for 2016-17 ("ROPS 2016-17") as an obligation to be funded with Excess Bond Proceeds; and
- c. Upon receiving approval of the ROPS 2016-17 from the California Department of Finance, transfer all Excess Bond Proceeds to the City for use by the City in

accordance with the Bond Proceeds Expenditure Agreement and the Bond Spending Plan.

Section 7. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 26th day of January, 2016 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Rhodes Rigsby, Chair
Oversight Board to the Successor Agency to the
Loma Linda Redevelopment Agency

ATTEST:

Secretary
Oversight Board to the Successor Agency to the Loma Linda
Redevelopment Agency

EXHIBIT A

BOND PROCEEDS EXPENDITURE AGREEMENT

BOND PROCEEDS EXPENDITURE AGREEMENT

This **BOND PROCEEDS EXPENDITURE AGREEMENT** (“Agreement”) is entered into as of January 26, 2015, by and between the **CITY OF LOMA LINDA**, a California municipal corporation (“City”), and the **SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY**, a public body corporate and politic pursuant to Parts 1.8 and 1.85 of Division 24 of the California Health & Safety Code (“Successor Agency”).

RECITALS

A. The City is a municipal corporation organized and operating under the laws of the State of California.

B. The Successor Agency is a public body, corporate and politic, organized and operating under Part 1.85 of Division 24 of the Dissolution Law (as defined in Recital D below).

C. The Loma Linda Redevelopment Agency (“former Agency”) previously was a California public body, corporate and politic, duly formed by the City Council of the City (“City Council”) and was organized, existed and exercised the powers of a community redevelopment agency under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* (“CRL”).

D. Assembly Bill x1 26 (“AB x1 26”), effective on June 28, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 (“*Matosantos Decision*”), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies. Thereafter, such laws were amended further by Assembly Bill 1484 (“AB 1484”) that was effective on June 27, 2012, and thereafter further amended by subsequent legislation (together AB x1 26, the *Matosantos Decision*, AB 1484, and subsequent legislation thereto are referred to as the “Dissolution Law”). All statutory references herein are to the Dissolution Law unless otherwise stated.

E. As of February 1, 2012, the former Agency became a dissolved community redevelopment agency pursuant to the Dissolution Law.

F. As of and on and after February 1, 2012, the Successor Agency is performing its functions as the successor agency under the Dissolution Law to administer the enforceable obligations of the former Agency and is engaged in activities necessary and appropriate to wind down the affairs of the former Agency, all subject to the review and approval by a seven-member “Oversight Board” formed thereunder.

G. Section 34191.4(c) of the Dissolution Law allows a successor agency that has received a Finding of Completion (“Finding”) to use bond proceeds from bonds issued prior to 2011 for the purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute “excess bond proceeds obligations” that shall be listed separately on the successor agency’s Recognized Obligation Payment Schedule (“ROPS”).

H. The Successor Agency received the Finding from the State of California Department of Finance dated as of August 14, 2015.

I. The CRL pre-dissolution provided for, and the Dissolution Law post-dissolution continues to provide for, a cooperative relationship between sponsoring cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. Under CRL Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. CRL Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. Section 34178(a) of the Dissolution Law allows a successor agency and its sponsoring city to enter into agreements, subject to Oversight Board approval under Section 34180(h) of the Dissolution Law.

J. The Successor Agency has and will have proceeds of its Loma Linda Redevelopment Agency Subordinate 2005A Tax Allocation Bonds (Loma Linda Redevelopment Project)(“2005A Bonds”)(together with other funds described in Section 2.1 below, “Bond Proceeds”) that are not otherwise obligated for a project or other enforceable obligation. The Successor Agency desires to transfer such Excess Bond Proceeds (defined below) to the City to enable the City to expend such Excess Bond Proceeds for redevelopment and other public purposes consistent with all applicable covenants of the 2005A Bonds.

K. The Successor Agency desires to transfer its Excess Bond Proceeds to the City to enable the City to use such Excess Bond Proceeds in a manner consistent with the covenants of the 2005A Bonds and to undertake projects and programs that were not previously funded and obligated by the former Agency pre-dissolution or by the Successor Agency post-dissolution, or by the City pre- or post-dissolution. The City has adopted a spending plan for using such Excess Bond Proceeds (“Bond Spending Plan”) to advance the City’s community development goals while maximizing fiscal and social benefits flowing to the affected taxing entities from successful development. The City Council and Successor Agency Board have found that the use of Excess Bond Proceeds are in accordance with the Bond Spending Plan to fund various capital improvements within and outside the former Loma Linda Redevelopment Project Area (for which a benefit resolution shall have been adopted by the Successor Agency) and are in accordance with CRL Sections 33445, 33445.1, and 33679 and other applicable law. On January 26, 2016, the Oversight Board determined that the expenditure of Excess Bond Proceeds in accordance with this Agreement will benefit the affected taxing entities, and approved the execution of this Agreement and the transfer of Excess Bond Proceeds to the City for the purposes described herein.

L. In order to facilitate the use of Excess Bond Proceeds consistent with all applicable bond covenants, the Successor Agency and the City have negotiated this Agreement requiring the transfer of current and future excess bond proceeds by the Successor Agency to the City, and the City’s agreement to use such proceeds consistent with all applicable covenants, conditions, restrictions and obligations under the 2005A Bonds. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of the Dissolution Law to be paid from Excess Bond Proceeds. With Oversight Board approval, the Successor Agency will list this Agreement, and the requirement to transfer excess bond proceeds herein, on its ROPS 2016-17 as an obligation to be funded with Excess Bond Proceeds, and as and if applicable on successive ROPS if required by the Dissolution Law.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **RECITALS**

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. **DEFINITIONS**

For purposes of this Agreement, the following terms shall have the indicated meaning:

2.1 “Dissolution Law” is defined in Recital D.

2.2 “Bond Proceeds” is defined in Recital J and also includes (1) proceeds from tax allocation bonds issued on or before December 31, 2010, (2) rents, sale proceeds and other revenues generated by properties acquired and/or improved with proceeds from tax allocation bonds issued on or before December 31, 2010, (3) interest and principal paid on loans funded by proceeds from tax allocation bonds issued on or before December 31, 2010, (4) moneys held by the trustee in connection with the issuance of the 2005A Bonds, and (5) other income or revenues generated from assets acquired or funded with proceeds from tax allocation bonds issued on or before December 31, 2010.

2.3 “Excess Bond Proceeds” means Bond Proceeds that are not needed to satisfy Enforceable Obligations listed on an approved ROPS.

2.4 “Enforceable Obligations” mean enforceable obligations, other than Excess Bond Proceeds obligations, as defined under the Dissolution Law.

2.5 “Bond Spending Plan” is defined in Recital J.

3. **SUCCESSOR AGENCY OBLIGATIONS**

The Successor Agency shall have the following obligations under this Agreement:

3.1 **Current Excess Bond Proceeds.** The Successor Agency shall transfer to the City, as soon as practicable and no later than January 1, 2017, Excess Bond Proceeds currently held by the Successor Agency in an amount not to exceed (i) \$4,700,000 (the “Base Amount”), together with (ii) such amounts as are held by the trustee for the 2005A Bonds)(the “Trustee Amount”).

3.2 **Future Excess Bond Proceeds.** The Successor Agency shall transfer to the City all future Excess Bond Proceeds held or received by the Successor Agency. Such future Excess Bond Proceeds shall include, without limitation, (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, other income, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project, program, or other Enforceable Obligation, and (3) any other funds held by the Successor Agency that qualify as Excess Bond Proceeds under this Agreement.

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond Proceeds become available. The transfer of future Excess Bond Proceeds to the City shall be made pursuant to an approved ROPS within 30 days of the commencement of the relevant ROPS period. The Successor Agency shall be responsible for ensuring that payments of future Excess Bond Proceeds to the City, as such funds become available, are included on the next possible ROPS.

3.3 Projects Funded By Excess Bond Proceeds. The Successor Agency assigns to the City all responsibilities in relation to the administration and implementation of any projects or programs funded by Excess Bond Proceeds. The Successor Agency assigns to the City all contracts entered into by the Successor Agency post-dissolution or the former Agency pre-dissolution related to the expenditure of Excess Bond Proceeds and any activities to be funded by Excess Bond Proceeds, with the exception of those contracts relating to Enforceable Obligations, including the bond documents for the 2005A Bonds, which shall be retained by the Successor Agency. The transfer of moneys held by the trustee for the 2005A Bonds shall remain subject to the terms of the indenture of trust prepared in connection with the issuance of the 2005A Bonds (the “2005A Indenture”).

4. CITY OBLIGATIONS

The City shall have the following obligations under this Agreement:

4.1 Excess Bond Proceeds. The City shall accept, hold, disburse and administer Excess Bond Proceeds transferred to the City by the Successor Agency under this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives, such as revenue generated from properties acquired or improved with Excess Bond Proceeds or payments on loans funded from Excess Bond Proceeds, without any obligation to return such funds to the Successor Agency, and shall use such funds for uses consistent with applicable covenants of the 2005A Bonds.

The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity authorized under the Bond Spending Plan. Notwithstanding anything to the contrary in this Agreement or the Bond Spending Plan, the City shall spend Excess Bond Proceeds consistent with all covenants of the 2005A Bonds applicable to the particular Excess Bond Proceeds. The City shall be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with all covenants of the 2005A Bonds and other applicable laws. The City may transfer funds between approved projects, programs and activities. The Trustee Amount remains subject to the terms of the 2005A Indenture.

The City hereby assumes all contracts entered into or assumed by the Successor Agency post dissolution or entered into by the former Agency pre-dissolution related to the expenditure of Excess Bond Proceeds and any activities to be funded by Excess Bond Proceeds, with the exception of those contracts relating to Enforceable Obligations, which shall be retained by the Successor Agency. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA and/or NEPA, and shall timely complete the work required for each project commenced by the City pursuant to this Agreement and the Bond Spending Plan.

4.2 **BOND SPENDING PLAN.** The City shall be solely responsible for maintaining, administering, and implementing the Bond Spending Plan. The City may amend the Bond Spending Plan as the City deems reasonably necessary in its sole discretion. Any amendments to the adopted Bond Spending Plan will consider uses that advance the City's community development goals while maximizing fiscal and social benefits flowing to the affected taxing entities from successful development. Notwithstanding any contrary provision hereof, unless the City expressly agrees otherwise, the City shall not be obligated to provide funding for any program or project in an amount exceeding the Excess Bond Proceeds provided to the City pursuant to this Agreement.

5. **ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS**

5.1 This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

5.2 This Agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there shall be no third party beneficiaries under this Agreement.

5.3 All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

6. **SEVERABILITY**

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

7. **DEFAULT**

If either party fails to adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

8. **BINDING ON SUCCESSORS**

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

9. **NON-LIABILITY OF MEMBERS, OFFICIALS, EMPLOYEES ANGE AGENTS;
NON-RECOURSE OBLIGATION**

No member, officer, official, employee, agent or representative of the Successor Agency or the City shall be personally liable for performance by the Successor Agency or City hereunder, for breach or default by the City or Successor Agency hereunder, for any amounts which may be payable or become due hereunder, or for any judgment or execution thereon entered in any action.

10. **FURTHER ASSURANCES**

Each party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this Agreement.

[SIGNATURES ON NEXT PAGE]

In witness whereof, the undersigned parties have executed this Bond Proceeds Expenditure Agreement as of the date first above written.

“CITY”

CITY OF LOMA LINDA, a California municipal corporation

By: _____
Rhodes Rigsby, Mayor

ATTEST:

Pamela Byrnes-O’Camb, City Clerk

“SUCCESSOR AGENCY”

SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY, a public body corporate and politic

By: _____
Rhodes Rigsby
Successor Agency Chairman

ATTEST:

Pamela Byrnes-O’Camb, City Clerk
on behalf of the Successor Agency

