

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY RE-APPROVING AND REAUTHORIZING THE PAYMENT FROM 2007 BOND PROCEEDS OF CERTAIN AMOUNTS RELATED TO THE DOWNTOWN DEVELOPMENT**

**WHEREAS**, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code section 33000, *et seq.* (“**CRL**”), the City Council of the City of Cathedral City previously established the Redevelopment Agency of the City of Cathedral City, a public body, corporate and politic (“**Agency**”), to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the CRL; and

**WHEREAS**, on February 1, 2012, the Agency was dissolved in accord with Assembly Bill IX26 (Stats. 2011, 1st Ex. Sess., Ch. 5) (“**AB 26**”), and its rights, powers, duties and obligations were transferred to a “successor agency” (as defined by CRL section 34171(j) and section 34173); and

**WHEREAS**, in accord with AB 26, the City Council took official action electing to become both the Agency’s successor agency (“**Successor Agency**”) and its successor for housing functions in accord with CRL sections 34173 and 34176; and

**WHEREAS**, in 2007, the Agency issued a series of bonds (“**2007 Bonds**”) for the purpose of generating proceeds to fund various redevelopment activities and programs, as described in the Official Statement and other documents governing the 2007 Bonds (collectively, “**2007 Bond Documents**”); and

**WHEREAS**, the 2007 Bond Documents provide that the 2007 Bond proceeds may be used for “the construction of a 300 room conference hotel to be developed by City Urban Revitalization Corporation,” (“**Hotel Project**”); and

**WHEREAS**, the Hotel Project is a redevelopment project previously authorized by the Agency; and

**WHEREAS**, the Agency and City Urban Revitalization Corporation, a 501(c)(3) corporation (“**CURC**”), are parties to that certain “**First Amended and Restated Owner Participation Agreement**” dated February 23, 2011 (“**OPA**”), and that certain “**Disposition and Development Agreement**” dated June 8, 2011 (“**DDA**”); and

**WHEREAS**, the OPA and the DDA provide for the development and implementation of the Hotel Project; and

**WHEREAS**, on or about February 28, 2013, the Successor Agency submitted its Recognized Obligation Payment Schedule for the July-December, 2013 fiscal period (“**ROPS 13-14A**”) to the Department of Finance; and

**WHEREAS**, the ROPS 13-14A included a payment of \$4.0 million to CURC from the 2007 Bond proceeds to meet the Agency's obligations under the OPA/DDA; and

**WHEREAS**, on April 13, 2013, the Department of Finance notified the Successor Agency that it had disapproved the use of the 2007 Bond proceeds to pay for costs incurred with relation to the Hotel Project because, among other reasons, the Successor Agency had not received a finding of completion ("**Finding of Completion**") under CRL section 34179.7; and

**WHEREAS**, on April 17, 2013, the Department of Finance issued a Finding of Completion to the Successor Agency; and

**WHEREAS**, as a result of the Successor Agency's receipt of a Finding of Completion, the Agency's obligations to CURC under the OPA/DDA related to the Downtown Development and Hotel Project may be satisfied from 2007 Bond proceeds, as authorized by CRL section 34191.4(c); and

**WHEREAS**, the Successor Agency has initiated meet and confer proceedings with the Department of Finance under CRL section 34177(m) for the purpose of causing the Department of Finance to reverse its disapproval of the Downtown Development and Hotel Project payment; and

**WHEREAS**, the Oversight Board now wishes to re-approve the OPA/DDA and reauthorize the Successor Agency's Downtown Development and Hotel Project payment and to make other findings and determinations under the CRL.

**NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:**

**Section 1.** The Oversight Board finds and determines that: (a) as a result of the Successor Agency's receipt of a Finding of Completion, the OPA/DDA are enforceable obligations (as provided in CRL section 34191.4(b)(1)) and were entered into for legitimate redevelopment purposes; and (b) the limitations on repayment schedules and interest rates set forth in CRL section 34191.4(b)(2) do not apply to obligations payable from bond proceeds under CRL section 34191.4(c).

**Section 2.** The Oversight Board re-approves the expenditure of \$4.0 million from 2007 Bond proceeds in satisfaction of the Agency's obligation under OPA/DDA with respect to the Downtown Development with CURC.

**Section 3.** The Oversight Board directs the Successor Agency's staff to give notice to the Department of Finance of the approval of this Resolution and to otherwise comply with CRL section 34179(h).

**Section 4.** This Resolution will become effective as provided by CRL section 34179(h).

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on April 25, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

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CHAIR

ATTEST:

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Oversight Board Secretary