

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 COSTS RELATED TO THE EAGLE CANYON DAM PROJECT**

**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 (“**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 “engineering costs associated with a flood control system . . .”, and

**WHEREAS**, the Eagle Canyon Dam project is part of a regional flood control system; and

**WHEREAS**, under that certain “**Reimbursement Agreement**” dated January 17, 2011, between the City and the Agency, the Agency agreed to reimburse the City for the costs of certain “**Project Improvements**” (as defined in the Reimbursement Agreement); and

**WHEREAS**, the Eagle Canyon Dam project qualifies as a “**Project Improvement**” under the Reimbursement Agreement; and

**WHEREAS**, the Agency’s obligations under the Reimbursement Agreement are payable from taxes levied in the Project Area “and out of any other available funds”; and

**WHEREAS**, the 2007 Bond proceeds constitute “other available funds” under the Reimbursement Agreement; and

**WHEREAS**, pursuant to that certain “**Cooperation Agreement**” dated July 27, 2010, between the City and the Riverside County Flood Control District (“**RCFCD**”), the City has incurred or is obligated for costs of no less than \$1.5 million related to the Eagle Canyon Dam, which costs are eligible for reimbursement under the 2007 Bond Documents and the Reimbursement Agreement; 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 \$1.0 million to RCFCD (as the City’s payee-designee under the Cooperation Agreement) from the 2007 Bond proceeds to meet the Agency’s obligation under the Reimbursement Agreement; 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 Eagle Canyon Dam 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 payment to the RCFCD on behalf of the City in accord with the Cooperation Agreement and Reimbursement Agreement may be paid 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 Eagle Canyon Dam payment; and

**WHEREAS**, the Oversight Board now wishes to re-approve the Reimbursement Agreement and reauthorize the Successor Agency’s Eagle Canyon Dam reimbursement 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 Reimbursement Agreement is an enforceable obligation (as provided in CRL section 34191.4(b)(1)) and was 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 \$1.0 million in 2007 Bond proceeds to be paid to the RCFCDD in satisfaction of the City's obligation under the Cooperation Agreement and of the Agency's obligations under the Reimbursement Agreement with respect to the Eagle Canyon Dam project.

**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