



*Chair Antonio Lopez • Vice Chair Pro Tem Sylvia Ballin
Board Member Jesse H. Avila • Board Member Joel Fajardo • Board Member Robert C. Gonzales
Interim Executive Director Don Penman*

**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY**
REGULAR MEETING NOTICE & AGENDA

APRIL 15, 2013 – 6:00 PM

**COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CA91340**

CALL TO ORDER/ROLL CALL

APPROVAL OF AGENDA

PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the Agency Board.

CONSENT CALENDAR

Items on the Consent Calendar are considered routine and may be disposed of by a single motion to adopt staff recommendation. If the Agency Board wishes to discuss any item, it should first be removed from the Consent Calendar.

- 1) APPROVAL OF MINUTES OF APRIL 2, 2013 – REGULAR MEETING**
- 2) ADOPTION OF RESOLUTION NO. 35 – APPROVAL OF WARRANT REGISTER**
- 3) ADOPTION OF RESOLUTION NO. 36 APPROVING A LOAN BETWEEN THE CITY AND THE SUCCESSOR AGENCY**

Recommend that the Successor Agency adopt Resolution No. 36 that will document the loan agreement (Contract No. 1704) with the City (previously approved at the March 4, 2013 Successor Agency meeting), totaling \$184,060.46, in order to make interest payments on the 1998 and 2006 Redevelopment bond issues that were due March 15, 2013.



SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY
REGULAR MEETING NOTICE & AGENDA – APRIL 15, 2013
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AGENCY DISCUSSION

STAFF COMMUNICATION

ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.

Elena G. Chávez, Secretary

Signed and Posted: April 11, 2013 (12:30 p.m.)

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web site (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk's Office. Any public writings distributed by the Successor Agency to at least a majority of the Board Members regarding any item on this regular meeting agenda will also be made available at the City Clerk's Office at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at www.sfcity.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk's Office at (818) 898-1204 at least 48 hours prior to the meeting.

Successor Agency to the San Fernando Redevelopment Agency

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**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY
MINUTES**

**APRIL 2, 2013 – 6:00 PM
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Chair Antonio Lopez called the meeting to order at 6:08 p.m.

Present:

Agency: Chair Antonio Lopez, Vice-Chair Sylvia Ballin and Board Members Jesse H. Avila, Joel Fajardo, and Robert C. Gonzales

Staff: Interim Executive Director Don Penman, Assistant General Counsel Richard Padilla, and Secretary Elena G. Chávez

APPROVAL OF AGENDA

Motion by Vice-Chair Ballin, seconded by Board Member Avila, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

None

CONSENT CALENDAR

Motion by Vice-Chair Ballin, seconded by Board Member Fajardo, to approve the following Consent Calendar items:

- 1) APPROVAL OF THE MINUTES OF:
 - a. FEBRUARY 19, 2013 – REGULAR MEETING
 - b. MARCH 4, 2013 – REGULAR MEETING

**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY
MINUTES – April 2, 2013
Page 2**

c. MARCH 18, 2013 – REGULAR MEETING

2) ADOPTION OF RESOLUTION NO. 34 – APPROVAL OF WARRANT REGISTER

By consensus, the motion carried.

AGENCY DISCUSSION

None

STAFF COMMUNICATION

None

ADJOURNMENT (6:10 P.M.)

Motion by Vice-Chair Ballin, seconded by Board Member Gonzales, to adjourn. By consensus, the motion carried.

I do hereby certify that the foregoing is a true and correct copy of the minutes of April 2, 2013, meeting as approved by the Successor Agency to the San Fernando Redevelopment Agency.

Elena G. Chávez
Secretary

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FINANCE DEPARTMENT

MEMORANDUM

TO: Chair Antonio Lopez and Board Members

FROM: Rafaela T. King, Executive Director/Deputy Finance Director

DATE: April 15, 2013

SUBJECT: Warrant Register

RECOMMENDATION:

It is recommended that the Successor Agency Adopt a Resolution (Attachment "A") approving the Warrant Register.

BACKGROUND:

1. On December 29, 2011, the California Supreme Court issued an opinion in California Redevelopment Association v. Matosantos, upholding Assembly Bill x1 26 (legislation dissolving redevelopment agencies) and invalidating Assembly Bill x1 27 (legislation permitting redevelopment agencies to continue operation if they made certain payments to the State).
2. On August 15, 2011, the City of San Fernando City Council adopted Resolution No. 7452 electing for the City to serve as the Successor Agency for the City's Redevelopment Agency upon the Agency's dissolution.
3. On February 1, 2012, as a result of the Supreme Court's decision, all redevelopment agencies in the State, including the San Fernando Redevelopment Agency, were dissolved. In addition, successor agencies were designated as successor entities to the former redevelopment agencies.
4. On February 6, 2012, the City Council, acting as the governing body of the Successor Agency to the San Fernando Redevelopment Agency, adopted Resolution No. 1 establishing rules and regulations for the operations of the Successor Agency as a new legal entity separate from the City, pursuant to Part 1.85 of Division 24 of the Health and Safety Code.
5. On April 16, 2012, the Successor Agency approved the draft ROPS 2 for the period July 1, 2012 through December 31, 2012 (Resolution No. 11) for subsequent presentation and approval of the Oversight Board.

Warrant Register

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6. On May 10, 2012, the Oversight Board approved ROPS 2 for subsequent submittal and approval of the California Department of Finance (DOF) and the Los Angeles County Auditor-Controller.

ATTACHMENT:

A. Warrant Register Resolution

ATTACHMENT "A"**RESOLUTION NO. 35**

**RESOLUTION OF THE SUCCESSOR AGENCY OF THE
SAN FERNANDO REDEVELOPMENT AGENCY
ALLOWING AND APPROVING FOR PAYMENT
DEMANDS PRESENTED ON DEMAND/ WARRANT
REGISTER NO. 35**

**THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY
RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

1. That the demands (EXHIBIT "A") as presented, having been duly audited, for completeness, are hereby allowed and approved for payment in the amounts as shown to designated payees and charged to the appropriate funds as indicated.

2. That the Secretary shall certify to the adoption of this Resolution and deliver it to the City Treasurer.

PASSED, APPROVED, AND ADOPTED this 15th day of April, 2013.

Antonio Lopez, Chair

ATTEST:

Elena G. Chávez, Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 15th day of April 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, Secretary

EXHIBIT "A"

vchlist

04/11/2013 11:16:47AM

Voucher List
CITY OF SAN FERNANDO

Page: 1

Bank code : bank2

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
10030	4/15/2013	889308 SEIFEL CONSULTING INC.	11409		PROFESSIONAL SERVICES	
				10965	98-190-0000-4270	8,649.60
					Total :	8,649.60
		1 Vouchers for bank code :	bank2		Bank total :	8,649.60
		1 Vouchers in this report			Total vouchers :	8,649.60

Voucher Registers are not final until approved by Council.

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FINANCE DEPARTMENT

MEMORANDUM

TO: Chair Antonio Lopez and Agency Members
Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim Executive Director/ Interim City Administrator
By: Rafaela King, Interim Finance Director

DATE: April 15, 2013

SUBJECT: Adoption of Resolutions Approving a Loan Between the City and the Successor Agency

RECOMMENDATION:

It is recommended that the Successor Agency:

- a. Adopt Resolution No. 36 (Attachment “A”) that will document the loan agreement (Contract No. 1704) with the City (previously approved at the March 4, 2013 Successor Agency meeting), totaling \$184,060.46, in order to make interest payments on the 1998 and 2006 Redevelopment bond issues that were due March 15, 2013.

It is recommended that the City Council:

- a. Adopt Resolution No. 7527 (Attachment “B”) that will document the loan agreement (Contract No. 1704) to the Successor Agency (previously approved at the March 4, 2013 City Council meeting) totaling \$184,060.46, to make interest payments on the 1998 and 2006 Redevelopment bond issues that were due March 15, 2013.

BACKGROUND:

The San Fernando Redevelopment Agency issued bonds in 1998 and 2006 to meet various redevelopment goals and objectives. The Redevelopment agency was responsible to make debt service payments on these bonds until the debt is retired. However, the dissolution of redevelopment agencies statewide as a result of the passage of ABIX 26 by the State Legislature created successor agencies responsible for winding down the affairs of redevelopment agencies including disposing of their assets and meeting recognized obligations of the former agency. That process in part involves preparing a Recognized Obligation Payment Schedule (ROPS), getting approval from and Oversight Committee of the ROPS and submitting it to the county Auditor Controller and the State Department of Finance (DOF).

Adoption of Resolutions Approving a Loan Between the City and the Successor Agency

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ANALYSIS:

The Successor Agency of the San Fernando Redevelopment Agency has submitted its ROPS pursuant to the law to the County of Los Angeles Auditor Controller and the DOF. However, the DOF has not approved all the items on the ROPS thus creating a shortfall for the Successor Agency in meeting its obligations. The Successor Agency disagrees with the DOF findings and is exploring all avenues to reverse this decision and receive the needed funds to meet its obligations.

However, the Successor Agency had two bond interest payments that were due on March 15, 2013; a \$33,863 interest payment for the 1998 bonds and a \$150,248 payment for the 2006 bonds. The effect of not making the bond interest payments and asking the trustee to make the payments out of the reserve fund could have significant implications on the City's credit, so staff recommended that the City loan the Successor Agency a total of \$184,064.46 to meet these obligations. Since the City General fund is has no reserve, staff recommended that the funds for the loan be drawn from the Retirement fund.

The reasoning behind borrowing from the Retirement Fund is that in a previous ROPS, the County mistakenly included the City's retirement tax revenue as part of the tax increment to the Successor Agency. Staff contends this was in error and forwarded these funds to the Retirement Fund. However, the DOF denied the Successor Agency's appeal of the misallocation, so these funds are a significant part of the Agency's dispute with the DOF. As noted earlier in this report, the Successor Agency (and City) is exploring all avenues, including legal, to remedy this situation. If the City is successful, the Successor Agency should receive additional tax increment and this loan can be paid back. Otherwise a long term repayment schedule may be required.

CONCLUSION:

Two redevelopment bond interest payments totaling \$184,064.46 were due March 15, 2013. The Successor Agency has no available tax increment due to the DOF denying an appeal regarding distribution of funds that the Successor Agency believes is due. While the Agency is exploring all avenues to reverse this decision, it is imperative that the interest payments be made.

Adoption of the attached Resolutions will allow the Successor Agency to enter into the loan agreement with the City in order to pay the interest payments on the 1998 and 2006 Redevelopment bond issues due March 15, 2013. The loan agreement was approved at the March 4, 2013 Successor Agency and City Council meetings.

ATTACHMENTS:

- A. Resolution No. 36
- B. Resolution No. 7527

ATTACHMENT "A"**RESOLUTION NO. 36****A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY APPROVING LOAN AGREEMENT NO. 2012-13: ROPS-3 FROM THE CITY OF SAN FERNANDO****RECITALS:**

A. The City authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law under City Council Ordinance.

B. The State of California (the "State") has ordered the former San Fernando Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."

C. The City as Successor Agency to the former San Fernando Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "land held for resale") of the former San Fernando Redevelopment Agency, subject to the payment of enforceable obligations of the former San Fernando Redevelopment Agency under applicable state and federal law, and such implementation of the State Redevelopment Dissolution Law has included the preparation and submission to the state by the Successor Agency of a recognized obligation payment schedule for the period of January 1, 2013 to June 30, 2013 (San Fernando ROPS-3) as provided under Health and Safety Code section 34177.

D. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former San Fernando Redevelopment Agency, for the period of time corresponding with San Fernando ROPS-3, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency as of January 1, 2013, after deducting all previous payments of principal and interest on the bonded indebtedness identified in San Fernando ROPS-3 for the period of time preceding San Fernando ROPS-3, is not sufficient to pay the enforceable obligations of the former San Fernando Redevelopment Agency to third parties, including trustees under bond trust indentures, which are otherwise due and payable during the period of time covered by San Fernando ROPS-3.

E. The former San Fernando Redevelopment Agency authorized the issuance of tax allocation bond under the enforceable obligation identified on the San Fernando ROPS3 (row 1) as the "City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds" (the "1998 Bonds") and the former San Fernando Redevelopment Agency authorized the issuance of the tax allocation bonds under the enforceable obligation identified on San Fernando ROPS3 (row 2) as

the “San Fernando Redevelopment Agency Civic Center Redevelopment Project (“Project No. 3”) Tax Allocation Bonds, Series 2006” (the “2006 Bonds”).

F. As used herein the term “San Fernando ROPS 3” means and refers to the document entitled, “Summary of Recognized Obligations Payment Schedule” as approved by the Oversight Board for the Successor Agency pursuant to the Oversight Board Resolution No. 1 dated August 23, 2012.

G. Health and Safety Code section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.

H. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution Law and fund the enforceable obligation as required hereunder.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals are true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which rises in favor of the City, in order for the Successor Agency to comply with its obligations under the trust indenture for the 1998 bonds and the trust indenture for the 2006 Bonds, the State Dissolution Law and other applicable State and federal law..

Section 3. The City and the Successor Agency each acknowledge receipt from the Interim City Administrator of a document entitled, “Approval of a Loan Between the City of San Fernando and the San Fernando Successor Agency,” dated March 4, 2013 (Exhibit “A”).

PASSED, APPROVED, AND ADOPTED this 15th day of April, 2013.

Antonio Lopez, Chair

ATTEST:

Elena G. Chavez, Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 15th day of April, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chavez, Secretary

EXHIBIT "A"
CONTRACT NO. 1704**2013****CITY OF SAN FERNANDO****-and-****CITY OF SAN FERNANDO AS
SUCCESSOR AGENCY TO THE
FORMER SAN FERNANDO COMMUNITY
REDEVELOPMENT AGENCY****SUCCESSOR AGENCY LOAN AGREEMENT
NO. 2012-13:ROPS-3**

THIS SUCCESSOR AGENCY LOAN AGREEMENT NO 2012-13: ROPS-3 (the "Loan Agreement") is dated as of March 4th, 2013 by and between City of San Fernando, a municipal corporation (the "City") and the City of San Fernando, as successor agency to the former San Fernando Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law under City Council Ordinance.
2. The former San Fernando Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former San Fernando Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City of San Fernando.
3. The State of California (the "State") has ordered the former San Fernando Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."
4. The City as Successor Agency to the former San Fernando Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "land held for resale") of the former San Fernando Redevelopment Agency, subject to the payment of enforceable obligations of the former San Fernando

Redevelopment Agency under applicable state and federal law, and such implementation of the State Redevelopment Dissolution Law has included the preparation and submission to the state by the Successor Agency of a recognized obligation payment schedule for the period of January 1, 2013 to June 30, 2013 (San Fernando ROPS-3) as provided under Health and Safety Code section 34177.

5. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former San Fernando Redevelopment Agency, for the period of time corresponding with San Fernando ROPS-3, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency as of January 1, 2013, after deducting all previous payments of principal and interest on the bonded indebtedness identified in San Fernando ROPS-3 for the period of time preceding San Fernando ROPS-3, is not sufficient to pay the enforceable obligations of the former San Fernando Redevelopment Agency to third parties, including trustees under bond trust indentures, which are otherwise due and payable during the period of time covered by San Fernando ROPS-3.
6. The former San Fernando Redevelopment Agency authorized the issuance of tax allocation bond under the enforceable obligation identified on the San Fernando ROPS3 (row 1) as the "City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds" (the "1998 Bonds") and the former San Fernando Redevelopment Agency authorized the issuance of the tax allocation bonds under the enforceable obligation identified on San Fernando ROPS3 (row 2) as the "San Fernando Redevelopment Agency Civic Center Redevelopment Project ("Project No. 3") Tax Allocation Bonds, Series 2006" (the "2006 Bonds").
7. As used herein the term "San Fernando ROPS 3" means and refers to the document entitled, "Summary of Recognized Obligations Payment Schedule" as approved by the by the Oversight Board for the Successor Agency pursuant to the Oversight Board Resolution No. 1 dated August 23, 2012.
8. Health and Safety Code section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
9. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution Law and fund the enforceable obligation as required hereunder.

FOR AND INCONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The City and the Successor Agency each acknowledge receipt from the Interim City Administrator of a document entitled, "Approval of a Loan Between the City of San Fernando and the San Fernando Successor Agency," dated March 4, 2013. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the trust indenture for the 1998 Bonds and the trust indenture for the 2006 Bonds, the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan") a sum not-to-exceed One Hundred Eighty Four Thousand Sixty Dollars (\$184,060) to be used by the Successor Agency solely as set forth in Section 3 (a) and 3 (b). The City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4 of this Resolution.

SECTION 3. Use of the Loan.

(a) The Successor Agency shall utilize a portion of the proceeds of the Loan in the amount of Thirty-Three Thousand Eight Hundred Sixty Three Dollars (\$33,863) as follows:

to pay interest to the trustee, U.S. Bank under the 1996 Bonds as of March 15, 2013, for the debt service payment of interest due bondholders on April 1, 2013, to the extent that cash and other immediately available funds of the Successor Agency on deposit in the Redevelopment Retirement Fund as of March 15, 2013, are not sufficient, in the absence of the disbursement of the proceeds of the Loan by the City to the Successor Agency, to make such debt service payment to the Trustee under the 1996 Bonds as of March 15, 2013.

(b) The Successor Agency shall utilize a portion of the proceeds of the Loan in the amount of One Hundred Fifty Thousand Two Hundred Forty Eight Dollars (\$150,248) as follows:

to pay interest to the trustee, U.S. Bank under the 2006 Bonds as of March 15, 2013, for debt service payment of interest due bondholders on April 1, 2013, to the extent that cash and other immediately available funds of the Successor Agency on deposit in the Redevelopment Retirement Fund as of March 15, 2013, are not sufficient, in the absence of the disbursement of the proceeds of the Loan by the City to the Successor Agency, to make such debt service payment to the Trustee under the 2006 Bonds as of March 15, 2013.

SECTION 4. Source of Repayment of the Loan: Limited Subordination.

- A. Except as provided in paragraph (B), the Loan amount as disbursed by the City to the Successor Agency under Section 3 (a) and 3(b) shall be repaid by the Successor Agency to the City on par with any other enforceable obligation of the Successor Agency falling within Health and Safety Code section 34183(a)(2)(C) (indebtedness not qualifying as tax allocation bonds and certain revenue bonds) from the available cash balance on July 1, 2013 of the Redevelopment Obligation Retirement Fund of the Successor Agency.
- B. Unless legally prohibited by law or waived by the City, any portion of the unpaid principal balance of the Loan shall also be repaid by the Successor Agency from other revenues available to the Successor Agency, such as from the cash proceeds of the disposition of land held for resale to third persons, net of the actual and reasonable expenses of such disposition of land held for resale to third persons. Payments of the Loan, if any, under this paragraph (B) shall augment and supplement the required payments described in paragraph (A).

SECTION 5. Placement of Loan Obligation on the Successor Agency's Recognized Payment Obligation Schedule (July 1, 2013 — December 31, 2013). In the event that for any reason the Loan amount is not fully repaid to the City as provided in Section 4 by a date not later than June 30, 2013, the Successor Agency shall prepare, approve, and submit to the Oversight Board for approval the recognized payment obligation schedule for the period of July 1, 2013 and December 31, 2013, which includes the unpaid balance Loan as a listed enforceable obligation on such recognized obligation payment schedule. The amount of that listed obligation shall be the unpaid principal balance of the Loan amount as set forth in Section 2. Thereafter, the balance of the Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former San Fernando Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency, as evidenced by the written Loan Draw Request as set forth in Section 2. The City Interim Administrator of the City shall establish a loan repayment ledger for the Loan and shall cause the outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. Term. This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. Entire Agreement. This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. Notice of Default and Remedies. In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies


available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of March 4, 2013.

CITY

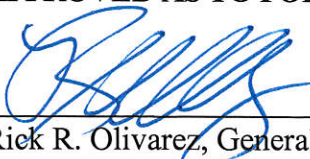
City of San Fernando, a municipal corporation

By: _____


Antonio Lopez, Mayor**ATTEST:**
Elena G. Chávez, City Clerk**APPROVED AS TO FORM:**
Rick R. Olivarez, City Attorney**SUCCESSOR AGENCY**

City of San Fernando as Successor Agency to the former San Fernando Redevelopment Agency, a public body corporate and politic

By: _____


Antonio Lopez, Chair**ATTEST:**
Elena G. Chávez, Secretary**APPROVED AS TO FORM:**
Rick R. Olivarez, General Counsel

ATTACHMENT "B"**RESOLUTION NO. 7527****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, APPROVING LOAN AGREEMENT NO. 2012-13: ROPS-3 FROM THE CITY OF SAN FERNANDO TO THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY****RECITALS:**

A. The City authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law under City Council Ordinance.

B. The State of California (the "State") has ordered the former San Fernando Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."

C. The City as Successor Agency to the former San Fernando Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "land held for resale") of the former San Fernando Redevelopment Agency, subject to the payment of enforceable obligations of the former San Fernando Redevelopment Agency under applicable state and federal law, and such implementation of the State Redevelopment Dissolution Law has included the preparation and submission to the state by the Successor Agency of a recognized obligation payment schedule for the period of January 1, 2013 to June 30, 2013 (San Fernando ROPS-3) as provided under Health and Safety Code section 34177.

D. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former San Fernando Redevelopment Agency, for the period of time corresponding with San Fernando ROPS-3, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency as of January 1, 2013, after deducting all previous payments of principal and interest on the bonded indebtedness identified in San Fernando ROPS-3 for the period of time preceding San Fernando ROPS-3, is not sufficient to pay the enforceable obligations of the former San Fernando Redevelopment Agency to third parties, including trustees under bond trust indentures, which are otherwise due and payable during the period of time covered by San Fernando ROPS-3.

E. The former San Fernando Redevelopment Agency authorized the issuance of tax allocation bond under the enforceable obligation identified on the San Fernando ROPS3 (row 1) as the "City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds" (the "1998 Bonds") and the former San Fernando Redevelopment Agency authorized the issuance of

the tax allocation bonds under the enforceable obligation identified on San Fernando ROPS3 (row 2) as the “San Fernando Redevelopment Agency Civic Center Redevelopment Project (“Project No. 3”) Tax Allocation Bonds, Series 2006” (the “2006 Bonds”).

F. As used herein the term “San Fernando ROPS 3” means and refers to the document entitled, “Summary of Recognized Obligations Payment Schedule” as approved by the by the Oversight Board for the Successor Agency pursuant to the Oversight Board Resolution No. 1 dated August 23, 2012.

G. Health and Safety Code section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.

H. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution Law and fund the enforceable obligation as required hereunder.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals are true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which rises in favor of the City, in order for the Successor Agency to comply with its obligations under the trust indenture for the 1998 bonds and the trust indenture for the 2006 Bonds, the State Dissolution Law and other applicable State and federal law..

Section 3. The City and the Successor Agency each acknowledge receipt from the Interim City Administrator of a document entitled, “Approval of a Loan Between the City of San Fernando and the San Fernando Successor Agency,” dated March 4, 2013 (Exhibit “A”).

PASSED, APPROVED, AND ADOPTED this 15th day of April, 2013.

Antonio Lopez, Mayor

ATTEST:

Elena G. Chavez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City of San Fernando held on the 15th day of April, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chavez, City Clerk

EXHIBIT "A"
CONTRACT NO. 1704**2013****CITY OF SAN FERNANDO****-and-****CITY OF SAN FERNANDO AS
SUCCESSOR AGENCY TO THE
FORMER SAN FERNANDO COMMUNITY
REDEVELOPMENT AGENCY****SUCCESSOR AGENCY LOAN AGREEMENT
NO. 2012-13:ROPS-3**

THIS SUCCESSOR AGENCY LOAN AGREEMENT NO 2012-13: ROPS-3 (the "Loan Agreement") is dated as of March 4th, 2013 by and between City of San Fernando, a municipal corporation (the "City") and the City of San Fernando, as successor agency to the former San Fernando Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law under City Council Ordinance.
2. The former San Fernando Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former San Fernando Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City of San Fernando.
3. The State of California (the "State") has ordered the former San Fernando Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."
4. The City as Successor Agency to the former San Fernando Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "land held for resale") of the former San Fernando Redevelopment Agency, subject to the payment of enforceable obligations of the former San Fernando

Redevelopment Agency under applicable state and federal law, and such implementation of the State Redevelopment Dissolution Law has included the preparation and submission to the state by the Successor Agency of a recognized obligation payment schedule for the period of January 1, 2013 to June 30, 2013 (San Fernando ROPS-3) as provided under Health and Safety Code section 34177.

5. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former San Fernando Redevelopment Agency, for the period of time corresponding with San Fernando ROPS-3, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency as of January 1, 2013, after deducting all previous payments of principal and interest on the bonded indebtedness identified in San Fernando ROPS-3 for the period of time preceding San Fernando ROPS-3, is not sufficient to pay the enforceable obligations of the former San Fernando Redevelopment Agency to third parties, including trustees under bond trust indentures, which are otherwise due and payable during the period of time covered by San Fernando ROPS-3.
6. The former San Fernando Redevelopment Agency authorized the issuance of tax allocation bond under the enforceable obligation identified on the San Fernando ROPS3 (row 1) as the "City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds" (the "1998 Bonds") and the former San Fernando Redevelopment Agency authorized the issuance of the tax allocation bonds under the enforceable obligation identified on San Fernando ROPS3 (row 2) as the "San Fernando Redevelopment Agency Civic Center Redevelopment Project ("Project No. 3") Tax Allocation Bonds, Series 2006" (the "2006 Bonds").
7. As used herein the term "San Fernando ROPS 3" means and refers to the document entitled, "Summary of Recognized Obligations Payment Schedule" as approved by the by the Oversight Board for the Successor Agency pursuant to the Oversight Board Resolution No. 1 dated August 23, 2012.
8. Health and Safety Code section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
9. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution Law and fund the enforceable obligation as required hereunder.

FOR AND INCONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The City and the Successor Agency each acknowledge receipt from the Interim City Administrator of a document entitled, "Approval of a Loan Between the City of San Fernando and the San Fernando Successor Agency," dated March 4, 2013. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the trust indenture for the 1998 Bonds and the trust indenture for the 2006 Bonds, the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan") a sum not-to-exceed One Hundred Eighty Four Thousand Sixty Dollars (\$184,060) to be used by the Successor Agency solely as set forth in Section 3 (a) and 3 (b). The City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4 of this Resolution.

SECTION 3. Use of the Loan.

(a) The Successor Agency shall utilize a portion of the proceeds of the Loan in the amount of Thirty-Three Thousand Eight Hundred Sixty Three Dollars (\$33,863) as follows:

to pay interest to the trustee, U.S. Bank under the 1996 Bonds as of March 15, 2013, for the debt service payment of interest due bondholders on April 1, 2013, to the extent that cash and other immediately available funds of the Successor Agency on deposit in the Redevelopment Retirement Fund as of March 15, 2013, are not sufficient, in the absence of the disbursement of the proceeds of the Loan by the City to the Successor Agency, to make such debt service payment to the Trustee under the 1996 Bonds as of March 15, 2013.

(b) The Successor Agency shall utilize a portion of the proceeds of the Loan in the amount of One Hundred Fifty Thousand Two Hundred Forty Eight Dollars (\$150,248) as follows:

to pay interest to the trustee, U.S. Bank under the 2006 Bonds as of March 15, 2013, for debt service payment of interest due bondholders on April 1, 2013, to the extent that cash and other immediately available funds of the Successor Agency on deposit in the Redevelopment Retirement Fund as of March 15, 2013, are not sufficient, in the absence of the disbursement of the proceeds of the Loan by the City to the Successor Agency, to make such debt service payment to the Trustee under the 2006 Bonds as of March 15, 2013.

SECTION 4. Source of Repayment of the Loan: Limited Subordination.

- A. Except as provided in paragraph (B), the Loan amount as disbursed by the City to the Successor Agency under Section 3 (a) and 3(b) shall be repaid by the Successor Agency to the City on par with any other enforceable obligation of the Successor Agency falling within Health and Safety Code section 34183(a)(2)(C) (indebtedness not qualifying as tax allocation bonds and certain revenue bonds) from the available cash balance on July 1, 2013 of the Redevelopment Obligation Retirement Fund of the Successor Agency.
- B. Unless legally prohibited by law or waived by the City, any portion of the unpaid principal balance of the Loan shall also be repaid by the Successor Agency from other revenues available to the Successor Agency, such as from the cash proceeds of the disposition of land held for resale to third persons, net of the actual and reasonable expenses of such disposition of land held for resale to third persons. Payments of the Loan, if any, under this paragraph (B) shall augment and supplement the required payments described in paragraph (A).

SECTION 5. Placement of Loan Obligation on the Successor Agency's Recognized Payment Obligation Schedule (July 1, 2013 — December 31, 2013). In the event that for any reason the Loan amount is not fully repaid to the City as provided in Section 4 by a date not later than June 30, 2013, the Successor Agency shall prepare, approve, and submit to the Oversight Board for approval the recognized payment obligation schedule for the period of July 1, 2013 and December 31, 2013, which includes the unpaid balance Loan as a listed enforceable obligation on such recognized obligation payment schedule. The amount of that listed obligation shall be the unpaid principal balance of the Loan amount as set forth in Section 2. Thereafter, the balance of the Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former San Fernando Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency, as evidenced by the written Loan Draw Request as set forth in Section 2. The City Interim Administrator of the City shall establish a loan repayment ledger for the Loan and shall cause the outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. Term. This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. Entire Agreement. This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. Notice of Default and Remedies. In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies


available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of March 4, 2013.

CITY

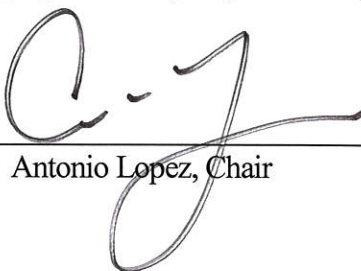
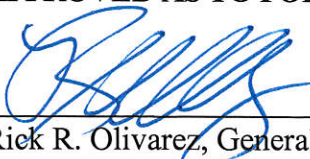
City of San Fernando, a municipal corporation

By: _____


Antonio Lopez, Mayor**ATTEST:**
Elena G. Chávez, City Clerk**APPROVED AS TO FORM:**
Rick R. Olivarez, City Attorney**SUCCESSOR AGENCY**

City of San Fernando as Successor Agency to the former San Fernando Redevelopment Agency, a public body corporate and politic

By: _____


Antonio Lopez, Chair**ATTEST:**
Elena G. Chávez, Secretary**APPROVED AS TO FORM:**
Rick R. Olivarez, General Counsel