

## **OVERSIGHT BOARD RESOLUTION NO. 27**

### **A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PORT HUENEME REDEVELOPMENT AGENCY FINDING THAT THE PROMISSORY NOTE BETWEEN THE CITY OF PORT HUENEME'S CITY GENERAL FUND AND THE FORMER PORT HUENEME REDEVELOPMENT AGENCY WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES**

The Oversight Board for the Successor Agency to the Port Hueneme Redevelopment Agency ("Oversight Board") does resolve as follows:

Section 1. The Oversight Board finds and declares that:

- A. The former Port Hueneme Redevelopment Agency ("Former RDA") was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law set forth in California Health and Safety Code ("HSC") Sections 33000 *et seq.* ("CRL");
- B. The CRL 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. Under HSC Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. HSC 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;
- C. In 1999, the City of Port Hueneme ("City") loaned the Former RDA \$3,643,748 by funding the Water Treatment Plant Project, a capital project identified in the Former RDA's FY 2007 – FY 2011 Redevelopment Implementation Plan, from the City's General Fund; the loan was memorialized in a promissory note dated October 20, 1999, commonly referred to as the "Central Community Promissory Note #7" ("Promissory Note");
- D. The note specified any unpaid balance was to be paid at a rate of 8%, and set a payment schedule of annual payments of a minimum of \$303,160 to be paid for 18 years, ending June 30, 2017. Payments were to be made only from tax increments derived from the Central Community Redevelopment Project;
- E. Pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") x1 26 and ABx1 27, and subsequent legislation AB 1484 and Senate Bill 107 (altogether, "Dissolution Act"), the City adopted Resolution No. 4002 on January 11, 2012, electing to serve as the Successor Agency to the Port Hueneme Redevelopment Agency ("Successor Agency");

- F. HSC Section 34179, *et seq.*, of the Dissolution Act establishes the Oversight Board to oversee decisions made by the Successor Agency;
- G. Under the Dissolution Act, the winding down process of the Former RDA includes making payments of the Former RDA's enforceable obligations, listed on the Successor Agency's Recognized Obligations Payment Schedule ("ROPS");
- H. Pursuant to HSC Section 34191.4(b), any successor agency that has been issued a finding of completion may apply to have a loan agreement between the redevelopment agency and the city deemed to be an enforceable obligation, provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes;
- I. The Successor Agency received a Finding of Completion on May 24, 2013;
- J. The Promissory Note constitutes a loan agreement as defined by HSC Section 34191(b)(2)(C).

Section 2. *Finding.* Based upon the foregoing and the information presented to the Oversight Board, the Oversight Board finds that the Promissory Note was for legitimate redevelopment purposes.

Section 3. *Authorization.* The officers and staff of the Oversight Board are authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including providing documents associated with the Promissory Note to the Department of Finance.

Section 4. *Environmental Determination.* The adoption of this Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 2100, *et seq.*, "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, *et seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

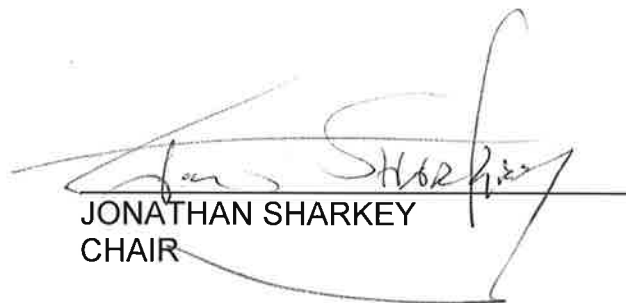
Section 5. *Reliance on Record.* Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the Oversight Board and applicable law. The findings and determinations constitute the independent findings and determinations of the Board in all respects and are fully and completely supported by substantial evidence in the record as a whole.

Section 6. *Summaries of Information.* All summaries of information in the findings, which precede this Section, are based on the substantial evidence in the record including, without limitation, verbal and documentary evidence submitted to the Board. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

Section 7. *Certification.* The Secretary is directed to certify the adoption of this Resolution; record this Resolution in the book of the Oversight Board's original resolutions; and make a minute of the adoption of the Resolution in the Oversight Board's records and the minutes of this meeting.

Section 8. *Effectiveness.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

**PASSED, APPROVED, AND ADOPTED** this 24<sup>th</sup> day of October, 2016.

  
JONATHAN SHARKEY  
CHAIR

ATTEST:

  
MICHELE KOSTENUIK  
SECRETARY



# City of Port Hueneme

## CERTIFICATION

STATE OF CALIFORNIA    )  
COUNTY OF VENTURA    ) SS:  
CITY OF PORT HUENEME )

I, Michele Kostenuik, duly appointed and qualified City Clerk of the City of Port Hueneme, do hereby certify that the foregoing **Resolution No. 27** is a true and correct copy passed, approved, and adopted by the Oversight Board of the Successor Agency to the Port Hueneme Redevelopment Agency at its Special Meeting of October 24, 2016 by the following vote:

AYES:       Members Steven Kinney, Carmen Nichols, Norman Plott,  
              Christine Walker; Scott Powers; Chair Jonathan Sharkey.

NOES:       None.

ABSTAINING:   None.

ABSENT:      Members Michael Bush

A handwritten signature in blue ink, appearing to read "Michele Kostenuik", is written over a horizontal line.

Michele Kostenuik, City Clerk of the City of Port Hueneme and Clerk of the Council, on behalf of the Successor Agency.

Dated: October 26, 2016