

**COUNTY OF SAN DIEGO
COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

**SPECIAL MEETING
January 27, 2025, 8:30 A.M.
AT 1600 PACIFIC HIGHWAY, SAN DIEGO, ROOM 402A
AGENDA**

Attendance by Virtual Meeting made available.

[Zoom Link](#)

Phone Option: 1-669-900-9128; Meeting ID: 751 538 3893

- A. Call to Order
- B. Roll Call/Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) pursuant to Assembly Bill 2449 by an Oversight Board Member (*if necessary and applicable*)
- C. Pledge of Allegiance
- D. Approval of Statement of Proceedings / Minutes of January 16, 2025
- E. Formation of Consent Calendar – Under this item, the Oversight Board may place action items under Section H on the consent calendar to be voted on in one motion.
- F. Public Communication Speakers: Members of the public may address the Oversight Board on subject matters within the Board’s jurisdiction, but not an item on this agenda. Comments on items on the agenda will be taken as each item comes up. Each speaker is limited to three minutes.
- G. Discussion Item(s)
 - 1. APPROVAL OF THE LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

Supporting documentation and attachments for items listed on this agenda can be viewed online at <http://www.sdcounty.ca.gov/community/san-diego-county-oversight-board.html> or in the Health & Human Services Agency’s Financial & Support Services Division, 1255 Imperial Avenue, 6th Floor, San Diego, CA 92101.

ASSISTANCE FOR THE DISABLED:

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H. Action Item(s)

1. Adopt the resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

I. Communications Received:

J. Future Agenda Item(s):

- K. Set Future Meeting Date(s): February 20, 2025, 10:00 a.m., March 20, 2025, 10:00 a.m., April 17, 2025, 10 a.m., May 15, 2025, 10:00 a.m.

L. Adjournment

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**COUNTY OF SAN DIEGO
COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

**REGULAR MEETING
January 16, 2025, 10:00 A.M.
AT 1600 PACIFIC HIGHWAY, SAN DIEGO, ROOM 402A
MINUTES**

Attendance by Virtual Meeting made available.

[Zoom Link](#)

Phone Option: 1-669-900-9128; Webinar ID: 827 1364 5735

- A. Call to Order at 10:02 a.m.
- B. Roll Call/Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) pursuant to Assembly Bill 2449 by an Oversight Board Member (*if necessary and applicable*)

PRESENT: Board Members: Brian Hagerty, Patrick Sanchez, Rebecca Jones, Scott Buxbaum, Samuel Merrill and Daniel Troy

ABSENT: Corinne Wilson

Other Attendees: Max Endoso, Principal Admin Analyst, Charissa Japlit, Group Finance Director, Palmer Hilton, Attorney at Law

- C. Pledge of Allegiance
- D. Approval of Statement of Proceedings / Minutes of September 19, 2024

On motion of Member Troy and seconded by Member Jones, THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved the minutes of the September 19, 2024, meeting. Oversight Board staff did a roll call vote of each OB member to indicate approval or non-approval. Motion passed.

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

- E. Formation of Consent Calendar – Under this item, the Oversight Board may place action items under Section H on the consent calendar to be voted on in one motion.

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The following ten (10) items in H. Action Item(s) were placed on Consent by the Oversight Board by consensus of its members: 3. City of Coronado, 4. City of El Cajon, 5. City of Escondido, 7. City of La Mesa, 8. City of Lemon Grove, 9. National City, 11. City of Poway, 14. City of San Marcos, 15. City of Santee, 16. City of Solana Beach.

ON MOTION of Chair Hagerty, seconded by Member Jones THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD adopted respective resolutions to approve the Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget for the above ten (10) Successor Agencies for the period of July 1, 2025, through June 30, 2026, placed on the Consent Calendar for January 16, 2025.

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

F. Public Communication Speakers: Members of the public may address the Oversight Board on subject matters within the Board's jurisdiction, but not an item on this agenda. Comments on items on the agenda will be taken as each item comes up. Each speaker is limited to three minutes. *No comments were received by the Board or were presented at the meeting.*

G. Discussion Item(s)

1. Approval of the Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget for all seventeen (17) Successor Agencies including Supporting Documents for the period of JULY 1, 2025, THROUGH JUNE 30, 2026

Carlsbad Redevelopment Successor Agency

Key Discussion Points:

1. Carlsbad's Current Status:
 - Carlsbad has no obligations or administrative budget requests on its ROPS.
 - Excess funds remain in Carlsbad's Redevelopment Property Tax Trust Fund (RPTTF).
2. Disposition of Excess Funds:
 - Chair Hagerty inquired about the process for remitting excess funds to the state or other agencies.
 - Response from Carlsbad Representative (Conrad Avila): Carlsbad is coordinating with the state to determine the proper procedure for returning or reallocating these funds.
3. Last and Final ROPS Submission:
 - Counsel (Palmer Hilton) confirmed that a last and final ROPS is required to begin the dissolution process. This submission can occur at any regular or special meeting.

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- Follow-up by Chair Hagerty: Carlsbad must resolve outstanding issues, including an affordable housing loan currently being addressed with the state, before submitting the final ROPS.
4. Outstanding Legal and Financial Issues:
 - Carlsbad resolved prior legal issues.
 - A housing loan transfer, previously shifted between the city, successor agency, and state, remains under state review as of December.
 5. Next Steps:
 - Once the housing loan issue is resolved, Carlsbad plans to submit its last and final ROPS to the Oversight Board for approval.

City of Chula Vista Successor Agency

Key Discussion Points:

1. **Status of City Loans and Obligations:**
 - Chula Vista is in the process of retiring city loans related to lines 6 and 7, which represent the last year of accrued interest.
 - Line 9 has been ruled non-enforceable and has been removed from obligations.
2. **Last and Final ROPS:**
 - Chula Vista had considered submitting a last and final ROPS but decided against it due to pending litigation and ongoing obligations.
 - Current obligations include a tax allocation refunding bond from 2016 and related administrative costs (e.g., trustee fees, disclosure reporting, arbitrage).
 - Pending resolution of litigation and remaining debt items, the city plans to continue with annual ROPS submissions for now.
3. **Debt Payment Timeline:**
 - The city aims to expedite the resolution of its debt obligations and potentially submit a last and final ROPS within the next year or two.
4. **Outstanding Issues:**
 - Litigation related to affordable housing remains unresolved, which delays the submission of a final ROPS.
 - The BF Goodrich agreement follows a set schedule and is considered straightforward.

Next Steps:

- Chula Vista will continue with annual ROPS submissions until litigation and remaining obligations are resolved.
- The city aims to submit a last and final ROPS once all issues are cleared to reduce administrative burdens.

City of Imperial Beach

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Discussion Highlights:

- Special Counsel **Kendall Levan** and Finance Manager **Larissa Patros** represented the City of Imperial Beach.
 - Focus: Addressing an oversight in prior period adjustments (PPA) and resolving a funding gap for enforceable obligations on the ROPS.
- **Key Issue:**
 - A prior period adjustment for FY 2021-22 inaccurately excluded a bond payment, creating a \$1.3 million shortfall in RPTTF (Redevelopment Property Tax Trust Fund) cash balances.
 - The city proposes a one-time loan of \$1,315,920 to the successor agency to cover bond debt service and other obligations due in May and June 2025.
- **Loan Details:**
 - Loan listed on ROPS (Line 48).
 - Terms align with Health and Safety Code Section 34173(h), permitting loans from cities to successor agencies.
 - Repayment: Loan to be repaid with RPTTF funds from the first distribution for FY 2025-26.
- **Oversight Board Actions:**
 - ROPS approval contingent on subsequent approval of the loan agreement during a special meeting.
 - Board committed to avoiding the \$10,000/day penalty for missed ROPS submission deadlines (February 1, 2025).
 - A special meeting will be convened to formally approve the loan agreement.
- **Next Steps:**
 - Oversight Board to schedule and hold a special meeting before February 1, 2025.
 - Loan agreement to be reviewed, vetted, and approved during the special meeting.
 - ROPS submission to proceed with contingencies to meet deadlines.

City of Oceanside

Discussion Highlights:

- Financial Services Director Jill Moya confirmed that the agency's final principal and interest payments are scheduled for September 1, 2025.
- **Next Steps:**
 - The agency has not yet initiated the dissolution process or prepared a last and final ROPS but plans to address this following the final payments.

City of San Diego

Discussion Highlights:

1. **Termination Dates and Obligations:**

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- Vice Chair Buxbaum raised concerns about discrepancies between termination dates and the large outstanding obligations in San Diego's ROPS.
 - Diane Ferris clarified that some obligations, like those related to bond projects and net income from facilities, may require additional research to confirm their accuracy or necessity for payment by the stated dates.
 - Michael Wong explained that litigation, such as with the Navy regarding cleanup responsibilities, has delayed certain obligations, making exact termination dates challenging to determine.
2. **Recommendations for Notes and Clarity:**
 - Vice Chair Buxbaum suggested adding explanatory notes to the ROPS to clarify why termination dates are extended or obligations remain active. This would assist readers in understanding unique circumstances, such as litigation or technical limitations in updating state systems.
 3. **Payment Schedule and Obligation Increases:**
 - Concerns were raised about increasing obligations instead of reducing them:
 - **Line 205 (Lyceum Theatre):** Costs increased by \$3.1M due to unexpected rain damage during renovations. The damage necessitated urgent repairs to lighting, electrical systems, and other infrastructure. The project is expected to close by the end of the year.
 - **Line 648:** Costs increased by \$2.6M as the agency received approval to proceed with roadwork coordination for a project tied to the Metropolitan Transit System (MTS).
 4. **Board Feedback:**
 - Additional comments and explanations in the ROPS were recommended to improve transparency and reduce the need for follow-up questions.

County of San Diego

Discussion Highlights:

1. **Reversal of Items:**
 - Chair Hagerty identified an error in the ROPS where two items were reversed:
 - Lakeside Fire Protection District (Item 3): Should request \$550,000.
 - County of San Diego Airport Enterprise Fund (Item 2): Should request \$216,872.
 - While the total request amount remains unchanged, the correction is essential to ensure proper allocation when reviewed by the Property Tax Services and Auditor and Controller, as well as the State.
2. **Action Required:**
 - The County of San Diego must update the ROPS in RAD Apps to reflect the correct allocations.
3. **Acknowledgment and Resolution:**

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- Charissa Japlit from the County of San Diego Successor Agency acknowledged the issue and confirmed the correction would be made.

2. Election of Officers in Accordance with Oversight Board Bylaws, ARTICLE II – OFFICERS, Section 6 – Election

Background:

- The election of officers was conducted per Oversight Board bylaws, Article 2, Section 6.
- Recent bylaw changes clarified officer roles and terms:
 - The Chair and Vice Chair serve four-year terms, with a maximum of two terms (consecutive or non-consecutive).
 - Officers are elected by majority vote, and their terms take effect after the meeting.

Discussion Points:

1. **Chair Term Inquiry:**
 - **Member Jones** asked about the number of terms served by **Chair Hagerty**.
 - **Chair Hagerty** noted the rule changes during his tenure and shared he has served as Chair for four years.
2. **Chair Role Consideration:**
 - **Chair Hagerty** announced he would not seek reelection due to transitioning to part-time work in October. He emphasized his continued availability to assist the board but recommended electing a new Chair.
3. **Election Process:**
 - **Palmer Hilton** outlined the procedure:
 - Nominations are made and accepted.
 - All nominations are collected, and voting proceeds in the order of nominations until a majority is reached.
4. **Meeting Time Changes:**
 - **Palmer Hilton** clarified that amending the regular meeting time would require a bylaw amendment, which could be addressed at a special meeting if necessary.

3. Review of [Oversight Board Bylaws](#) (Attachment 1)
No discussion was made and this is not a voting action.

City of Vista

Discussion Highlights:

1. **Increase in Obligations (\$8M):**

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- Member Sanchez inquired about the \$8M increase in obligations and whether it was due to a variable or non-amortized note.
- Mike Sylvia (Finance Director, City of Vista):
 - Explained the increase relates to a legacy note payable from the early 1990s tied to the North County Square commercial development.
 - The note compounds at 10%, which creates the appearance of a higher obligation.
 - Actual cash outflow is significantly lower (around \$200,000–\$250,000 annually), and the full obligation is unlikely to be due by the termination date in 2029.
 - The note reflects outdated assumptions based on a pre-Internet economy that overestimated brick-and-mortar sales tax revenue.
- 2. **Legal Services Line Item (\$5,000):**
 - Member Sanchez noted the increase from \$1,000 to \$5,000 for litigation with no detailed explanation.
 - Mike Sylvia:
 - The estimate came from the City Attorney’s office, but no additional details were available.
- 3. Resolution:
 - Member Sanchez and Member Buxbaum acknowledged the explanations, and no further questions were raised.

H. Action Item(s)

1. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE CARLSBAD REDEVELOPMENT SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026.

ON MOTION of Chair Hagerty, seconded by Member Jones THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD adopted the resolution approving CARLSBAD REDEVELOPMENT SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026 Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget including Supporting Documents for the period of July 1, 2025, through June 30, 2026. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.* **Motion passed.**

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AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

2. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026.

ON MOTION of Chair Hagerty, seconded by Member Troy THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD adopted the resolution approving THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026 Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget including Supporting Documents for the period of July 1, 2025, through June 30, 2026. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.* **Motion passed.**

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

3. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF CORONADO FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. **(See Item E. Approved on Consent)**
4. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE CITY OF EL CAJON SUCCESSOR

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AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See Item E. Approved on Consent)

5. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See Item E. Approved on Consent)
6. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026.

ON MOTION of Chair Hagerty, seconded by Member Buxbaum THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD adopted the resolution approving THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026 Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget including Supporting Documents for the period of July 1, 2025, through June 30, 2026 contingent upon the approval at a future special meeting of the loan agreement between the Imperial Beach Redevelopment Agency Successor Agency and the City of Imperial Beach by the Oversight Board. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.* **Motion passed.**

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

7. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE LA

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MESA COMMUNITY REDEVELOPMENT AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See Item E. Approved on Consent)

8. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE LEMON GROVE SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See Item E. Approved on Consent)
9. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE NATIONAL CITY SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See Item E. Approved on Consent)
10. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY OF THE CITY OF OCEANSIDE FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026.

ON MOTION of Chair Hagerty, seconded by Member Jones THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD adopted the resolution approving THE SUCCESSOR AGENCY OF THE CITY OF OCEANSIDE FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026 Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget including Supporting Documents for the period of July 1, 2025, through June 30, 2026. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.* **Motion passed.**

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

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11. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE POWAY REDEVELOPMENT AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See Item E. Approved on Consent)
12. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE CITY OF SAN DIEGO SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026.

ON MOTION of Chair Hagerty, seconded by Member Jones THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD adopted the resolution approving THE CITY OF SAN DIEGO SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026 Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget including Supporting Documents for the period of July 1, 2025, through June 30, 2026. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.* **Motion passed.**

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

13. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE COUNTY OF SAN DIEGO SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026 contingent upon the correction of the two items involving Lakeside Fire Protection District and the Airport Enterprise Fund the amounts being requested being reversed.

ON MOTION of Chair Hagerty, seconded by Member Troy THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD adopted the

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resolution approving FOR THE COUNTY OF SAN DIEGO SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026 Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget including Supporting Documents for the period of July 1, 2025, through June 30, 2026. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.* **Motion passed.**

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

14. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE CITY OF SAN MARCOS SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See **Item E. Approved on Consent**)
15. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY OF THE CITY OF SANTEE FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See **Item E. Approved on Consent**)
16. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SOLANA BEACH SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026. (See **Item E. Approved on Consent**)
17. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE VISTA

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REDEVELOPMENT AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026.

ON MOTION of Chair Hagerty, seconded by Member Troy THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD adopted the resolution approving THE SUCCESSOR AGENCY TO THE VISTA REDEVELOPMENT AGENCY FOR THE PERIOD OF JULY 1, 2025, THROUGH JUNE 30, 2026 Recognized Obligation Payment Schedule (ROPS) 25-26 and Administrative Budget including Supporting Documents for the period of July 1, 2025, through June 30, 2026. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.* **Motion passed.**

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

18. Election of Officers in Accordance with Oversight Board Bylaws, ARTICLE II – OFFICERS, Section 6 – Election

On Member Jones's nomination, accepted by Vice Chair Buxbaum and seconded by Chair Hagerty THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD elected Scott Buxbaum as Chair of The Countywide Redevelopment Successor Agency Oversight Board.

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

ON MOTION of Chair Hagerty, seconded by Member Jones THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved that the new Chair and Vice- Chair terms to begin at the conclusion of this meeting.

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

On Member Jones's nomination, seconded by Member Troy THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD elected Rebecca Jones as Vice Chair of The Countywide Redevelopment Successor Agency Oversight Board.

AYES: Hagerty, Jones, Sanchez, Buxbaum, Troy, and Merrill

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- I. Communications Received: None
- J. Future Agenda Item(s): Approval of loan agreement between City of Imperial Beach and Imperial Beach Redevelopment Agency Successor Agency, Consideration of potential amendments to Oversight Board Bylaws and approval of amendments
- K. Set Future Meeting Date(s): January 27, 2025 8:30 a.m. or January 29, 2025 8:30 a.m. for a special meeting, February 20, 2025, 10:00 a.m., March 20, 2025, 10:00 a.m., April 17, 2025, 10 a.m., May 15, 2025, 10:00 a.m.
- L. Adjournment at 11:27 a.m.

DRAFT

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COUNTY OF SAN DIEGO

COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

BRIAN HAGERTY

REBECCA JONES

PATRICK SANCHEZ

SCOTT BUXBAUM

DANIEL TROY

SAMUEL MERRILL

CORINNE WILSON

AGENDA ITEM

COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

DATE: January 27, 2025

01

TO: Countywide Redevelopment Successor Agency Oversight Board

SUBJECT: LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

SUMMARY:

Overview

Certain miscalculations in funding presumably available to the Imperial Beach Redevelopment Agency Successor Agency resulted in an insufficiency of funds to pay ROPS 24-25 enforceable obligations.

Staff of the Imperial Beach Redevelopment Agency Successor Agency (Successor Agency) is seeking the Oversight Board's adoption of Oversight Board Resolution No. OB-2025-018 approving the proposed Loan Agreement between the City of Imperial Beach (City) and the Successor Agency in order for the Successor Agency to pay certain enforceable obligations and administrative costs. The Loan Agreement provides for the City's loan to the Successor Agency in a not-to-exceed amount of One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920).

Recommendation(s)

1. Adopt the resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

Fiscal Impact

The loan from the City to the Successor Agency is necessary for the Successor Agency to pay its enforceable obligations during the ROPS 24-25 period. The loan will be repaid

SUBJECT: LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

by the Successor Agency with funds from the Redevelopment Property Tax Trust Fund (RPTTF).

BACKGROUND:

The Dissolution Law governing the wind-down of the former Imperial Beach Redevelopment Agency's (Former RDA) affairs requires the Successor Agency to prepare a ROPS before each fiscal year period and to submit the ROPS for the fiscal year period, after its approval and adoption by the County Oversight Board, to the Department of Finance (DOF) and the County Auditor-Controller not later than February 1 of each year. The ROPS serves as the designated reporting mechanism for disclosing the Successor Agency's minimum fiscal year payment obligations by amount and source, and the County Auditor-Controller is responsible for ensuring that the Successor Agency receives revenues from certain property taxes held in the RPTTF sufficient to meet the requirements of the ROPS during each fiscal year period.

The ROPS covering the 12-month fiscal year period from July 1, 2024, through June 30, 2025 (ROPS 24-25) was duly submitted by the Successor Agency and approved by the Oversight Board and the DOF, with certain changes in the amount of RPTTF approved for allocation to the Successor Agency for payment of its enforceable obligations during the 2024-2025 Fiscal Year including payment of debt service on outstanding bonds of the Successor Agency and other obligations. In particular, as a part of the ROPS, there is a summary of cash balances, including the expenditures and excess cash during the 12-month fiscal year period from July 1, 2021, through June 30, 2022 (i.e. the ROPS 21-22 period) that becomes a prior period adjustment (PPA) to the amount of RPTTF approved for allocation to the Successor Agency for the ROPS 24-25 period.

The PPA for ROPS 21-22 was mistakenly calculated by not including a bond payment expenditure of One Million One Hundred Seventy-Nine Thousand Five Hundred Eighty-Nine Dollars and Seventy-Eight Cents (\$1,179,589.78) made during a bond refunding process in Fiscal Year 2021-2022 and, as a result, reduced the amount of RPTTF approved to be paid to the Successor Agency for the Successor Agency's ROPS 24-25 enforceable obligations by a total PPA amount of One Million One Hundred Sixty-Four Thousand Three Hundred Sixty Dollars (\$1,164,360). In addition, there were other inaccuracies in the calculations of funds that the DOF had presumed were available to pay for the Successor Agency's ROPS 24-25 enforceable obligations.

Therefore, DOF reduced the amount of RPTTF approved for distribution in the Fiscal Year 2024-2025 to pay for the Successor Agency's ROPS 24-25 enforceable obligations. As a result, the RPTTF that has been received on June 1, 2024, and that will be received on January 2, 2025, to pay enforceable obligations from July 1, 2024, through June 30, 2025, is insufficient to pay all approved ROPS 24-25 enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025, administrative costs, and other obligations.

The County-Auditor Controller has concurred that the PPA for ROPS 21-22 was mistakenly calculated and has since agreed in writing to correct the RPTTF to be distributed to the Successor

SUBJECT: LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

Agency. However, when these inaccuracies were discovered, it was too late for the DOF to reissue its funding determination approval letter for ROPS 24-25 to correct the discrepancy. As such, the Successor Agency currently has insufficient funds to pay all obligations listed on the approved ROPS 24-25.

Pursuant to the Dissolution Law, the City is authorized, in the City's discretion, to loan or grant funds to the Successor Agency for the payment of administrative costs, enforceable obligations, or project-related expenses that qualify as an enforceable obligation, and only to the extent that the Successor Agency receives an insufficient distribution from the RPTTF or other approved sources of funding are insufficient to pay approved enforceable obligations in the ROPS period.

The Dissolution Law further requires that the receipt and use of these loan or grant funds shall be reflected on the Successor Agency's ROPS or the administrative budget, and therefore are subject to the oversight and approval of the Oversight Board. Once approved by the Oversight Board, and approved by the DOF on the ROPS, an enforceable obligation shall be deemed to be created for the repayment of those loans.

Further, the interest payable on any such loan must be calculated on a fixed annual simple basis and applied to the outstanding principal amount until fully paid, at a rate not to exceed the most recently published interest rate earned by funds deposited into the Local Agency Investment Fund during the previous fiscal quarter.

In addition, repayment of such loans must be applied first to principal, and second to interest, and must be subordinate to other approved enforceable obligations, and will be repaid to the extent RPTTF allocated to the Successor Agency is available after fulfilling other enforceable obligations approved in the Successor Agency's ROPS.

To enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025 and to have adequate funds for administration costs and other obligations, staff of the City and the Successor Agency recommend that the City provide a loan to the Successor Agency in an amount not-to-exceed One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920).

The Loan Agreement and loan were approved by the City and the Successor Agency at their joint meeting held on December 17, 2024. Staff of the Successor Agency now submits the Loan Agreement and loan to the Oversight Board for its approval. If approved by the Oversight Board, then the Loan Agreement will be subject to review by the DOF pursuant to the Dissolution Law. Separately, the loan amount has been included in the Successor Agency's ROPS 25-26, which was approved by the Successor Agency on December 17, 2024.

The Successor Agency's ROPS 25-26 and Administrative Budget were submitted to the Oversight Board for review at its meeting conducted on January 16, 2025. The Oversight Board approved the Successor Agency's Administrative Budget and the ROPS 25-26, which ROPS 25-26 includes

SUBJECT: LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

as Item #48 the Successor Agency's repayment of the City loan in an amount not-to-exceed One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920), on the condition that the Oversight Board approves the proposed Loan Agreement.

If both the Loan Agreement and the loan amount are duly approved as an enforceable obligation of the Successor Agency, staff of the Successor Agency anticipates that the City will be repaid the principal amount of the loan and accrued interest on the loan, from the RPTTF payments to be received by the Successor Agency on June 1, 2025 and January 2, 2026 for payment of the ROPS 25-26 enforceable obligations. If the RPTTF is insufficient during the ROPS 25-26 period to pay all enforceable obligations including repayment of the City's loan, the Successor Agency is required by the Loan Agreement to include the loan amount on each successive ROPS in order to obtain sufficient RPTTF to repay the City the entire loan amount and all accrued interest.

Respectfully submitted,



CHARISSA JAPLIT
Group Finance Director, HHSA

ATTACHMENT(S)

- 1 – Resolution No. OB-2025-018
- 2 – Loan Agreement Between the City of Imperial Beach and the Imperial Beach Redevelopment Agency Successor Agency
- 3 – Signed City of Imperial Beach City Council Resolution No. 2024-093
- 4 – Signed Imperial Beach Redevelopment Agency Successor Agency Resolution No. SA-24-93 |

SUBJECT: LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

AGENDA ITEM INFORMATION SHEET

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

MANDATORY COMPLIANCE:

N/A

CONTACT PERSON(S):

Max Endoso

Name

619-455-0261

Phone

Max. Endoso@sdcounty.ca.gov

E-mail

Charissa Japlit

Name

619-531-5409

Phone

Charissa.japlit@sdcounty.ca.gov

E-mail

A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT
SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE LOAN
AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY
IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN
ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

WHEREAS, the Recognition Obligation Payment Schedule covering the 12-month fiscal year period from July 1, 2024, through June 30, 2025 (“ROPS 24-25”) was duly submitted by the Imperial Beach Redevelopment Agency Successor Agency (Successor Agency) and approved by the Oversight Board and the State Department of Finance (DOF), with certain changes in the amount of Redevelopment Property Tax Trust Fund (RPTTF) funds approved for allocation to the Successor Agency for payment of its enforceable obligations during the 2024-2025 Fiscal Year including payment of debt service on outstanding bonds of the Successor Agency and other obligations. In particular, as a part of the ROPS, there is a summary of cash balances, including the expenditures and excess cash during the 12-month fiscal year period from July 1, 2021, through June 30, 2022 (i.e. the ROPS 21-22 period) that become a prior period adjustment (“PPA”) to the amount of RPTTF approved for allocation to the Successor Agency for the ROPS 24-25 period; and

WHEREAS, staff of the Successor Agency has advised that the PPA for ROPS 21-22 was mistakenly calculated by not including a bond payment expenditure of One Million One Hundred Seventy-Nine Thousand Five Hundred Eighty-Nine Dollars and Seventy-Eight Cents (\$1,179,589.78) made during a bond refunding process in Fiscal Year 2021-2022 and, as a result, reduced the amount of RPTTF approved to be paid to the Successor Agency for the Successor Agency’s ROPS 24-25 enforceable obligations by a total PPA amount of One Million One Hundred Sixty-Four Thousand Three Hundred Sixty Dollars (\$1,164,360); and

WHEREAS, staff of the Successor Agency has further advised that there were other inaccuracies in the calculations of funds that the DOF had presumed were available to pay for the Successor Agency’s ROPS 24-25 enforceable obligations. Therefore, DOF reduced the amount of RPTTF approved for distribution in the Fiscal Year 2024-2025 to pay for the Successor Agency’s ROPS 24-25 enforceable obligations. As a result, staff of the Successor Agency has advised that the RPTTF that has been received on June 1, 2024, and that will be received on January 2, 2025, to pay enforceable obligations from July 1, 2024, through June 30, 2025 is insufficient to pay all approved ROPS 24-25 enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025, administrative costs, and other obligations; and

WHEREAS, to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025, and to have adequate funds for administration costs and other obligations, the Successor Agency is seeking the Oversight Board’s adoption of Oversight Board Resolution No. OB-2025-018 approving the proposed Loan

Agreement between the City and the Successor Agency in order for the Successor Agency to pay certain enforceable obligations and administrative costs. The Loan Agreement provides for the City's loan to the Successor Agency in a not-to-exceed amount of One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920).

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board that, the Oversight Board approves: (i) the proposed Loan Agreement between the City of Imperial Beach and the Imperial Beach Redevelopment Agency Successor Agency as an enforceable obligation under the Dissolution Law, wherein the City of Imperial Beach would provide the Loan to the Imperial Beach Redevelopment Agency Successor Agency in a not-to-exceed amount of One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920) for the purpose of paying the enforceable obligations, including administrative costs, set forth in the Loan Agreement; and (ii) the Imperial Beach Redevelopment Agency Successor Agency's repayment of the Loan to the City of Imperial Beach in each fiscal year period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

IT IS FURTHER RESOLVED by the Oversight Board that, the Oversight Board authorizes (i) the Executive Director of the Imperial Beach Redevelopment Agency Successor Agency to sign the proposed Loan Agreement with the City of Imperial Beach consistent with the terms of the Loan Agreement and the Loan approved by this Resolution, including without limitation the City's loan/advance of the Loan in the amount not to exceed One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920); (ii) the Imperial Beach Redevelopment Agency Successor Agency to repay the Loan to the City of Imperial Beach in each fiscal year period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund; and (iii) the Executive Director of the Imperial Beach Redevelopment Agency Successor Agency to make, subject to approval of Oversight Board Counsel, changes to the Loan Agreement needed to comply with administrative direction from the DOF.

PASSED AND ADOPTED by the Oversight Board at a duly noticed special meeting of the Oversight Board held on January 27, 2025.

Approved as to Form and Legality
By Adam U. Lindgren, Oversight Board Counsel

Scott Buxbaum
Chair, Oversight Board

LOAN AGREEMENT

(City of Imperial Beach Loan/Advance to Imperial Beach Redevelopment Agency Successor Agency)

This Loan Agreement ("Loan Agreement") is made and entered into this ____ day of _____, 2025 (but see Section 4.04 for the "Effective Date"), by and between the City of Imperial Beach, a municipal corporation of the State of California (hereinafter referred to as the "City"), and the Imperial Beach Redevelopment Agency Successor Agency, a public entity, duly created, validly existing, and in good standing under the laws of the State of California (hereinafter referred to as the "Successor Agency"), individually a "Party" and collectively the "Parties", with reference to the following facts:

RECITALS

WHEREAS, the Imperial Beach Redevelopment Agency (the "Redevelopment Agency") was a redevelopment agency in the City, duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the H&S Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, on February 1, 2012, the Redevelopment Agency was dissolved by operation of law and the Successor Agency was established pursuant to AB 26. The Successor Agency is a separate and distinct legal entity from the City, with rules and regulations that apply to its governance and operations; and

WHEREAS, AB 26 has since been amended by various assembly and senate bills enacted by the Legislature and signed by the Governor. AB 26 as amended is hereinafter referred to as the "Dissolution Law"; and

WHEREAS, in 2018, the County of San Diego Countywide Redevelopment Successor Agency Oversight Board (the "Oversight Board") was established pursuant to the Dissolution

Law. The Oversight Board possesses fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes and other revenues. As a part of these responsibilities, the Oversight Board reviews and approves the annual "Recognized Obligation Payment Schedule" ("ROPS") submitted by successor agencies within San Diego County for the payment of obligations, before the submittal of the ROPS to the California Department of Finance (the "DOF") for its approval; and

WHEREAS, pursuant to the Dissolution Law, the ROPS is the reporting document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations of the Successor Agency for each fiscal year. The ROPS is forward looking to the next one year; and

WHEREAS, after the approval of the ROPS by the Oversight Board and then the DOF under the Dissolution Law, the San Diego County Auditor-Controller (the "County Auditor-Controller") is responsible for ensuring that the Successor Agency receives revenues from certain property tax ("Redevelopment Property Tax Trust Fund" or "RPTTF") sufficient to meet the payment requirements of the ROPS's enforceable obligations during each fiscal year period; and

WHEREAS, the ROPS covering the 12-month fiscal year period from July 1, 2024 through June 30, 2025 ("ROPS 24-25") was duly submitted by the Successor Agency and approved by the Oversight Board and the DOF, with certain changes in the amount of RPTTF approved for allocation to the Successor Agency for payment of its enforceable obligations during the 2024-2025 Fiscal Year including payment of debt service on outstanding bonds of the Successor Agency and other obligations. In particular, as a part of the ROPS, there is a summary of cash balances, including the expenditures and excess cash during the 12-month fiscal year period from July 1, 2021 through June 30, 2022 (i.e. the ROPS 21-22 period) that becomes a prior period adjustment ("PPA") to the amount of RPTTF approved for allocation to the Successor Agency for the ROPS 24-25 period; and

WHEREAS, the PPA for ROPS 21-22 was mistakenly calculated by not including a bond payment expenditure of One Million One Hundred Seventy-Nine Thousand Five Hundred Eighty-Nine Dollars and Seventy-Eight Cents (\$1,179,589.78) made during a bond refunding process in Fiscal Year 2021-2022 and, as a result, reduced the amount of RPTTF approved to be paid to the Successor Agency for the Successor Agency's ROPS 24-25 enforceable obligations by a total PPA amount of One Million One Hundred Sixty-Four Thousand Three Hundred Sixty Dollars (\$1,164,360). In addition, there were other inaccuracies in the calculations of funds that the DOF had presumed were available to pay for the Successor Agency's ROPS 24-25 enforceable obligations. Therefore, DOF reduced the amount of RPTTF approved for distribution in the Fiscal Year 2024-2025 to pay for the Successor Agency's ROPS 24-25 enforceable obligations. As a result, the RPTTF that has been received on June 1, 2024, and that will be received on January 2, 2025, to pay enforceable obligations from July 1, 2024, through June 30, 2025, is insufficient to pay all approved ROPS 24-25 enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025, administrative costs, and other obligations; and

WHEREAS, the County-Auditor Controller has concurred that the PPA for ROPS 21-22 was mistakenly calculated and has since agreed in writing to correct the RPTTF to be distributed to the Successor Agency. However, when these inaccuracies were discovered, it

was too late for the DOF to re-issue its funding determination approval letter for ROPS 24-25 to correct the discrepancy; and

WHEREAS, pursuant to H&S Code Section 34173(h) of the Dissolution Law, the City is authorized, in the City's discretion, to loan or grant funds to the Successor Agency for the payment of administrative costs, enforceable obligations, or project-related expenses that qualify as an enforceable obligation, and only to the extent that the Successor Agency receives an insufficient distribution from the RPTTF or other approved sources of funding are insufficient to pay approved enforceable obligations in the ROPS period. H&S Code Section 34173(h) further requires that the receipt and use of these loan or grant funds shall be reflected on the Successor Agency's ROPS or the administrative budget, and therefore are subject to the oversight and approval of the Oversight Board. Once approved by the Oversight Board, an enforceable obligation shall be deemed to be created for the repayment of those loans. The interest payable on any loan created pursuant to H&S Code Section 34173(h) shall be calculated on a fixed annual simple basis and applied to the outstanding principal amount until fully paid, at a rate not to exceed the most recently published interest rate earned by funds deposited into the Local Agency Investment Fund during the previous fiscal quarter. Repayment of loans created under H&S Code Section 34173(h) shall be applied first to principal, and second to interest, and shall be subordinate to other approved enforceable obligations, and shall be repaid to the extent RPTTF allocated to the Successor Agency is available after fulfilling other enforceable obligations approved in the Successor Agency's ROPS; and

WHEREAS, pursuant to H&S Code Section 34177.3(b), the Successor Agency may create enforceable obligations to conduct the work of winding down the former Redevelopment Agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance; and

WHEREAS, to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025, and to have adequate funds for administration costs and other obligations, the City desires to loan to the Successor Agency an amount not to exceed One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920); and

WHEREAS, subject to approval by the Oversight Board, the Successor Agency may enter into this Loan Agreement with the City pursuant to the authority granted by H&S Code Sections 33220, 33610, 34173(h), 34177.3 and 34180(h); and

WHEREAS, the City and the Successor Agency have determined that entering into this Loan Agreement is in the best interests of the City and the Successor Agency.

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

ARTICLE I.

INTRODUCTORY PROVISIONS

Section 1.01 Recitals. The recitals above are an integral part of this Loan Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Loan Agreement.

ARTICLE II.

LOAN PROVISIONS

Section 2.01 Loan. The City hereby agrees to lend to the Successor Agency the principal amount of One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920) ("Loan") for the purposes set forth in Section 2.03.

Section 2.02 Interest. Interest on the Loan shall accrue as of the Effective Date, continuing until such time as the Loan is repaid in full, at a rate equal to the most recently published interest rate earned by funds on deposit in the Local Agency Investment Fund during the previous fiscal quarter, calculated on a fixed annual simple basis, compounded annually.

Section 2.03 Use of Loan Funds. The Successor Agency shall use the Loan for the purpose of paying the approved enforceable obligations, including administrative costs, and up to the amounts as set forth in the "Schedule of Obligations" attached hereto as Exhibit A and incorporated herein by this reference.

Section 2.04 Condition to Disbursement. The City shall have no obligation to disburse the Loan funds to the Successor Agency until all of the following are met: (a) the Oversight Board approves this Loan Agreement, (b) the DOF approves this Loan Agreement or the Loan Agreement is otherwise deemed approved pursuant to the Dissolution Law or other State law, and (c) the Loan is included on the Successor Agency's ROPS and such ROPS is approved by the Oversight Board and the DOF, respectively.

Section 2.05 Repayment of Loan.

(a) The Loan is an enforceable obligation of the Successor Agency repayable in accordance with the repayment schedule set forth in the "Repayment Schedule" attached hereto as Exhibit B and incorporated herein by this reference. The Loan shall be repayable each year solely from the RPTTF maintained by the County Auditor-Controller and paid to the Successor Agency on January 2 and June 1 of each year for the purpose of paying enforceable obligations of the Successor Agency during that particular ROPS period. The repayment of the Loan is not subject to the restrictions set forth in H&S Code Sections 34176(e)(6)(B) or 34191.4(b). The Loan will be repaid from first available RPTTF funds not required for other enforceable obligations.

(b) The Loan shall be set forth as an enforceable obligation of the Successor Agency on the ROPS 25-26 covering the period from July 1, 2025 through June 30, 2026, and on every ROPS thereafter until paid in full. Each payment described on the Repayment Schedule shall be due and payable in full from RPTTF on deposit in the Successor Agency's Redevelopment Obligation Retirement Fund ("RORF") beginning with the June 1, 2025 RPTTF payment to the RORF by the County Auditor-Controller for payment of enforceable obligations for the period of July 1, 2025 through December 31, 2025. However, should the Successor Agency receive insufficient funds from the RPTTF to pay all costs shown on the ROPS 25-26

and each ROPS thereafter, then the amount due and payable on the Loan as set forth in the Repayment Schedule shall equal the amount deposited into the RORF less all other costs shown on the ROPS 25-26 and each ROPS thereafter, and the unpaid balance of any principal and interest for such ROPS period shall be due and payable in full on the next ROPS.

(c) The procedure described in subsection (b) of this Section shall continue to be followed for each ROPS until the principal and interest due on the Loan are paid in full. Any remaining principal and interest due on the Loan as set forth in the Repayment Schedule shall continue to be shown as an enforceable obligation on each successive ROPS until the Successor Agency has received sufficient RPTTF funds to pay all principal and interest due on the Loan.

(d) All Loan repayments shall first be used to reduce the principal balance of the Loan and second to pay all accrued interest.

(e) The indebtedness of the Successor Agency under this Loan Agreement shall be subordinate to the rights of the holder or holders of any existing bonds, notes or other instruments of indebtedness (all referred to herein as "indebtedness") of the Successor Agency, including without limitation any pledge of tax increment revenues to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by the former Redevelopment Agency or refinanced or refunded by the Successor Agency.

Section 2.06 **Optional Prepayment of the Loan.** The Successor Agency shall have the right to prepay the unpaid principal and accrued interest of the Loan, or portion thereof, at any time.

Section 2.07 **Books and Accounts; Financial Statements.** The Successor Agency will keep, or cause to be kept, proper books of record and accounts showing the use of the Loan funds, interest due on the Loan, Loan repayments, and principal and interest outstanding.

ARTICLE III.

DEFAULT AND REMEDIES

Section 3.01 **Event of Default.** Failure by the Successor Agency to pay the principal or interest on the Loan when due and payable shall constitute a default (referred to herein as a "Default").

Section 3.02 **No Waiver.** A waiver of any Default by the City shall not affect any subsequent Default or impair any rights or remedies on the subsequent default.

Section 3.03 **Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

ARTICLE IV.

MISCELLANEOUS

Section 4.01 **No Merger.** In entering into this Loan Agreement, the City is acting in its capacity as a general law city, while the Successor Agency is acting in its capacity as the successor to the former Redevelopment Agency; and both the City and the Successor Agency are acting pursuant to the specific authority granted by the Oversight Board and by H&S Code Sections 33220, 33610, 34173(h), 34177.3 and 34180(h) authorizing agreements between the City and the Successor Agency. In consequence, the Parties to this Loan Agreement are not merged.

Section 4.02 **Successor is Deemed Included in All References to Predecessor.** Whenever in this Loan Agreement either the Successor Agency or the City is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Loan Agreement contained by or on behalf of the Successor Agency or the City shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 4.03 **Amendment.** This Loan Agreement may be amended by the Parties hereto but only by a written instrument signed by both Parties and with the approval of the Oversight Board.

Section 4.04 **Effective Date.** This Loan Agreement shall take effect upon approval by the Oversight Board and, following that approval, at the time and in the manner prescribed in H&S Code Section 34179(h) of the Dissolution Law with respect to the DOF's right to review (the "Effective Date").

Section 4.05 **Severability.** If any Section, paragraph, sentence, clause or phrase of this Loan Agreement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Loan Agreement. The City and the Successor Agency hereby declare that they would have adopted this Loan Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the Loan irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Loan Agreement may be held illegal, invalid or unenforceable.

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[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the City of Imperial Beach and the Imperial Beach Redevelopment Agency Successor Agency have caused this Loan Agreement to be signed by their respective officers as of the day and year first above written.

CITY:

CITY OF IMPERIAL BEACH,
a California municipal corporation

Tyler Foltz, City Manager

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Jennifer M. Lyon, City Attorney

Lily Flyte, Finance Director

KANE, BALLMER & BERKMAN
City Special Counsel

Kendall D. Levan, Esq.

SUCCESSOR AGENCY:

IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY,
a California public entity

Tyler Foltz, Executive Director

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Jennifer M. Lyon, General Counsel

Lily Flyte, Finance Director

KANE, BALLMER & BERKMAN
Successor Agency Special Counsel

Kendall D. Levan, Esq.

EXHIBIT A

SCHEDULE OF OBLIGATIONS

OBLIGATION	AMOUNT OF LOAN/ADVANCE
All enforceable obligations, including administrative costs, listed on the approved ROPS 24-25 for which the Successor Agency has insufficient funds to adequately pay, including, but not limited to, the May/June 2025 bond debt service payment in the amount of \$1,155,100 on the 2022 Tax Allocation Refunding Bonds (refunded the 2013 Series TARBs) and the May/June 2025 reserve required by the 2022 Tax Allocation Refunding Bonds in the amount of \$181,000.	\$1,315,920
TOTAL	\$1,315,920

EXHIBIT B

REPAYMENT SCHEDULE

<u>FISCAL YEAR</u>	<u>REPAYMENT AMOUNT</u>
FY 2025-2026	Principal balance of the Loan (\$1,315,920) plus accrued interest
FY 2026-2027, AND EACH FISCAL YEAR THEREAFTER	Any remaining principal balance of the Loan plus accrued interest

RESOLUTION NO. 2024-093**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS**

WHEREAS, the Imperial Beach Redevelopment Agency (the "Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the H&S Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, on February 1, 2012, the Redevelopment Agency was dissolved by operation of law and the Successor Agency was established pursuant to AB 26. The Successor Agency is a separate and distinct legal entity from the City, with rules and regulations that apply to its governance and operations; and

WHEREAS, AB 26 has since been amended by various assembly and senate bills enacted by the Legislature and signed by the Governor. AB 26 as amended is hereinafter referred to as the "Dissolution Law"; and

WHEREAS, in 2018, the County of San Diego Countywide Redevelopment Successor Agency Oversight Board (the "Oversight Board") was established pursuant to the Dissolution Law. The Oversight Board possesses fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes and other revenues. As a part of these responsibilities, the Oversight Board reviews and approves the annual "Recognized Obligation Payment Schedule" ("ROPS") submitted by successor agencies within San Diego County for the payment of obligations, before the submittal of the ROPS to the California Department of Finance (the "DOF") for its approval; and

WHEREAS, pursuant to the Dissolution Law, the ROPS is the reporting document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations of the Successor Agency for each fiscal year. The ROPS is forward looking to the next one year; and

WHEREAS, after the approval of the ROPS by the Oversight Board and then the DOF under the Dissolution Law, the San Diego County Auditor-Controller (the "County Auditor-Controller") is responsible for ensuring that the Successor Agency receives revenues from certain property tax ("Redevelopment Property Tax Trust Fund" or "RPTTF") sufficient to meet the payment requirements of the ROPS's enforceable obligations during each fiscal year period; and

WHEREAS, the ROPS covering the 12-month fiscal year period from July 1, 2024 through June 30, 2025 ("ROPS 24-25") was duly submitted by the Successor Agency and approved by the Oversight Board and the DOF, with certain changes in the amount of RPTTF approved for allocation to the Successor Agency for payment of its enforceable obligations during the 2024-2025 Fiscal Year including payment of debt service on outstanding bonds of the Successor Agency and other obligations. In particular, as a part of the ROPS, there is a summary of cash balances, including the expenditures and excess cash during the 12-month fiscal year period from July 1, 2021 through June 30, 2022 (i.e. the ROPS 21-22 period) that becomes a prior period adjustment ("PPA") to the amount of RPTTF approved for allocation to the Successor Agency for the ROPS 24-25 period; and

WHEREAS, the PPA for ROPS 21-22 was mistakenly calculated by not including a bond payment expenditure of One Million One Hundred Seventy-Nine Thousand Five Hundred Eighty-Nine Dollars and Seventy-Eight Cents (\$1,179,589.78) made during a bond refunding process in Fiscal Year 2021-2022 and, as a result, reduced the amount of RPTTF approved to be paid to the Successor Agency for the Successor Agency's ROPS 24-25 enforceable obligations by a total PPA amount of One Million One Hundred Sixty-Four Thousand Three Hundred Sixty Dollars (\$1,164,360). In addition, there were other inaccuracies in the calculations of funds that the DOF had presumed were available to pay for the Successor Agency's ROPS 24-25 enforceable obligations. Therefore, DOF reduced the amount of RPTTF approved for distribution in the Fiscal Year 2024-2025 to pay for the Successor Agency's ROPS 24-25 enforceable obligations. As a result, the RPTTF that has been received on June 1, 2024, and that will be received on January 2, 2025, to pay enforceable obligations from July 1, 2024, through June 30, 2025, is insufficient to pay all approved ROPS 24-25 enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025, administrative costs, and other obligations; and

WHEREAS, the County-Auditor Controller has concurred that the PPA for ROPS 21-22 was mistakenly calculated and has since agreed in writing to correct the RPTTF to be distributed to the Successor Agency. However, when these inaccuracies were discovered, it was too late for the DOF to re-issue its funding determination approval letter for ROPS 24-25 to correct the discrepancy; and

WHEREAS, pursuant to H&S Code Section 34173(h) of the Dissolution Law, the City is authorized, in the City's discretion, to loan or grant funds to the Successor Agency for the payment of administrative costs, enforceable obligations, or project-related expenses that qualify as an enforceable obligation, and only to the extent that the Successor Agency receives an insufficient distribution from the RPTTF or other approved sources of funding are insufficient to pay approved enforceable obligations in the ROPS period. H&S Code Section 34173(h) further requires that the receipt and use of these loan or grant funds shall be reflected on the Successor Agency's ROPS or the administrative budget, and therefore are subject to the oversight and approval of the Oversight Board. Once approved by the Oversight Board, an enforceable obligation shall be deemed to be created for the repayment of those loans. The interest payable on any loan created pursuant to H&S Code Section 34173(h) shall be

calculated on a fixed annual simple basis and applied to the outstanding principal amount until fully paid, at a rate not to exceed the most recently published interest rate earned by funds deposited into the Local Agency Investment Fund during the previous fiscal quarter. Repayment of loans created under H&S Code Section 34173(h) shall be applied first to principal, and second to interest, and shall be subordinate to other approved enforceable obligations, and shall be repaid to the extent RPTTF allocated to the Successor Agency is available after fulfilling other enforceable obligations approved in the Successor Agency's ROPS; and

WHEREAS, pursuant to H&S Code Section 34177.3(b), the Successor Agency may create enforceable obligations to conduct the work of winding down the former Redevelopment Agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance; and

WHEREAS, to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025 and to have adequate funds for administration costs and other obligations, the City desires to loan to the Successor Agency an amount not to exceed One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920); and

WHEREAS, subject to approval by the Oversight Board, the Successor Agency may enter into this Loan Agreement with the City pursuant to the authority granted by H&S Code Sections 33220, 33610, 34173(h), 34177.3 and 34180(h); and

WHEREAS, the City and the Successor Agency have determined that entering into this Loan Agreement is in the best interests of the City and the Successor Agency; and

WHEREAS, after reviewing the terms of the proposed Loan Agreement between the City and the Successor Agency, the Loan from the City to the Successor Agency, and the Successor Agency's repayment of such Loan, and after reviewing any written and oral comments from the public relating thereto, the City Council desires, subject to Oversight Board approval, to approve the terms of the Loan and the proposed Loan Agreement and to make the following accompanying findings, resolutions and determinations.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS by the City Council of the City of Imperial Beach that:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby finds and determines that the proposed Loan Agreement and the Loan are necessary for the Successor Agency to meet its fiduciary responsibilities for the purpose of paying the enforceable obligations, including administrative costs, set forth in the Loan Agreement.

Section 3. The City Council hereby approves: (i) the proposed Loan Agreement as an enforceable obligation under the Dissolution Law, wherein the City would provide the Loan to the Successor Agency for the purpose of paying the enforceable obligations, including administrative costs, set forth in the Loan Agreement; and (ii) the Successor Agency's repayment of the Loan to the City in each fiscal year period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

Section 4. The City Council hereby authorizes (i) the City Manager to execute the proposed Loan Agreement with the Successor Agency consistent with the terms of the Loan Agreement and the Loan approved by this Resolution, including without limitation the City's loan/advance of the Loan in the amount not to exceed One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920); and (ii) the Successor Agency's repayment of the Loan to the City in each fiscal year period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

Section 5. This Resolution shall take effect at the time and in the manner prescribed in H&S Code Section 34179(h).

Section 6. The City Council determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

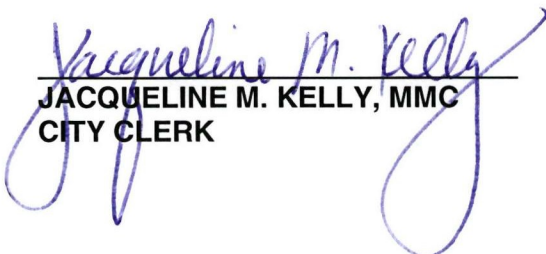
Section 7. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its special meeting held on the 17th day of December 2024, by the following vote:

AYES:	COUNCILMEMBERS:	LEYBA-GONZALEZ, FISHER, SEABURY, MCKAY, AGUIRRE
NOES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	NONE


PALOMA AGUIRRE, MAYOR

ATTEST:


JACQUELINE M. KELLY, MMC
CITY CLERK

RESOLUTION NO. SA-24-93**A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS**

WHEREAS, the Imperial Beach Redevelopment Agency (the "Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the H&S Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, on February 1, 2012, the Redevelopment Agency was dissolved by operation of law and the Successor Agency was established pursuant to AB 26. The Successor Agency is a separate and distinct legal entity from the City, with rules and regulations that apply to its governance and operations; and

WHEREAS, AB 26 has since been amended by various assembly and senate bills enacted by the Legislature and signed by the Governor. AB 26 as amended is hereinafter referred to as the "Dissolution Law"; and

WHEREAS, in 2018, the County of San Diego Countywide Redevelopment Successor Agency Oversight Board (the "Oversight Board") was established pursuant to the Dissolution Law. The Oversight Board possesses fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes and other revenues. As a part of these responsibilities, the Oversight Board reviews and approves the annual "Recognized Obligation Payment Schedule" ("ROPS") submitted by successor agencies within San Diego County for the payment of obligations, before the submittal of the ROPS to the California Department of Finance (the "DOF") for its approval; and

WHEREAS, pursuant to the Dissolution Law, the ROPS is the reporting document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations of the Successor Agency for each fiscal year. The ROPS is forward looking to the next one year; and

WHEREAS, after the approval of the ROPS by the Oversight Board and then the DOF under the Dissolution Law, the San Diego County Auditor-Controller (the "County Auditor-Controller") is responsible for ensuring that the Successor Agency receives revenues from certain property tax ("Redevelopment Property Tax Trust Fund" or "RPTTF") sufficient to meet the payment requirements of the ROPS's enforceable obligations during each fiscal year period; and

WHEREAS, the ROPS covering the 12-month fiscal year period from July 1, 2024 through June 30, 2025 ("ROPS 24-25") was duly submitted by the Successor Agency and approved by the Oversight Board and the DOF, with certain changes in the amount of RPTTF approved for allocation to the Successor Agency for payment of its enforceable obligations during the 2024-2025 Fiscal Year including payment of debt service on outstanding bonds of the Successor Agency and other obligations. In particular, as a part of the ROPS, there is a summary of cash balances, including the expenditures and excess cash during the 12-month fiscal year period from July 1, 2021 through June 30, 2022 (i.e. the ROPS 21-22 period) that becomes a prior period adjustment ("PPA") to the amount of RPTTF approved for allocation to the Successor Agency for the ROPS 24-25 period; and

WHEREAS, the PPA for ROPS 21-22 was mistakenly calculated by not including a bond payment expenditure of One Million One Hundred Seventy-Nine Thousand Five Hundred Eighty-Nine Dollars and Seventy-Eight Cents (\$1,179,589.78) made during a bond refunding process in Fiscal Year 2021-2022 and, as a result, reduced the amount of RPTTF approved to be paid to the Successor Agency for the Successor Agency's ROPS 24-25 enforceable obligations by a total PPA amount of One Million One Hundred Sixty-Four Thousand Three Hundred Sixty Dollars (\$1,164,360). In addition, there were other inaccuracies in the calculations of funds that the DOF had presumed were available to pay for the Successor Agency's ROPS 24-25 enforceable obligations. Therefore, DOF reduced the amount of RPTTF approved for distribution in the Fiscal Year 2024-2025 to pay for the Successor Agency's ROPS 24-25 enforceable obligations. As a result, the RPTTF that has been received on June 1, 2024, and that will be received on January 2, 2025, to pay enforceable obligations from July 1, 2024, through June 30, 2025, is insufficient to pay all approved ROPS 24-25 enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025, administrative costs, and other obligations; and

WHEREAS, the County-Auditor Controller has concurred that the PPA for ROPS 21-22 was mistakenly calculated and has since agreed in writing to correct the RPTTF to be distributed to the Successor Agency. However, when these inaccuracies were discovered, it was too late for the DOF to re-issue its funding determination approval letter for ROPS 24-25 to correct the discrepancy; and

WHEREAS, pursuant to H&S Code Section 34173(h) of the Dissolution Law, the City is authorized, in the City's discretion, to loan or grant funds to the Successor Agency for the payment of administrative costs, enforceable obligations, or project-related expenses that qualify as an enforceable obligation, and only to the extent that the Successor Agency receives an insufficient distribution from the RPTTF or other approved sources of funding are insufficient to pay approved enforceable obligations in the ROPS period. H&S Code Section 34173(h) further requires that the receipt and use of these loan or grant funds shall be reflected on the Successor Agency's ROPS or the administrative budget, and therefore are subject to the oversight and approval of the Oversight Board. Once approved by the Oversight Board, an enforceable obligation shall be deemed to be created for the repayment of those loans. The interest payable on any loan created pursuant to H&S Code Section 34173(h) shall be calculated on a fixed annual simple basis and applied to the outstanding principal amount until

fully paid, at a rate not to exceed the most recently published interest rate earned by funds deposited into the Local Agency Investment Fund during the previous fiscal quarter. Repayment of loans created under H&S Code Section 34173(h) shall be applied first to principal, and second to interest, and shall be subordinate to other approved enforceable obligations, and shall be repaid to the extent RPTTF allocated to the Successor Agency is available after fulfilling other enforceable obligations approved in the Successor Agency's ROPS; and

WHEREAS, pursuant to H&S Code Section 34177.3(b), the Successor Agency may create enforceable obligations to conduct the work of winding down the former Redevelopment Agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance; and

WHEREAS, to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, including certain tax allocation bond debt and reserve payments that are due by the Successor Agency in May/June 2025, and to have adequate funds for administration costs and other obligations, the City desires to loan to the Successor Agency an amount not to exceed One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920); and

WHEREAS, subject to approval by the Oversight Board, the Successor Agency may enter into this Loan Agreement with the City pursuant to the authority granted by H&S Code Sections 33220, 33610, 34173(h), 34177.3 and 34180(h); and

WHEREAS, the City and the Successor Agency have determined that entering into this Loan Agreement is in the best interests of the City and the Successor Agency; and

WHEREAS, after reviewing the terms of the proposed Loan Agreement between the City and the Successor Agency, the Loan from the City to the Successor Agency, and the Successor Agency's repayment of such Loan, and after reviewing any written and oral comments from the public relating thereto, the Successor Agency desires, subject to Oversight Board approval, to approve the terms of the Loan and the proposed Loan Agreement and to make the following accompanying findings, resolutions and determinations.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS by the Imperial Beach Redevelopment Agency Successor Agency that:

Section 1. The foregoing recitals are true and correct.

Section 2. The Successor Agency hereby finds and determines that the proposed Loan Agreement and the Loan are necessary for the Successor Agency to meet its fiduciary responsibilities for the purpose of paying the enforceable obligations, including administrative costs, set forth in the Loan Agreement.

Section 3. The Successor Agency hereby approves: (i) the proposed Loan Agreement as an enforceable obligation under the Dissolution Law, wherein the City would provide the Loan to the Successor Agency for the purpose of paying the enforceable obligations, including administrative costs, set forth in the Loan Agreement; and (ii) the Successor Agency's repayment of the Loan to the City in each fiscal year period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

Section 4. The Successor Agency hereby authorizes (i) the Executive Director to execute the proposed Loan Agreement with the City consistent with the terms of the Loan Agreement and the Loan approved by this Resolution, including without limitation the City's loan/advance of the Loan in the amount not to exceed One Million Three Hundred Fifteen Thousand Nine Hundred Twenty Dollars (\$1,315,920); and (ii) the Successor Agency's repayment of the Loan to the City in each fiscal year period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

Section 5. This Resolution shall take effect at the time and in the manner prescribed in H&S Code Section 34179(h).

Section 6. The Successor Agency determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

Section 7. The Secretary shall certify as to the adoption of this Resolution.

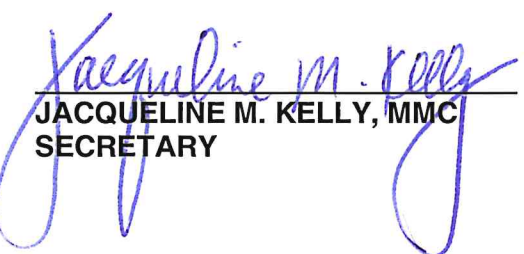
PASSED, APPROVED, AND ADOPTED by the Imperial Beach Redevelopment Agency Successor Agency at its special meeting held on the 17th day of December 2024, by the following vote:

AYES:	BOARDMEMBERS:	LEYBA-GONZALEZ, FISHER, SEABURY, MCKAY, AGUIRRE
NOES:	BOARDMEMBERS:	NONE
ABSENT:	BOARDMEMBERS:	NONE



PALOMA AGUIRRE,
CHAIRPERSON

ATTEST:



JACQUELINE M. KELLY, MMC
SECRETARY