

RESOLUTION NO. 2013-002 OB

**RESOLUTION OF THE OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN LEANDRO**

**APPROVING THE SETTLEMENT AGREEMENT WITH
THE ESTATE OF JAMES KING, ET AL.**

WHEREAS, the Redevelopment Agency of the City of San Leandro and the Estate of James King, et al (the "**King Parties**") entered into that certain Amended Reimbursement and Performance Agreement dated May 19, 2000 (the "**Guaranty Agreement**") pursuant to which the Redevelopment Agency agreed to guaranty certain payments to the King Parties; and

WHEREAS, on June 28, 2011 the legislature adopted Assembly Bill 26 ("**AB 26**"), which dissolved all redevelopment agencies as of February 1, 2012; and

WHEREAS, pursuant to Resolution No. 2012-001, adopted by the City Council of the City of San Leandro on January 9, 2012, the City of San Leandro ("**City**") agreed to serve as the successor agency ("**Successor Agency**") to the Redevelopment Agency of the City of San Leandro (the "**Redevelopment Agency**") commencing upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, the California State Legislature adopted and the Governor signed Assembly Bill 1484 ("**AB 1484**") as a budget trailer bill that went into effect on June 27, 2012; and

WHEREAS, AB 26 and AB 1484 are collectively referred to as the "Redevelopment Dissolution Law"; and

WHEREAS, the King Parties filed suit against the City and the Successor Agency to enforce the provisions of the Guaranty Agreement as Alameda County Superior Court Case No. HG12-614907 and Case No. HG12-630231 (collectively, the "**Lawsuits**"); and

WHEREAS, the Successor Agency and the Oversight Board are authorized to terminate the Guaranty Agreement and provide compensation for the termination of the Guaranty Agreement; and

WHEREAS, the City and the Successor Agency have agreed to a settlement agreement, (the "**Settlement Agreement**") in the form on file with the Oversight Board Secretary, which has been approved by the Alameda County Superior Court; and

WHEREAS, the amounts to be paid by the Successor Agency to the King Parties under the Settlement Agreement are significantly less than the \$46,000,000 exposure to the Successor Agency under the Guaranty Agreement; and

WHEREAS, the Settlement Agreement provides certainty to the taxing entities as to the amounts to be paid out of the Redevelopment Property Tax Trust Fund (as defined in AB 1484) held by the County; and

WHEREAS, Section 1(j)(4) of AB 26 requires the Successor Agency to expeditiously wind down the affairs of the former redevelopment agency; and

WHEREAS, pursuant to Section 34171(d)(1)(D) of the Redevelopment Dissolution Law, court approved settlements constitute Enforceable Obligations of the Successor Agency; and

WHEREAS, pursuant to Section 34181(e) of the Redevelopment Dissolution Law, the Oversight Board is authorized to review existing agreements between the former redevelopment agency and private parties and determine whether the agreements should be revised or terminated to reduce liabilities, then approve termination if it finds it in the best interest of the taxing entities; and

WHEREAS, pursuant to Section 34179(i) of the Redevelopment Dissolution Law, the Oversight Board bears a fiduciary duty to both taxing entities and the holders of Enforceable Obligations.

NOW THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San Leandro hereby resolves as follows:

1. The Oversight Board hereby approves the Settlement Agreement in its entirety in the form approved by Alameda County Superior Court and on file with the Board Secretary.
2. The Executive Director and his designees are authorized and directed to take all actions necessary to implement this Resolution, including without limitation the transmittal of the Settlement Agreement and this Resolution to the Department of Finance and the County Auditor-Controller.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO ON FEBRUARY 13, 2013 BY THE FOLLOWING VOTE:

AYES: GIN, GRANT, HERNANDEZ, JERMANIS, CHAIRPERSON CHAN (5)


NOES: MACK-ROSE (1)

ABSTAIN:

ABSENT: WILLIAMS (1)

ATTEST:


Secretary


Chair