

**AGENDA OF A REGULAR MEETING - SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY
REDEVELOPMENT AGENCY**



**COUNCIL CHAMBERS
CIVIC CENTER
1243 National City Blvd.
National City, CALIFORNIA**

TUESDAY, NOVEMBER 18, 2014 – 6:00 PM

RON MORRISON
Chairman

LUIS NATIVIDAD
Boardmember

JERRY CANO
Boardmember

MONA RIOS
Boardmember

ALEJANDRA SOTELO-SOLIS
Boardmember

ORDER OF BUSINESS: Public sessions of all Regular Meetings of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency begin at 6:00 p.m. on the first and third Tuesday of each month. Public hearings begin at 6:00 p.m. unless otherwise noted. Closed Sessions begin at 5:00 p.m. or such other time as noted on the agenda. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda.

REPORTS: All regular meeting agenda items and reports as well as all documents and writings distributed to the Board less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Board are webcast and archived on the City's website **WWW.NATIONALCITYCA.GOV**.

PUBLIC COMMENTS: Prior to the Business portion of the agenda, the Board will receive public comments regarding any matters within the jurisdiction of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency. Members of the public may also address any item on the agenda at the time the item is considered by the Board. Persons who wish to address the Board are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or irrelevant.

WRITTEN AGENDA: With limited exceptions, the Board may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

**1243 National City Blvd.
National City
619-336-4300**

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to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

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Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audiófonos están disponibles en el pasillo al principio de la junta.

THE BOARD REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING BOARD MEETINGS.

OPEN TO THE PUBLIC
SUCCESSOR AGENCY AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC ORAL COMMUNICATIONS (THREE-MINUTE TIME LIMIT)

CONSENT CALENDAR

1. [Approval of the Minutes of the Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of October 21, 2014. \(City Clerk\)](#)
2. [Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the transfer of appropriations within Fund 722 - S/A previously Low/Mod Housing Fund. \(Community Development\)](#)
3. [Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute a Third Amendment to the Agreement for Legal Services between the Successor Agency and Christensen & Spath, LLP, to extend the term for two years and increase the not to exceed amount by \\$100,000, for a total agreement amount of \\$450,000. \(City Attorney\)](#)
4. [Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute a Sixth Amendment to the Agreement for Legal Services between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, the City of National City, and Best Best & Krieger, LLP, for the defense in the Community Youth Athletic Center legal challenge to increase the not to exceed amount by \\$225,000 for a total not-to-exceed amount of \\$787,500. \(City Attorney\)](#)
5. [Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency \(“Successor Agency”\) authorizing the Chairman to execute the Agreement of Resignation, Appointment and Acceptance by and between the Successor Agency, Deutsche Bank National Trust Company \(“Deutsche Bank”\), US Bank National Association \(“US Bank”\), and Ambac Assurance Corporation accepting the resignation of US Bank as trustee for the 2004](#)

[Tax Allocation Bonds, Series A, and 2005 Tax Allocation Refunding Bonds, Series B, and appointing Deutsche Bank as trustee. \(Finance\)](#)

6. [Successor Agency Warrant Register #13 for the period of 9/17/14 through 9/23/14 in the amount of \\$1,040.53. \(Finance\)](#)
7. [Successor Agency Warrant Register #14 for the period of 9/24/14 through 9/30/14 in the amount of \\$9,477.23. \(Finance\)](#)
8. [Successor Agency Warrant Register #15 for the period of 10/1/14 through 10/7/14 in the amount of \\$0.00. \(Finance\)](#)
9. [Successor Agency Warrant Register #16 for the period of 10/08/14 through 10/14/14 in the amount of \\$2,064.72. \(Finance\)](#)

PUBLIC HEARINGS

NON CONSENT RESOLUTIONS

NEW BUSINESS

STAFF REPORTS

CLOSED SESSION REPORT

ADJOURNMENT

Regular Meeting - Successor Agency to the Community Development Commission as the National City Redevelopment Agency Meeting – Tuesday - December 2, 2014 – 6:00 p.m. – Council Chambers – National City, California.

Regular Meeting - Successor Agency to the Community Development Commission Meeting Schedule for the period of December 2, 2014 through January 20, 2015.

December 02 - Regular Meeting
December 16 – Regular Meeting
January 06 – (Dispense with meeting)
January 20 – Regular Meeting

The following page(s) contain the backup material for Agenda Item: Approval of the Minutes of the Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of October 21, 2014. (City Clerk)

Item #____
11/18/14

**APPROVAL OF THE MINUTES OF THE
REGULAR MEETING OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT
AGENCY OF OCTOBER 21, 2014.**

(City Clerk)

DRAFT DRAFT DRAFT

**MINUTES OF THE REGULAR MEETING OF THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY**

October 21, 2014

The Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 9:50 p.m. by Chairman Ron Morrison.

ROLL CALL

Board members present: Cano, Morrison, Natividad, Sotelo-Solis.

Board members absent: Rios.

Administrative Officials present: Dalla, Deese, Raulston, Silva.

PUBLIC ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 1 (Minutes), Item Nos. 2 through 4 (Warrant Registers). Motion by Sotelo-Solis, seconded by Cano, to approve the Consent Calendar. Carried by the following vote, to-wit: Ayes: Cano, Morrison, Natividad, Sotelo-Solis. Nays: None. Absent: Rios. Abstain: None.

APPROVAL OF MINUTES

1. Approval of the Minutes of the Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of October 7, 2014. (City Clerk)

ACTION: Approved. See above.

SUCCESSOR AGENCY 2014 (406-10-12)

2. Amendment to Successor Agency Warrant Register #10 for the period of 08/27/14 through 09/02/14 in the amount of \$573,776.32. (Finance)

ACTION: Approved. See above.

SUCCESSOR AGENCY 2014 (406-10-12)

3. Successor Agency Warrant Register #11 for the period of 09/03/14 through 09/09/14 in the amount of \$0.00. (Finance)

ACTION: Approved. See above.

CONSENT CALENDAR (cont.)

SUCCESSOR AGENCY 2014 (406-10-12)

4. Successor Agency Warrant Register #12 for the period of 09/10/14 through 09/16/14 in the amount of \$5,000.00. (Finance)

ACTION: Approved. See above.

NON CONSENT RESOLUTION

SUCCESSOR AGENCY 2014 (406-10-12)

5. Resolution No. 2014-53. RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY APPROVING A LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5. (Housing, Grants, & Asset Management)

RECOMMENDATION: Approve the Long Range Property Management Plan. (Copy on file in the Office of the City Clerk.)

TESTIMONY: None.

ACTION: Motion by Sotelo-Solis, seconded by Natividad, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Morrison, Natividad, Sotelo-Solis. Nays: None. Absent: Rios. Abstain: None.

STAFF REPORTS

None.

CLOSED SESSION REPORT

Agency Counsel Claudia Silva stated that there was nothing to report from the Closed Session. (See attached Exhibit 'L')

ADJOURNMENT

Motion by Cano, seconded by Natividad, to adjourn the meeting to the next Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held Tuesday, November 18, 2014, 6:00 p.m., Council Chambers, National City, California. Carried by the following vote, to-wit: Ayes: Cano, Morrison, Natividad, Sotelo-Solis. Nays: None. Absent: Rios. Abstain: None.

The meeting closed at 10:16 p.m.

Secretary

The foregoing minutes were approved at the Regular Meeting of November 18, 2014.

Chairman

DRAFT

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY
AND
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION AS THE NATIONAL CITY REDEVELOPMENT
AGENCY

Main Conference Room
Civic Center
1243 National City Boulevard
National City, California

Special Meeting – Tuesday, October 21, 2014 – 5:00 p.m.

ROLL CALL

CLOSED SESSION

CITY COUNCIL

1. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(a)
City of National City v. Nagraj, Inc.
San Diego Superior Court Case No. 37-2010-00077984-CU-EI-SC
2. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(a)
City of National City v. Al-Bayati
San Diego Superior Court Case No. 37-2010-00078027
3. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(a)
City of National City v. Puedan
San Diego Superior Court Case No. 37-2010-000779831
4. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(a)
Frank Lindsay v. City of National City
United States District Court Case No. 14CV0855L BLM

CLOSED SESSION (cont.)

CITY COUNCIL

5. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(a)
Isabel Padilla v. City of National City
San Diego Superior Court Case No. 37-2013-00030288
6. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(a)
City of National City, Successor Agency v. Morgan Square, Inc.
San Diego Superior Court Case No. 37-2013-00054606-CU-OR-CTL

SUCCESSOR AGENCY

1. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(a)
City of National City, Successor Agency v. Morgan Square, Inc.
San Diego Superior Court Case No. 37-2013-00054606-CU-OR-CTL

ADJOURNMENT

Next Regular City Council and Successor Agency Meetings: Tuesday, October 21, 2014,
6:00 p.m., Council Chambers, Civic Center

The following page(s) contain the backup material for Agenda Item: Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the transfer of appropriations within Fund 722 - S/A previously Low/Mod Housing Fund. (Community Development)

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: November 18, 2014

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Authorizing the Transfer of Appropriations Within Fund 722 – S/A Previously Low/Mod Housing Fund

PREPARED BY: Brad Rauiston, Executive Director

DEPARTMENT:

PHONE: (619) 336-4256

APPROVED BY: 

EXPLANATION:

The purpose of this resolution is to enable staff to correctly classify a Successor Agency expenditure of \$572,596 that was made to satisfy an order by the State Department of Finance to remit unobligated balances in the Low and Moderate Income Housing Fund to the County of San Diego's Auditor and Controller for distribution to affected taxing entities. There was insufficient time for staff to request a budget adjustment in advance of this payment being made. See attached staff report for further details.

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO. Transfer \$572,596 from account 722-409-500-598-1592 to account 722-409-000-212-0000

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

This is not a project and therefore not subject to environmental review.

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the resolution.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Staff Report with Attachment A (August 24, 2014 letter from State Department of Finance)
2. Resolution

Staff Report

The purpose of this resolution is to enable staff to correctly classify a Successor Agency expenditure of \$572,596 that was made to satisfy an order by the State Department of Finance to remit unobligated balances in the Low and Moderate Income Housing Fund to the County of San Diego's Auditor and Controller for distribution to affected taxing entities. There was insufficient time, as explained below, for staff to request a budget adjustment in advance of this payment being made.

Background:

As part of the Redevelopment Agency Dissolution process, successor agencies were required to engage a licensed accountant to conduct two due diligence reviews (DDR) to determine the unobligated balances available for transfer to affected taxing entities (governmental agencies that receive property tax revenues based on assessed values within the former redevelopment agency's boundaries). One such review was to be performed with respect to the low and moderate income housing fund (LMIHF) while the second one focused on all other funds of the former redevelopment agency combined. The State Department of Finance (DOF) is responsible for reviewing these DDRs and making determinations of how much each successor agency should transfer to affected taxing entities. In the case of the National City Successor Agency's LMIHF DDR, the DOF in November 2012 ordered the transfer of \$6,155,638 to the affected taxing entities. Staff appealed that determination and provided clarifying information over a lengthy period. Finally, on August 24, 2014, the Successor Agency received a letter from the DOF reducing the remittance amount to \$572,596 (see Attachment A). The Successor Agency had five days to make the payment and it was wired to the County Auditor and Controller on August 27, 2014. While the expense should have been charged to Fund 722 S/A Previously Low/Mod Housing, the only appropriations in the LMIHF were in the WI-TOD capital project account. For expediency, the expenditure was made using available appropriations in Fund 711, the Redevelopment Obligations Retirement Fund. The resolution would authorize staff to transfer \$572,596 from account 722-409-500-598-1592 WI-TOD Phase I to account 722-409-000-212-0000 Governmental Purposes. The transfer will leave approximately \$778,000 in the capital project which is sufficient to pay the remaining Phase I obligations to the developer of the project.



FINAL REVISION

August 24, 2014

Mr. Brad Raulston, Executive Director
City of National City
1243 National City Blvd.
National City, CA 91950

Dear Mr. Raulston:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supersedes all of the California Department of Finance's (Finance) previous Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) determination letters. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of National City Successor Agency (Agency) submitted an oversight board approved LMIHF DDR to Finance on October 18, 2012. Finance issued a LMIHF DDR determination letter on November 7, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer Session was held on December 4, 2012.

Based on a review of additional or clarifying information provided to Finance during the Meet and Confer process, Finance continues to believe the adjustments made to the DDR's stated balance of LMIHF available for distribution to the taxing entities is appropriate. HSC section 34179.6 (d) authorizes Finance to make these adjustments. We maintain the adjustments continue to be necessary for the following reason:

The Agency contends the retention of current balances is necessary in order to meet obligations related to the WI-TOD project due in the Recognized Obligation Payment Schedule (ROPS) periods covering fiscal year 2012-13. Finance originally denied the Agency's request to retain \$15,873,200 due to a lack of evidence there would be insufficient property taxes to pay the specified obligations. During the Meet and Confer process, the Agency provided additional information including a projection of annual revenue and spending requirements. Upon review of the additional information, Finance has concluded that although the Agency contends they will experience a deficit in ROPS periods through December 2015, there should be sufficient funds to cover future obligations. This determination is further supported by the January through June 2013 ROPS (ROPS III) Meet and Confer process where the WI-TOD project items were determined to be unenforceable.

Specifically, the Agency contends the WI-TOD items are in continuance of a Development and Disposition Agreement (DDA) between the former RDA and a third party dated June 21, 2011. Further review of the DDA shows the Agency is not required to perform these items; therefore, these are not enforceable obligations and not eligible for payment from the LMIHF.

HSC provides successor agencies with various methods to address short term cash flow issues, should they occur. These may include refinancing debt pursuant to HSC section 34177.5 (a), requesting a loan from the city pursuant to HSC section 34173 (h), or accumulating reserves for future obligations when a future balloon or uneven payment is expected. The Agency should seek counsel from their oversight board to determine the solution most appropriate for their situation.

Since the Agency has alternatives to address short term cash flow shortages, Finance deems it is not necessary for the Agency to retain the requested funds.

Subsequent to the Meet and Confer, the Agency provided additional information supporting that the Agency did not report a negative cash balance in the amount of \$3,649,724. Therefore, we have determined the total amount of assets held as of June 30, 2012 should be \$4,768,482. As such, the total amount of assets held as of June 30, 2012 has been decreased by \$3,649,724, from \$8,418,206 to \$4,768,482.

The Agency also provided information and documentation subsequent to the meet and confer to support that an additional \$1,933,318 should be retained to fund enforceable obligations approved for payment during the July through December 2012 ROPS period (ROPS II). We note that in our letter dated November 7, 2012 the Agency was permitted to retain \$1,067,568 for ROPS II and \$1,195,000 for ROPS III period obligations. Therefore, the Agency will be permitted to retain a total of \$4,195,886 (\$1,933,318 + \$1,067,568 + \$1,195,000) to fund enforceable obligations for approved for payment during ROPS II and ROPS III.

Finance notes that HSC section 34177 (a) (3) states that only those payments listed in the approved ROPS may be made from the funding source specified in the ROPS. However, HSC section 34177 (a) (4) goes on to state that with prior approval from the oversight board, the successor agency can make payments for enforceable obligations from sources other than those listed in the ROPS. In the future, the Agency should obtain prior oversight board approval when making payments for enforceable obligations from a funding source other than those approved by Finance.

As such, the Agency's LMIHF balance available for distribution to the affected taxing entities continues to be \$572,596 (see table below).

| LMIHF Balances Available For Distribution To Taxing Entities | |
|---|-------------------|
| Available Balance per DDR: | \$ (7,454,994) |
| Finance Adjustments | |
| Add: | |
| Requested retained balance not supported | 15,873,200 |
| Approved ROPS items | (4,195,886) |
| Adjustment to the June 30, 2012 balance | \$ (3,649,724) |
| Total LMIHF available to be distributed: | \$ 572,596 |

This is Finance's final determination of the LMIHF balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated September 11, 2012 do not in any way eliminate the Controller's authority.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Denise Davis, Executive Secretary, City of National City
Mr. Juan Perez, Senior Auditor and Controller Manager, County of San Diego
California State Controller's Office

RESOLUTION NO. 2014 –

RESOLUTION OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AUTHORIZING THE TRANSFER OF APPROPRIATIONS WITHIN
FUND 722 – S/A PREVIOUSLY LOW/MOD HOUSING FUND

WHEREAS, as part of the Redevelopment Agency Dissolution process, successor agencies were required to engage a licensed accountant to conduct two due diligence reviews (DDR) to determine the unobligated balances available for transfer to affected taxing entities (governmental agencies that receive property tax revenues based on assessed values within the former redevelopment agency's boundaries); and

WHEREAS, one such review was to be performed with respect to the low and moderate income housing fund ("LMIHF") while the second one focused on all other funds of the former redevelopment agency combined; and

WHEREAS, the State Department of Finance ("DOF") is responsible for reviewing these DDRs and making determinations of how much each successor agency should transfer to affected taxing entities; and

WHEREAS, in the case of the National City Successor Agency's LMIHF DDR, the DOF in November 2012 ordered the transfer of \$6,155,638 to the affected taxing entities. Staff disputed that determination and provided clarifying information over a lengthy period; and

WHEREAS, on August 24, 2014, the Successor Agency received a letter from the DOF reducing the remittance amount to \$572,596 with five days to make the payment, which was wired to the County Auditor and Controller on August 27, 2014; and

WHEREAS, while the expense should have been charged to Fund 722 S/A Previously Low/Mod Housing, the only appropriations in the LMIHF were in the WI-TOD capital project account. For expediency, the expenditure was made using available appropriations in Fund 711, the Redevelopment Obligations Retirement Fund; and

WHEREAS, this resolution is necessary to authorize staff to transfer \$572,596 from account 722-409-500-598-1592 WI-TOD Phase I to account 722-409-000-212-0000 Governmental Purposes, which will leave approximately \$778,000 in the capital project which is sufficient to pay the remaining Phase I obligations to the developer of the project.

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency to the Community Development Commission as the National City Redevelopment Agency hereby authorizes the transfer of \$572,596 from account 722-409-500-598-1592 WI-TOD Phase I to account 722-409-000-212-0000 Governmental Purposes.

[Signature Page to Follow]

PASSED and ADOPTED this 18th day of November, 2014.

Ron Morrison, Chairman

ATTEST:

Michael R. Dalla, City Clerk as
Secretary to the Successor Agency

APPROVED AS TO FORM:

Claudia Gacitua Silva
Successor Agency Counsel

The following page(s) contain the backup material for Agenda Item: Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute a Third Amendment to the Agreement for Legal Services between the Successor Agency and Ch

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: November 18, 2014

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") authorizing the Chairman to execute a Third Amendment to the Agreement for Legal Services between the Successor Agency and Christensen & Spath, LLP, to extend the term for two years and increase the not to exceed amount by \$100,000, for a total agreement amount of \$450,000.

PREPARED BY: Claudia Gacitua Silva

DEPARTMENT: Successor Agency Counsel

PHONE: Ext. 4222

APPROVED BY: 

EXPLANATION:

On December 7, 2010, the CDC and the law firm of Christensen & Spath entered into a two-year Agreement for the total amount of \$150,000, wherein the Firm agreed to provide litigation support and legal services for real estate transactions for both market rate and affordable housing redevelopment projects, as well as commercial and industrial projects. The firm is assisting the Agency with certain aspects of the WI-TOD Project.

Because all redevelopment agencies were dissolved by the State, the First Amendment dated October 30, 2012, was between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and Christensen & Spath to extend the term for two years, expiring December 6, 2014, and to increase the not to exceed amount by \$125,000. On April 1, 2014, the Successor Agency approved the Second Amendment to increase the not to exceed amount by \$75,000, for a total Agreement amount of \$350,000.

A third amendment is necessary to extend the term for two years, expiring December 6, 2016, and to increase the not-to-exceed amount by \$75,000, for a total Agreement amount of \$450,000, for continued legal services in the on-going WI-TOD Project and the Morgan Square litigation. The Third Amendment will require the approval of the Oversight Board to the Successor Agency and the California Department of Finance prior to being effective.

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO.

APPROVED: _____ MIS

Funds are budgeted in Account 711-409-000-209-0000.

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt proposed resolution.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

- Third Amendment to the Agreement with Christensen & Spath, LLP for Legal Services
- Proposed resolution

**THIRD AMENDMENT TO AGREEMENT
BY AND BETWEEN
THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY,
AND
CHRISTENSEN & SPATH, LLP**

This Third Amendment to the Agreement is entered into this 18th day of November, 2014, by and between THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the "SUCCESSOR AGENCY") (formerly the Community Development Commission of the City of National City, a public body (the "CDC")), and CHRISTENSEN & SPATH, LLP, (the "FIRM").

RECITALS

- A. The CDC and the FIRM (the "Parties") entered into a two-year Agreement on December 7, 2010, (the "Agreement") wherein the FIRM agreed to provide legal services, as and when requested by the CDC, involving issues of affordable housing, redevelopment law, and related litigation, if requested, in the amount of \$150,000, and subject to the terms of the Agreement.
- B. Due to the dissolution of redevelopment agencies by the State of California, the Successor Agency adopted Resolution No. 2012-24, approving a First Amendment between the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY (the "SUCCESSOR AGENCY") and CHRISTENSEN & SPATH to extend the term of the Agreement for an additional two years, expiring on December 6, 2014, and increase the not to exceed amount by \$125,000, for a total not to exceed amount of \$275,000.
- C. On April 1, 2014, the Successor Agency approved the Second Amendment to increase the not to exceed amount by \$75,000 for ongoing legal expenses, for a total not to exceed amount of \$350,000.
- D. The affordable housing responsibilities remained under the CDC as the "CDC-HA".
- E. The FIRM currently represents the SUCCESSOR AGENCY in the litigation matter of Morgan Square, (Superior Court Case No. 37-2013-00054606-CU-OR-CTL), and is currently assisting with ongoing legal aspects of the WI-TOD Project.
- F. The FIRM currently provides legal services to the CDC-HA in affordable housing matters.

- G. The Parties desire to amend the Agreement to extend the term for two additional years, with an expiration date of December 6, 2016, and increase the not to exceed amount by \$100,000, for a total not to exceed amount of \$450,000.
- H. This Third Amendment will require the approval of the Oversight Board to the Successor Agency and the California Department of Finance prior to being effective.

NOW, THEREFORE, the parties hereto agree that the Agreement entered into on December 7, 2010, shall be amended by amending Article 12 of the Agreement by extending the term of the Agreement for two additional years, expiring December 6, 2016.

THE PARTIES FURTHER AGREE that Article 3 (Compensation), Section C of the Agreement shall be amended to increase the not to exceed amount by \$100,000, for a total not to exceed amount of \$450,000.

THE PARTIES FURTHER AGREE that with the foregoing exception, each and every term and provision of the Agreement dated December 7, 2010, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to the Agreement on the date and year first above written.

**SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION AS THE NATIONAL CITY
REDEVELOPMENT AGENCY**

CHRISTENSEN & SPATH, LLP

By: _____
Ron Morrison, Chairman

By: _____
Charles Christensen, Esq.

APPROVED AS TO FORM:

By: _____
Claudia Gacitua Silva
Successor Agency General Counsel

RESOLUTION NO. 2014 –

RESOLUTION OF THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AUTHORIZING
THE CHAIRMAN TO EXECUTE THE THIRD AMENDMENT
TO THE AGREEMENT FOR LEGAL SERVICES BETWEEN
THE SUCCESSOR AGENCY AND CHRISTENSEN & SPATH, LLP,
TO EXTEND THE TERM FOR TWO YEARS AND INCREASE
THE NOT TO EXCEED AMOUNT BY \$100,000, FOR
A TOTAL AGREEMENT AMOUNT OF \$450,000

WHEREAS, on December 7, 2010, the Community Development Commission of the City of National City ("CDC") and the law firm of Christensen & Spath entered into a two-year Agreement for the total amount of \$150,000, wherein the Firm agreed to provide litigation support, and legal services for real estate transactions for both market rate and affordable housing redevelopment projects, as well as commercial and industrial projects; and

WHEREAS, on October 30, 2012, the Successor Agency adopted Resolution No. 2012-24 to extend the term of the Agreement for an additional two years (expiring December 6, 2014), and to increase the not to exceed amount by \$125,000; and

WHEREAS, on April 1, 2014, the Successor Agency adopted Resolution No. 2014-45 to increase the not to exceed amount by \$75,000, for a total not to exceed amount of \$350,000; and

WHEREAS, Christensen & Spath currently represents the Successor Agency in the litigation matter of Morgan Square, (Superior Court Case No. 37-2013-00054606-CU-OR-CTL), and is assisting with ongoing legal aspects of the WI-TOD Project; and

WHEREAS, the Parties desire to amend the Agreement to extend the term by two years, expiring on December 6, 2016, and to increase the not to exceed amount by \$100,000, for a total not to exceed amount of \$450,000; and

WHEREAS, this Third Amendment will require the approval of the Oversight Board to the Successor Agency and the California Department of Finance prior to being effective.

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency to the Community Development Commission as the National City Redevelopment Agency hereby authorizes the Chairman to execute a Third Amendment to the Agreement by and between the Successor Agency and Christensen & Spath, LLP, extend the term by two years, expiring on December 6, 2016, and to increase the not to exceed amount by \$100,000, for a total not to exceed amount of \$450,000. The Third Amendment to the Agreement is on file in the office of the City Clerk.

[Signature Page to Follow]

Resolution No. 2014 –
Page Two

PASSED and ADOPTED this 18th day of November, 2014.

Ron Morrison, Chairman

ATTEST:

Michael R. Dalla, City Clerk as
Secretary to the Successor Agency

APPROVED AS TO FORM:

Claudia Gacitua Silva
Successor Agency Counsel

The following page(s) contain the backup material for Agenda Item: Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute a Sixth Amendment to the Agreement for Legal Services between the Successor Agency to the Community De

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: November 18, 2014

AGENDA ITEM NO. |

ITEM TITLE: Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute a Sixth Amendment to the Agreement for Legal Services between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, the City of National City, and Best Best & Krieger, LLP, for the defense in the Community Youth Athletic Center legal challenge to increase the not to exceed amount by \$225,000 for a total not-to-exceed amount of \$787,500.

PREPARED BY: Claudia Gacitua Silva
PHONE: Extension 4222

DEPARTMENT: General Counsel

APPROVED BY: 

EXPLANATION:

Please see attached staff report.

FINANCIAL STATEMENT:

ACCOUNT NO.

Funds are budgeted in Account 711-409-000-209-0000.

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: **FINAL ADOPTION:**

STAFF RECOMMENDATION:

Adopt proposed resolution.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Staff report
Sixth Amendment to the Agreement with BB&K for Legal Services
Proposed resolution

STAFF REPORT

This matter is a result of the Community Youth Athletic Center (“CYAC”) legal challenge to the 2007 Redevelopment Plan Amendment. In addition to the Plan Amendment challenge, the CYAC made other claims, including violations of the Public Records Act and due process. This lawsuit has been working its way through the legal system since the Fall of 2007. Judge Denton invalidated the 2007 Redevelopment Plan Amendment, found that the Public Records Act was not complied with when draft notes and consultant’s documents were not provided, and found the CYAC was not provided due process because they did not have sufficient time to object to the plan amendment. The Court’s award of attorney’s fees totaling approximately two-million dollars (\$2,000,000) was appealed to the 4th District Court of Appeals. The case remains ongoing as it has been remanded to the trial court for further proceedings after appeal, and the trial court has requested additional briefing regarding petitioners’ most recent request for approximately \$2,400,000 in attorneys’ fees (which does not include the amount of attorney time CYAC has spent on the latest legal issue), thus continued legal representation remains necessary. Given the number of years this case has spanned, an extensive amount of legal work has been required to examine CYAC’s attorneys’ bills (involving entries by over twenty attorneys on petitioners’ side) in light of the Court of Appeals ruling. The extensive bill review and supplemental briefings for the trial court has exceeded the previously authorized amounts.

Bruce Beach and Rebecca Andrews of Best Best & Krieger, LLP (“BB&K”) have been our outside counsel in this case. Given the nature and 7 year length of the case, additional funds in the amount of \$225,000 are needed to fund the current opposition to the attorneys’ fees motion.

The Successor Agency and City Council have previously approved a total of \$562,500 for legal services in this case.

This Sixth Amendment to the Agreement in the amount of \$225,000 is necessary to pay for the ongoing litigation, which will bring the total not-to-exceed amount to \$787,500. This is anticipated to be the last amendment as the attorneys’ fees motions are the last outstanding issues in this matter. The Sixth Amendment will also require the approval of the Oversight Board and State Department of Finance prior to becoming effective.

**SIXTH AMENDMENT TO AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY,
THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY,
AND
BEST BEST & KRIEGER, LLP**

This Sixth Amendment to Agreement is entered into this 21st day of November, 2014, by and between THE CITY OF NATIONAL CITY, a municipal corporation, (the "CITY"), THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, (the "SUCCESSOR AGENCY"), and BEST BEST & KRIEGER, LLP, (the "FIRM").

RECITALS

- A. The CITY, the SUCCESSOR AGENCY and the FIRM (the "Parties") entered into an agreement on October 9, 2010, ("the Agreement") wherein the FIRM agreed to provide legal services in the defense of the case entitled *Community Youth Athletic Association v. All Persons Interested in the Matter of the Amendment to National City's Redevelopment Plan as Adopted by Ordinance 2007-2295*, Case No. 37-2007-00076404-CU-EI-CTL, in the amount of \$160,000, and subject to the terms of the Agreement.
- B. The Parties entered into the First Amendment to the Agreement on October 18, 2011, (the "First Amendment") to increase the not-to-exceed amount of the Agreement by \$134,000, for a total Agreement not-to-exceed amount of \$294,000.
- C. The Parties entered into a Second Amendment on May 15, 2012 to increase the not-to-exceed amount by \$70,000 for a total not-to-exceed amount of \$364,000.
- D. The Parties entered into a Third Amendment on October 30, 2012 to increase the not-to-exceed amount of the Agreement by \$45,000 for a total not-to-exceed amount of \$409,000.
- E. The Parties entered into a Fourth Amendment on September 3, 2013 to increase the not-to-exceed amount of the Agreement by \$53,500 for a total not-to-exceed amount of \$462,500.
- F. The Parties entered into a Fifth Amendment on February 18, 2014 to increase the not-to-exceed amount of the Agreement by \$100,000 for a total not-to-exceed amount of \$562,500.
- G. The Parties desire to amend the Agreement to increase the not-to-exceed amount of the Agreement by \$225,000 for a total not-to-exceed amount of \$787,500.
- H. The case remains on-going as it has been remanded to the trial court for further proceedings after appeal, which has necessitated the retention of experts, the detailed review of seven years' worth of legal bills involving entries by over twenty attorneys on petitioners' side, and the trial court has requested additional briefing regarding petitioners' request for approximately \$2,400,000 in attorneys' fees, thus additional funding for continued legal representation remains necessary.

- I. On February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing, and enforcing the enforceable obligations of the former redevelopment agencies.
- J. This Sixth Amendment will require the approval of the Oversight Board to the Successor Agency and the California Department of Finance prior to being effective.

NOW, THEREFORE, the Parties agree that the Agreement entered into on October 9, 2010, and amended on October 18, 2011, May 15, 2012, October 30, 2012, September 3, 2013, and February 18, 2014 shall be amended by amending Article 3 (Compensation), Section C of the Agreement by increasing the not-to-exceed amount by \$225,000 for a total not-to-exceed amount of \$787,500.

The parties further agree that with the foregoing exception, each and every term and provision of the Agreement dated October 9, 2010, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment to the Agreement on the date and year first above written.

**SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION AS THE
NATIONAL CITY REDEVELOPMENT AGENCY**

BEST, BEST, & KRIEGER, LLP

By: _____
Ron Morrison, Chairman

By: _____
Bruce Beach, Esq.

APPROVED AS TO FORM:

By: _____
Claudia G. Silva
Successor Agency Counsel

CITY OF NATIONAL CITY

By: _____
Ron Morrison, Mayor

APPROVED AS TO FORM:

By: _____
Claudia G. Silva
City Attorney

RESOLUTION NO. 2014 –

RESOLUTION OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AUTHORIZING THE CHAIRMAN TO EXECUTE A SIXTH
AMENDMENT TO THE AGREEMENT FOR LEGAL SERVICES BY
BEST BEST & KRIEGER, LLP, FOR THE DEFENSE IN THE CYAC
LEGAL CHALLENGE TO INCREASE THE NOT TO EXCEED
AMOUNT BY \$225,000, FOR A TOTAL AMOUNT OF \$787,500

WHEREAS, on November 23, 2010, the Community Development Commission of the City of National City ("CDC") adopted Resolution No. 2010-265 approving an Agreement between the City of National City, the CDC, and Best Best & Krieger, LLP ("BB&K"), to provide legal defense services regarding the Community Youth Athletic Center ("CYAC") litigation in the not to exceed amount of \$160,000; and

WHEREAS, on October 18, 2011, the CDC (now the Successor Agency) adopted Resolution No. 2011-233 approving the First Amendment to the Agreement that increased the not to exceed amount by \$134,000, bringing the total not to exceed amount to \$294,000; and

WHEREAS, on May 15, 2012, the Successor Agency adopted Resolution No. 2011-10 authorizing the Second Amendment to the Agreement in the amount of \$70,000 for the on-going appeal process, for a total not-to-exceed amount of \$364,000; and

WHEREAS, on October 30, 2012, the Successor Agency adopted Resolution No. 2012-25 authorizing the Third Amendment to the Agreement in the amount of \$45,000 for the on-going appeal process, for a total not-to-exceed amount of \$409,000; and

WHEREAS, on September 17, 2014, the Successor Agency adopted Resolution No. 2013-38 authorizing the Fourth Amendment to the Agreement in the amount of \$53,500 for the on-going appeal process, for a total not-to-exceed amount of \$462,500; and

WHEREAS, on February 18, 2014, the Successor Agency adopted Resolution No. 2014-42 authorizing the Fifth Amendment to the Agreement in the amount of \$100,000 for the on-going appeal process, for a total not-to-exceed amount of \$562,500; and

WHEREAS, the case remains on-going as it has been remanded to the trial court for further proceedings after appeal, which has necessitated the retention of experts, the detailed review of seven years' worth of legal bills involving entries by over twenty attorneys on petitioners' side, and the trial court has requested additional briefing regarding petitioners' request for approximately \$2,400,000 in attorneys' fees, thus additional funding for continued legal representation remains necessary; and

WHEREAS, this Sixth Amendment to the Agreement in the amount of \$225,000 is necessary for the ongoing litigation, which will bring the total not-to-exceed amount to \$787,500; and

WHEREAS, the Sixth Amendment must also be approved by the Oversight Board and State Department of Finance prior to becoming effective.

NOW, THEREFORE, BE IT RESOLVED that the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency hereby authorizes the Chairman to execute the Sixth Amendment to the Agreement with Best Best & Krieger, LLP ("BB&K"), to increase the not to exceed amount by \$225,000, which will bring the total not-to-exceed amount to \$787,500, to cover legal services for the ongoing Community Youth Athletic Center ("CYAC") litigation. The Sixth Amendment to the Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 18th day of November, 2014.

Ron Morrison, Chairman

ATTEST:

Michael R. Dalla, City Clerk as
Secretary to the Successor Agency

APPROVED AS TO FORM:

Claudia Gacitua Silva
Successor Agency Counsel

The following page(s) contain the backup material for Agenda Item: Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (“Successor Agency”) authorizing the Chairman to execute the Agreement of Resignation, Appointment and Acceptance by and between the Succe

**CITY OF NATIONAL CITY, CALIFORNIA
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
COUNCIL AGENDA STATEMENT**

MEETING DATE: November 18, 2014

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") authorizing the Chairman to execute the Agreement of Resignation, Appointment and Acceptance by and between the Successor Agency, Deutsche Bank National Trust Company ("Deutsche Bank"), US Bank National Association ("US Bank"), and Ambac Assurance Corporation accepting the resignation of US Bank as trustee for the 2004 Tax Allocation Bonds, Series A, and 2005 Tax Allocation Refunding Bonds, Series B, and appointing Deutsche Bank as trustee.

PREPARED BY: Mark Roberts, Director of Finance

DEPARTMENT: Finance

PHONE: 619-336-4265

APPROVED BY: _____

EXPLANATION:

Deutsche Bank National Trust Company ("Deutsche Bank") and the Community Development Commission of the City of National City ("CDC") entered into an indenture of trust dated as of June 1, 2004 and subsequent supplemental indentures of trust dated as of January 1, 2005, pursuant to which the CDC's 2004 Tax Allocation Bonds, Series A, and 2005 Tax Allocation Refunding Bonds, Series B, ("Bonds") were issued; and Deutsche Bank has been acting as trustee of the Bonds.

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency ("RDA"), the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

On March 18, 2013, Deutsche Bank sold its municipal bond trustee business to US Bank National Association ("US Bank"). In connection with the sale, Deutsche Bank wishes to resign as the trustee under the trust Indenture, and US Bank wishes to be appointed as the successor. The Agreement of Resignation, Appointment and Acceptance provides for US Bank, Deutsche Bank, the Successor Agency, and the bond insurer, Ambac Assurance Corporation, to agree to such resignation and appointment.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

NA

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the resolution.

BOARD / COMMISSION RECOMMENDATION:

NA

ATTACHMENTS:

1. Agreement
2. Resolution

AGREEMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE

THIS AGREEMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE (this "Agreement") dated as of November 4, 2014 by and among Deutsche Bank National Trust Company, a national banking association organized and existing under the laws of the United States of America (the "Resigning Trustee"), Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency" and "Issuer"), Ambac Assurance Corporation (the "Bond Insurer") and U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America (the "Successor").

WHEREAS, the Resigning Trustee, or its predecessor in interest, and the Issuer entered into the Indentures of Trust dated as of June 1, 2004, as supplemented as well as any and all ancillary agreements (together to be known as the "Governing Instruments") pursuant to which the Issuer's bonds, as set forth on the attached Schedule 1 (the "Bonds"), were issued; and the Resigning Trustee has been acting in the capacities assigned to it by the Governing Instruments (all such applicable roles being hereinafter included in the term the "Trustee");

WHEREAS, the purchase agreement, dated as of March 14, 2013 as the same may be amended from time to time by and among Deutsche Bank Trust Company Americas, Deutsche Bank National Trust Company, Deutsche Bank AG and U.S. Bank National Association provides for the sale of the Resigning Trustee's portfolio (the "Portfolio") of specified securities including the Governing Instruments to the Successor, subject to receipt of all required consents.

WHEREAS, pursuant to the Governing Instruments, the Resigning Trustee desires to resign as the Trustee, the Successor Agency desires to appoint the Successor as Trustee and the Successor desires to accept appointment as Trustee.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE I SUCCESSION

Section 1.1 Resignation of Resigning Trustee. The Resigning Trustee resigns as the Trustee as of the close of business August 23, 2013 (the "Effective Date"). The Successor Agency with the approval of the Bond Insurer, accepts such resignation and waives any required notice thereof.

Section 1.2 Appointment of Successor. The Successor Agency with the approval of the Bond Insurer appoints the Successor to serve as Trustee, with all the authority, rights, powers and immunities vested in, and all duties and obligations binding on, the Trustee, on the Effective Date. All rights, powers, duties, immunities and obligations of the Trustee shall be vested in and undertaken by the Successor on and from the Effective Date.

Section 1.3 Acceptance of Appointment; Notice to Bondholders. The Successor accepts its appointment as Trustee by the Successor Agency with all the authority, rights, powers and immunities vested in the Trustee and agrees to serve as Trustee and to perform the duties and obligations of the Trustee, on and from the Effective Date. The Successor agrees to notify the registered holders of the Bonds of the resignation of the Resigning Trustee and its appointment as Trustee to the extent, if any, and

in the manner, if any, required by the relevant Governing Instruments. The Successor also agrees to notify the Successor Agency and Bond Insurer in the event of a change in the Effective Date.

Section 1.4 Assignment of Powers and Property; Delivery of Documents. The Resigning Trustee, hereby confirms and assigns to the Successor, in trust under the Governing Instruments, all property, rights, powers, duties, trusts, immunities and obligations of the Resigning Trustee as Trustee. The Resigning Trustee confirms that it has transferred to the Successor (a) all moneys, securities and other assets held under the relevant Governing Instruments, (b) all documents relating to the trust created by the relevant Governing Instruments.

Section 1.5 Further Assurances. The Resigning Trustee agrees, upon reasonable request of the Successor, to execute, acknowledge and deliver such further instruments of transfer and further assurances and to do such other things as may reasonably be required for more fully and certainly vesting and confirming in Successor all the property, rights, powers, duties, trusts, immunities and obligations of the Resigning Trustee as Trustee.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Successor as follows:

(a) the relevant Governing Instruments and the Bonds were validly and lawfully executed and delivered by the Issuer and constitute obligations of the Issuer enforceable as provided therein by the Successor, subject to laws affecting creditors' rights and equitable principles;

(b) the Issuer has performed or fulfilled each covenant, agreement and condition on its part to be performed or fulfilled under the Governing Instruments on or prior to the date hereof; and

(c) to its knowledge, no event of default under the Governing Instruments has occurred and is continuing.

Section 2.2 Representations and Warranties of Resigning Trustee. Resigning Trustee hereby represents and warrants to Successor as follows:

(a) resigning Trustee is a national banking association, and is duly organized and existing under the laws of the United States of America;

(b) from March 14, 2013 until the date hereof, the Governing Instruments have not been amended or supplemented;

(c) from March 14, 2013 until the date hereof, Resigning Trustee has received no written notice of any event of default under the terms of the Governing Instruments; and

(d) to the knowledge of the officer of the Resigning Trustee who is responsible for the administration of the Governing Instruments, there is no suit, action, claim or proceeding pending or threatened against the Resigning Trustee related to the Bonds, the relevant Governing Instruments, or Resigning Trustee's administration of the trusts created under the Governing Instruments.

Section 2.3 Representations of Successor. The Successor hereby represents and warrants to Resigning Trustee and the Issuer as follows:

(a) The Successor is a national banking association, and is duly organized and existing under the laws of the United States of America; and

(b) The Successor is qualified and eligible to serve as Trustee under the Governing Instruments.

ARTICLE III MISCELLANEOUS

Section 3.1 Applicable Law. This Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provisions; provided, however, that as between the Resigning Trustee and the Successor, this Agreement shall be governed by the laws of the State of New York, without regard to its conflict of laws provisions, PROVIDED, FURTHER, THAT IN NO EVENT SHALL ANY CONTROVERSY, CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT TO WHICH THE ISSUER IS MADE A PARTY BE ADJUDICATED OUTSIDE OF THE STATE OF CALIFORNIA, AND FOR THE PURPOSES OF SUCH CONTROVERSY, CLAIM OR DISPUTE TO WHICH THE ISSUER IS A PARTY, THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

Section 3.2 Counterparts. This Agreement may be executed in a number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

Section 3.3 Preservation of Rights. Except as expressly provided herein, nothing contained in this Agreement shall in any way affect the obligations or rights of the Issuer, the Resigning Trustee, the Successor or any holder of the Bonds under the Governing Instruments. As between the Resigning Trustee and the Successor, nothing in this Agreement, express or implied, is intended or shall be construed to modify, expand or limit in any way the rights or obligations of the parties under, and the terms of, the Purchase Agreement.

Section 3.4 Severability. In the event any provisions of this Agreement shall be held invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 3.5 Survival of Obligations. Notwithstanding the resignation of the Resigning Trustee under the Governing Instruments, the Issuer shall remain obligated under the Governing Instruments to compensate, reimburse and indemnify the Resigning Trustee as provided in the Governing Instruments, and nothing contained in this Agreement shall in any way abrogate the obligations of the Issuer to the Resigning Trustee under the Governing Instruments or any lien created in favor of the Resigning Trustee thereunder.

Section 3.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Resigning Trustee, the Successor, and the Issuer and their respective successors and assigns.

Section 3.7 Amendments. This Agreement shall be amended only in a writing signed by the parties hereto.

Section 3.8 Approval. This Agreement shall require the approval of the Successor Agency, Oversight Board to the Successor Agency, and the California Department of Finance prior to being effective.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have executed this Agreement by their duly authorized corporate officers as of the date first above written.

AMBAC ASSURANCE CORPORATION
as Bond Insurer

SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION AS THE
NATIONAL CITY REDEVELOPMENT
AGENCY
as Successor Agency and Issuer

By _____

By _____

(print name and title above)

(print name and title above)

DEUTSCHE BANK NATIONAL TRUST
COMPANY
as Resigning Trustee

U.S. BANK NATIONAL ASSOCIATION
as Successor

By *Dennis D. Gillespie*

By *Terry McRoberts*

Dennis D. Gillespie
Its Director

Terry McRoberts
Its Executive Vice President

DEUTSCHE BANK NATIONAL TRUST
COMPANY
as Resigning Trustee

By *John Robertson*

John Robertson
Its Vice President

SCHEDULE 1

Community Development Commission of the City of National City, National City Redevelopment Project, 2004 Tax Allocation Bonds, Series A

Community Development Commission of the City of National City (National City Redevelopment Project) 2005 Tax Allocation Refunding Bonds, Series B

Ambac Assurance Corporation
Attn: Stephen Ksenak
One State Street Plaza
New York, NY 10004

Role: Insurer

Standard & Poor's
Attn:
55 Water Street 38th Floor
New York, NY 10041

Role: Rating Agency

RESOLUTION NO. 2014 –

RESOLUTION OF THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY AUTHORIZING
THE CHAIRMAN TO EXECUTE THE AGREEMENT OF RESIGNATION,
APPOINTMENT, AND ACCEPTANCE BY AND BETWEEN
THE SUCCESSOR AGENCY, DEUTSCHE BANK NATIONAL TRUST COMPANY,
US BANK NATIONAL ASSOCIATION, AND AMBAC ASSURANCE CORPORATION
ACCEPTING THE RESIGNATION OF US BANK AS TRUSTEE FOR
THE 2004 TAX ALLOCATION BONDS, SERIES A, AND 2005 TAX ALLOCATION
REFUNDING BONDS, SERIES B, AND APPOINTING DEUTSCHE BANK AS TRUSTEE

WHEREAS, Deutsche Bank National Trust Company (“Deutsche Bank”) and the Community Development Commission of the City of National City (“CDC”) entered into indentures of trust dated June 1, 2004, pursuant to which the CDC’s 2004 Tax Allocation Bonds, Series A, and 2005 Tax Allocation Refunding Bond, Series B, (“Bonds”) were issued, with Deutsche Bank acting as trustee of the Bonds; and

WHEREAS, pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City’s Redevelopment Agency, the City of National City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency; and

WHEREAS, on March 18, 2013, Deutsche Bank sold its municipal bond trustee business to US Bank National Association (“US Bank”). In connection with the sale, Deutsche Bank desires to resign as the trustee under the trust indenture, and US Bank desires to be appointed as the successor. The bond issuer, Ambac Assurance Corporation agrees to such resignation and appointment.

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency to the Community Development Commission as the National City Redevelopment Agency hereby authorizes the Chairman to execute the Agreement of Resignation, Appointment, and Acceptance by and between the Successor Agency, Deutsche Bank National Trust Company, US Bank National Association, and Ambac Assurance Corporation accepting the resignation of US Bank as Trustee for the 2004 Tax Allocation Bonds, Series A, and 2005 Tax Allocation Refunding Bonds, Series B, and appointing Deutsche Bank as trustee. The Agreement of Resignation, Appointment, and Acceptance is on file in the office of the City Clerk.

PASSED and ADOPTED this 18th day of November, 2014.

Ron Morrison, Chairman

ATTEST:

APPROVED AS TO FORM:

Michael R. Dalla, City Clerk as
Secretary to the Successor Agency

Claudia Gacitua Silva
Successor Agency Counsel

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #13 for the period of 9/17/14 through 9/23/14 in the amount of \$1,040.53. (Finance)

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: November 18, 2014

AGENDA ITEM NO. |

ITEM TITLE:

Successor Agency Warrant Register #13 for the period of 9/17/14 through 9/23/14 in the amount of \$1,040.53. (Finance)

PREPARED BY: K. Apalategui
PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: Mark Roberts

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

Attached is a detailed listing of all expenses totaling \$1,040.53 reimbursed by the Successor Agency for the period. Staff requests approval of reimbursement of the Successor Agency expenses.

FINANCIAL STATEMENT:

ACCOUNT NO.

Reimbursement total \$1,040.53.

APPROVED: Mark Roberts

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: **FINAL ADOPTION:**

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$1,040.53.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #13



**SUCCESSOR AGENCY
WARRANT REGISTER #13
9/23/2014**

| <u>PAYEE</u> | <u>DESCRIPTION</u> | <u>CHK NO</u> | <u>DATE</u> | <u>AMOUNT</u> |
|------------------------------|-----------------------------------|---------------|-------------|--------------------|
| POWER PLUS | EQUIPMENT RENTAL / S A | 314309 | 9/23/14 | 195.00 |
| STEWARTS TITLE OF CALIFORNIA | TITLE REPORT - APN #557-430-37-00 | 314310 | 9/23/14 | 750.00 |
| SWEETWATER AUTHORITY | WATER UTILITES / S A | 314311 | 9/23/14 | 95.53 |
| | | | A/P Total | <u>\$ 1,040.53</u> |
| | | | GRAND TOTAL | <u>\$ 1,040.53</u> |

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #14 for the period of 9/24/14 through 9/30/14 in the amount of \$9,477.23. (Finance)

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: November 18, 2014

AGENDA ITEM NO. |

ITEM TITLE:

Successor Agency Warrant Register #14 for the period of 9/24/14 through 9/30/14 in the amount of \$9,477.23. (Finance)

PREPARED BY: K. Apalategui

PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

Attached is a detailed listing of all expenses totaling \$9,477.23 reimbursed by the Successor Agency for the period. Staff requests approval of reimbursement of the Successor Agency expenses.

FINANCIAL STATEMENT:

ACCOUNT NO.

Reimbursement total \$9,477.23.

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$9,477.23.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #14



**SUCCESSOR AGENCY
WARRANT REGISTER #14
9/30/2014**

| <u>PAYEE</u> | <u>DESCRIPTION</u> | <u>CHK NO</u> | <u>DATE</u> | <u>AMOUNT</u> |
|--------------------------------|---------------------------------------|---------------|-------------|---------------|
| CHRISTENSEN & SPATH LLP | LEGAL / MORGAN SQUARE / S A | 314383 | 9/30/14 | 1,355.00 |
| KANE BALLMER & BERKMAN | LEGAL / S A OPERATIONS 397-500 | 314384 | 9/30/14 | 157.50 |
| LAW OFFICES OF EDWARD Z KOTKIN | LEGAL / GEN COUNSEL SVCS / S A | 314385 | 9/30/14 | 20.00 |
| MAZZARELLA LORENZANA LLP | LEGAL / ROSENOW, SPEVACEK GROUP / S A | 314386 | 9/30/14 | 4,899.65 |
| MEYERS NAVE | LEGAL / SANDOVAL, TRACY / S A | 314387 | 9/30/14 | 237.03 |
| NBS | LANDSCAPE MAINTENANCE DISTRICT / S A | 314388 | 9/30/14 | 825.55 |
| OPPER & VARCO LLP | LEGAL / WITOD / S A | 314389 | 9/30/14 | 1,982.50 |

A/P Total \$ 9,477.23

GRAND TOTAL \$ 9,477.23

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #15 for the period of 10/1/14 through 10/7/14 in the amount of \$0.00. (Finance)

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: November 18, 2014

AGENDA ITEM NO. |

ITEM TITLE:

Successor Agency Warrant Register #15 for the period of 10/1/14 through 10/7/14 in the amount of \$0.00. (Finance)

PREPARED BY: K. Apalategui
PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

No Successor Agency Warrants issued for the period of 10/01/14 – 10/07/2014.

FINANCIAL STATEMENT:

ACCOUNT NO.

Reimbursement total \$0.00.

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$0.00.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #15



**SUCCESSOR AGENCY
WARRANT REGISTER #15
10/7/2014**

| <u>PAYEE</u> | <u>DESCRIPTION</u> | <u>CHK NO</u> | <u>DATE</u> | <u>AMOUNT</u> |
|--------------|---|---------------|-------------|-----------------------------------|
| | NO CHARGES TO SUCCESSOR AGENCY FOR THE WEEK OF 10/1/14 - 10/7/14 | | | |
| | | | | A/P Total \$ <u> -</u> |
| | | | | GRAND TOTAL \$ <u> -</u> |

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #16 for the period of 10/08/14 through 10/14/14 in the amount of \$2,064.72. (Finance)

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: November 18, 2014

AGENDA ITEM NO. |

ITEM TITLE:

Successor Agency Warrant Register #16 for the period of 10/08/14 through 10/14/14 in the amount of \$2,064.72. (Finance)

PREPARED BY: K. Apalategui
PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

Attached is a detailed listing of all expenses totaling \$2,064.72 reimbursed by the Successor Agency for the period. Staff requests approval of reimbursement of the Successor Agency expenses.

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO.

APPROVED: _____ MIS

Reimbursement total \$2,064.72.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$2,064.72.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #16



**SUCCESSOR AGENCY
WARRANT REGISTER #16
10/14/2014**

| <u>PAYEE</u> | <u>DESCRIPTION</u> | <u>CHK NO</u> | <u>DATE</u> | <u>AMOUNT</u> |
|----------------------|----------------------------------|---------------|-------------|--------------------|
| SDG&E | GAS AND ELECTRIC UTILITIES / S A | 314622 | 10/14/14 | 207.36 |
| SWEETWATER AUTHORITY | WATER UTILITES / S A | 314623 | 10/14/14 | 657.36 |
| US BANK | ADMIN FEES 8/1/14 - 7/31/15 | 314624 | 10/14/14 | 1,200.00 |
| | | | A/P Total | <u>\$ 2,064.72</u> |
| | | | GRAND TOTAL | <u>\$ 2,064.72</u> |