

RESOLUTION NO. OB-34

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF CORONADO APPROVING THE SUCCESSOR AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5(b) AND AUTHORIZING RELATED ACTIONS

WHEREAS, the Community Development Agency of the City of Coronado (CDA) was a redevelopment agency in the City of Coronado, 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, the City Council for the City of Coronado adopted a redevelopment plan for Coronado's redevelopment project area, which redevelopment plan was amended from time to time; and

WHEREAS, the CDA was responsible for the administration of redevelopment activities within the City; 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, including adding Part 1.8 (commencing with Section 34161) (Part 1.8) and Part 1.85 (commencing with Section 34170) (Part 1.85) to Division 24 of the Health and Safety 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 CDA, 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, expeditiously winding down the business and fiscal affairs of the former redevelopment agencies, and disposing of assets of the former redevelopment agencies; and

WHEREAS, the City Council of the City of Coronado adopted Resolution No. 8525 on January 10, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the CDA upon the dissolution of the CDA on February 1, 2015 under AB 26; and

WHEREAS, on February 1, 2012, the CDA was dissolved by operation of law, and the Successor Agency to the Community Development Agency of the City of Coronado (Successor Agency) was established pursuant to AB 26; and

WHEREAS, AB 26 has since been amended by various assembly and senate bills enacted by the California Legislature and signed by the Governor (AB 26 as amended is hereinafter referred to as the Dissolution Laws); and

WHEREAS, Health and Safety Code Section 34179 of the Dissolution Laws establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the “oversight board.” The oversight board has been established for the Successor Agency (hereinafter referred to as the Oversight Board), and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Laws and include approving certain actions taken by the Successor Agency, directing the Successor Agency to take certain actions, and taking action on other matters pursuant to the Dissolution Laws in connection with the wind down process of the former CDA; and

WHEREAS, Pursuant to Health and Safety Code Section 34191.5(b) of the Dissolution Laws, once the California Department of Finance (DOF) issues a Finding of Completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7 of the Dissolution Laws, the Successor Agency shall prepare a Long-Range Property Management Plan (LRPMP) that addresses the disposition and use of certain real properties of the former CDA. The LRPMP shall be submitted to the Oversight Board and the DOF for approval no later than six (6) months following the issuance of the Finding of Completion to the Successor Agency; and

WHEREAS, the Dissolution Laws specifies that if the DOF has not approved the LRPMP by January 1, 2016, then Health and Safety Code Sections 34177(e) and 34181(a) provide for the Oversight Board to direct the Successor Agency to dispose of assets and distribute proceeds to the taxing entities; and

WHEREAS, Health and Safety Code Section 34191.5(a) of the Dissolution Laws provides for the establishment of a Community Redevelopment Property Trust Fund (Trust) to be administered by the Successor Agency which serves as the repository of real property of the former CDA identified in the Due Diligence Review (DDR) prepared pursuant to Health and Safety Code Section 34179.5(c)(5)(C) of the Dissolution Laws (i.e., Procedure 7 of the DDR); and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(a) of the Dissolution Laws, upon the approval of the LRPMP by the DOF, all real property and interests in real property identified in the DDRs prepared pursuant to Health and Safety Code Section 34179.5(c)(5)(C) of the Dissolution Laws (i.e., Procedure 7 of the DDRs) shall be transferred to the Trust, unless such property is subject to the requirements of any existing enforceable obligation; and

WHEREAS, Health and Safety Code Section 34191.5(c) of the Dissolution Laws requires that the LRPMP: (1) include an inventory of all properties in the Trust, which inventory shall consist of specific information relating to each such property including, without limitation, the date of and purpose for acquisition, value of property, applicable zoning, any property revenues and contractual requirements for dispositions of same, history of environmental issues and any related studies and remediation efforts, potential for transit-oriented development and advancement of planning objectives of the Successor Agency, and history of previous development proposals and activity; and (2) address the use or disposition of all properties in the Trust for: (i)

retention of property for governmental use pursuant to Health and Safety Code Section 34181(a) of the Dissolution Laws, (ii) retention of property for future development, (iii) sale of property, or (iv) use of property to fulfill an enforceable obligation; and

WHEREAS, on September 2, 2015, the DOF issued the Finding of Completion to the Successor Agency; and

WHEREAS, on October 20, 2015, the Successor Agency approved the LRPMP; and

WHEREAS, the proposed LRPMP, prepared in accordance with the Dissolution Laws, is attached as Exhibit 1 and is presented to the Oversight Board for review and approval; and

WHEREAS, the only real property asset of the former CDA to be addressed in the LRPMP is the undivided 2/15 interest in the property located at 250 Prospect Place in the City of Coronado, County of San Diego, State of California (Hospital Property). The 2/15 interest in the Hospital Property was identified in the DDR prepared pursuant to Health and Safety Code Section 34179.5(c)(5)(C) of the Dissolution Laws (i.e., Procedure 7 of the DDR); and

WHEREAS, the LRPMP (consisting of this Checklist and the Property Inventory Data both prepared in form by the DOF) includes all of the information required by Health and Safety Code Section 34191.5(c) of the Dissolution Laws; and

WHEREAS, pursuant to Health and Safety Code Section 34180(j) of the Dissolution Laws, the Successor Agency submitted a copy of the proposed LRPMP to the San Diego County Administrative Officer, the San Diego County Auditor-Controller, and the DOF at the same time that the Successor Agency submitted it to the Oversight Board for approval; and

WHEREAS, pursuant to Health and Safety Code Section 34191.3 of the Dissolution Laws, once the LRPMP is approved by the DOF pursuant to Health and Safety Code Section 34191.5(b) of the Dissolution Laws, the LRPMP shall govern and supersede all other provisions of the Dissolution Laws relating to the disposition and use of the Successor Agency's undivided interest in the Hospital Property; and

WHEREAS, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity 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; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency to the Community Development Agency of the City of Coronado hereby finds, resolves, and determines as follows:

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any constitutional, legal or equitable rights that the Successor Agency may have to challenge, through any administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of the Dissolution Laws, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of the Dissolution Laws, and any and all related legal and factual issues, and the Successor Agency expressly reserves any and all rights, privileges, and defenses available under law and equity.
- Section 3.** The Oversight Board approves the Successor Agency's Long-Range Property Management Plan (LRPMP), substantially in the form presented.
- Section 4.** In accordance with the LRPMP, the Oversight Board agrees, pursuant to Health and Safety Code Section 34191.5(c)(2) of the Dissolution Laws, that the Successor Agency's 2/15 undivided interest in the Hospital Property, and any additional interest acquired by the Successor Agency in the Hospital Property pursuant to the 2009 Acquisition Agreement, will be retained and leased to CHF for purposes of fulfilling the enforceable obligation of the 2009 Lease Agreement and preserving the availability of quality health care within the community. If, upon expiration of the lease term provided in the 2009 Lease Agreement, the interests in the Hospital Property are not sold pursuant to the option rights of purchase set forth in the 2009 Acquisition Agreement, then the Successor Agency will transfer its interests in the Hospital Property to the City pursuant to Health and Safety Code Section 34191.5(c)(2)(A)(i) of the Dissolution Laws for use as identified in the 5-Year Implementation Plan approved by the former CDA on December 15, 2009 (the 5-Year Implementation Plan, at Page 12, provides that the Hospital Property be used to preserve and improve health care facilities that serve the Redevelopment Project Area residents, businesses and visitors). If the Successor Agency transfers its interests in the Hospital Property to the City for use as identified in the 5-Year Implementation Plan, then, if required by the then applicable law and by order of the DOF or Oversight Board pursuant to Health and Safety Code Section 34191.5(c)(2)(A)(iii) of the Dissolution Laws, the City of Coronado will negotiate compensation agreement(s) with affected taxing entities to provide payments to them in proportion to their shares of the base property

tax for the value of the property interests retained for use as identified in the 5-Year Implementation Plan.

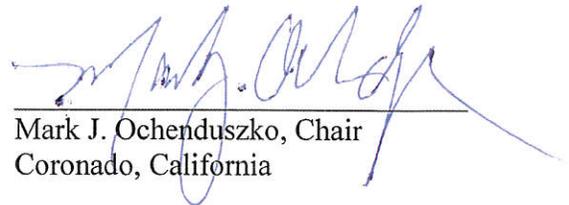
Section 5. The Oversight Board authorizes and directs the Executive Director, or designee, of the Successor Agency to: (i) submit the LRPMP, as approved by the Oversight Board, to the DOF electronically in PDF format and to the San Diego County Auditor-Controller; (ii) post a copy of the LRPMP, as approved by the Oversight Board, on the Successor Agency's internet website; (iii) revise the LRPMP and make such changes and amendments as necessary in order to complete the LRPMP in the manner provided by the DOF and to conform the LRPMP to the form or format as prescribed by the DOF; (iv) make non-substantive changes and amendments to the LRPMP deemed necessary and as approved by the Executive Director of the Successor Agency and its legal counsel; and (v) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency and the Oversight Board.

Section 6. If any provision of this Resolution or the application or any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable.

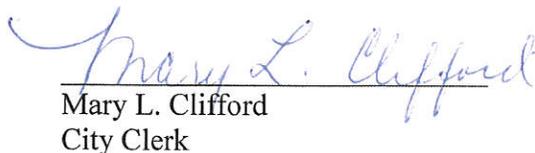
Section 7. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34191.5(b).

PASSED, APPROVED, AND ADOPTED this 2nd day of November 2015, at a special scheduled meeting of the Oversight Board of the Successor Agency to the Community Development Agency of the City of Coronado by the following votes, to wit:

AYES: OCHENDUSZKO, BUTLER, KING, ROESCH, OVROM, METZ
NAYS: NONE
ABSTAIN: SMISEK
ABSENT: NONE


Mark J. Ochenduszk, Chair
Coronado, California

ATTEST:


Mary L. Clifford
City Clerk

Successor Agency: THE CITY OF CORONADO

County: SAN DIEGO

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

HSC 34191.5 (c)(1)(C)			HSC 34191.5 (c)(2)			
No.	Address or Description	APN	Property Type	Permissible Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail
1	Undivided 2/15 interest in Property located at 250 Prospect Place, Coronado, California 92118 (see attached legal description), and any additional interest acquired by the Successor Agency in the Property pursuant to the 2009 Acquisition Agreement (an enforceable obligation).	536-180-06-00	Other. The property is zoned Civic Use. The Property is currently leased for a hospital use pursuant to the 2009 Lease Agreement (enforceable obligation).	Fulfill Enforceable Obligation	Fulfill an Enforceable Obligation	Pursuant to the 2009 Acquisition Agreement (enforceable obligation per HSC Section 34171(d)(1)(E)), the former Community Development Agency of the City of Coronado (CDA) acquired 2/15 undivided interest in the Property. Pursuant to the 2009 Acquisition Agreement, the CDA is obligated to acquire the remaining interest in the Property in annual undivided interest increments. Pursuant to the 2009 Lease Agreement (enforceable obligation per HSC Section 34171(d)(1)(E)), the Successor Agency is obligated to lease its interest in the Property to Coronado Hospital Foundation (CHF) for operation of a hospital. Pursuant to the 2009 Lease Agreement, the term of the lease expires on June 30, 2024, which lease term is subject to extension for two (2) additional terms of ten (10) years each for a potential lease term expiring on June 30, 2044. The LRPMP provides that the Successor Agency's 2/15 undivided interest in the Property currently leased to CHF under the 2009 Lease Agreement, and any additional interest that may be acquired by the Successor Agency in the Property pursuant to the 2009 Acquisition Agreement, be retained for the purpose of fulfilling the enforceable obligation of the 2009 Lease Agreement and preserving the availability of quality health care within the community. Thus, the Successor Agency will continue leasing its 2/15 undivided interest in the Property, and lease any additional interest acquired in the Property pursuant to the 2009 Acquisition Agreement, to CHF pursuant to the 2009 Lease Agreement, an enforceable obligation, as required under the 2009 Lease Agreement, in accordance with HSC Section 34191.5(c)(2) of the Dissolution Laws. Upon expiration of the lease term provided in the 2009 Lease Agreement (which expiration could potentially be June 30, 2044), the Successor Agency will be subject to the option rights of purchase set forth in the 2009 Acquisition Agreement, an enforceable obligation, and may be obligated to sell its 2/15 undivided interest in the Property, and any additional interest that it may have acquired in the Property pursuant to the 2009 Acquisition Agreement, as required by the 2009 Acquisition Agreement. However, if the interests in the Property are not sold pursuant to the option rights of purchase set forth in the 2009 Acquisition Agreement upon expiration of the lease term provided in the 2009 Lease Agreement, then the Successor Agency will transfer its interests in the Property to the City pursuant to HSC Section 34191.5(c)(2)(A)(i) of the Dissolution Laws for use as identified in the 5-Year Implementation Plan approved by the former CDA on December 15, 2009. The 5-Year Implementation Plan, at Page 12, provides that the Property be used to preserve and improve health care facilities that serve the Redevelopment Project Area residents, businesses and visitors. If the Successor Agency transfers its interests in the Property to the City for use as identified in the 5-Year Implementation Plan, then, if required by the then applicable law and by order of the DOF or Oversight Board pursuant to HSC Section 34191.5(c)(2)(A)(iii) of the Dissolution Laws, the City will negotiate compensation agreement(s) with affected taxing entities to provide payments to them in proportion to their shares of the base property tax for the value of the property interests retained for use as identified in the 5-Year Implementation Plan.
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