



**Oversight Board Members:**

Linda Jackson-Whitmore, Chair  
Chadrick Smalley, Vice Chair

John Marquez  
Jeff Lee

Whitney Dotson  
Janet Johnson

Sheri Gamba

## Agenda

### Meeting of the Oversight Board of the Successor Agency to the Richmond Community Redevelopment Agency

Tuesday, February 25, 2014  
6:00 pm

City of Richmond  
Richmond Room, 1st floor  
450 Civic Center Plaza  
Richmond CA, 94804

1. Call to Order
2. Roll Call
3. Public Comment  
Comments are limited to 3 minutes per speaker.
4. New Business Items
  - a. APPROVE the Oversight Board's September 26, 2013 meeting minutes.
  - b. CONSIDERATION of ADOPTING a resolution approving the Successor Agency to the Richmond Community Redevelopment Agency's Recognized Obligation Payment Schedule for the period July 1, 2014 to December 31, 2014 (ROPS 14-15A) pursuant to AB 1X26 and AB 1484.
  - c. CONSIDERATION of approving the transfer of Low/Moderate Income Housing Loan Portfolio to the Successor Housing Agency.
  - d. CONSIDERATION of approving transfer of (1) parcel.
6. Adjournment

Oversight Board meetings are not televised.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Lizeht Zepeda (510) 620-1730. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



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## Approved Meeting Minutes

Meeting of the Oversight Board of the Successor Agency to the  
Richmond Community Redevelopment Agency

Thursday, September 26, 2013  
6:00 pm

City of Richmond  
City Manager's Conference Room, 3<sup>rd</sup> floor  
450 Civic Center Plaza  
Richmond CA, 94804

1. Call to Order: 6:11 pm
2. Roll Call: Dotson, Jackson-Whitmore, Johnson, Lee, Marquez & Smalley.  
Absent: Gamba.
3. Public Comment (*Comments are limited to 3 minutes per speaker*)  
No Comments.
4. New Business Items
  - a. APPROVE the Oversight Board's April 11, 2013 special meeting, minutes.  
OB member Dotson moved to approved: seconded by OB member Smalley.
  - b. APPROVE the Oversight Board's June 20, 2013 meeting minutes.  
OB member Johnson moved to approve: seconded by OB member Marquez.
  - c. REPORT of actions by the Department of Finance (DOF).  
Synopsis by: OB Secretary Zepeda.
  - d. CONSIDERATION of ADOPTING a resolution approving the Successor Agency to the Richmond Community Redevelopment Agency's Recognized Obligation Payment Schedule for the period January 2014 to June 2014 (ROPS 13-14b) pursuant to AB 1X26 and AB 1484.  
OB member Smalley moved to approve: seconded by OB member Marquez.
6. Adjournment  
OB member Jackson-Whitmore moved to adjourn: seconded by OB member Smalley  
meeting adjourned at 7:29pm.

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**SUCCESSOR AGENCY TO THE  
RICHMOND COMMUNITY  
REDEVELOPMENT AGENCY**

# AGENDA REPORT

**DATE:** February 25, 2014

**TO:** Honorable Chairperson Linda Jackson-Whitmore and Members of the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency

**FROM:** Successor Agency Staff

**SUBJECT:** OVERSIGHT BOARD'S CONSIDERATION OF A RESOLUTION APPROVING THE SUCCESSOR AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15A PURSUANT TO AB 1X26 AND AB 1484

## **STATEMENT OF THE ISSUE:**

Staff is seeking adoption of a resolution approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS) covering the period July 2014 to December 2014 (ROPS 14-15a). The Oversight Board is required to approve a Recognized Obligation Payment Schedule ("ROPS") every six months pursuant to AB 1X26 and AB 1484.

## **RECOMMENDED ACTION:**

CONSIDERATION of ADOPTING a resolution approving the Successor Agency to the Richmond Community Redevelopment Agency's Recognized Obligation Payment Schedule for the period July 2014 to December 2014 (ROPS 14-15a) pursuant to AB 1X26 and AB 1484.

## **FINANCIAL IMPACT OF RECOMMENDATION:**

Funds not obligated in the ROPS 14-15a would be lost to the Successor Agency projects and programs and those funds would be directed to local taxing entities.

## **DISCUSSION:**

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## *Background*

AB 1X 26 suspended all new redevelopment activities and incurrence of indebtedness by terminating virtually all otherwise legal functions of redevelopment agencies and mandating a liquidation of any assets for the benefit of local taxing agencies. Some debts are allowed to be repaid, but any such remittances are to be managed by a successor agency that functions primarily as a debt repayment administrator. The successor agency cannot continue or initiate any new redevelopment projects or programs. The activities of the successor agency are overseen by an oversight board, comprised primarily of representatives of other taxing agencies, until such time as the remaining debts of the former redevelopment agency are paid off, all former agency assets are liquidated, and all property taxes redirected to local taxing agencies.

Under Health and Safety Code Section 34177(m), a Recognized Obligation Payment Schedule ("ROPS") must be prepared every six months and list all of the "enforceable obligations" of the former agency. The ROPS is subject to approval by the oversight board and the Department of Finance ("DOF"). "Enforceable obligations" include: bonds; loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; payments required by the federal government, preexisting obligations to the state or obligations imposed by state law; judgments, settlements or binding arbitration decisions that bind the agency; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the successor agency, including agreements to purchase or rent office space, equipment and supplies.

A budget trailer bill drafted by DOF purportedly to "clean up" certain conflicting and confusing provisions of AB1X26 was signed by Governor Jerry Brown on June 27<sup>th</sup>, 2012. This bill, AB 1484, made several substantive changes to AB1X26 including a provision that successor agencies that do not submit an approved ROPS by the statutory deadlines will be assessed a \$10,000 per day penalty for lateness.

## *Prior ROPS and Disputes*

On January 24, 2012 the City Council formed the Successor Agency to the Richmond Community Redevelopment Agency ("Successor Agency") and approved the First ROPS pursuant to AB 1X26. The First ROPS was approved by the Oversight Board on April 24, 2012. On May 1, 2012 the DOF deemed the First ROPS incomplete due to a formatting change on the DOF ROPS template.

On May 15<sup>th</sup>, 2012 the City Council, acting as Successor Agency Board, approved the Second ROPS. Because the First Corrected ROPS only differed from the First ROPS in formatting and presentation (i.e. no substantive changes were made), the DOF indicated and legal counsel concurred that Successor Agency Board approval of the First Corrected ROPS was not necessary, and that Oversight Board approval would be sufficient. The Oversight Board subsequently approved both the First Corrected

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ROPS and the Second ROPS on May 17<sup>th</sup> 2012.

On May 25<sup>th</sup>, 2012 the DOF issued a letter to the Successor Agency approving the First Corrected ROPS and the Second ROPS but denying certain line items, including Phase II of the Richmond Transit Village, the Officer Bradley A. Moody Underpass, the Miraflores Housing project, and the Nevin Court Housing project. Staff challenged the DOF's denial of those items and sent DOF staff supporting documentation and legal arguments demonstrating that the questioned projects adhere to the AB 1X26 definition of enforceable obligations.

On July 12, 2012 the DOF issued a letter to the Successor Agency stating that, as of that date, the DOF was "...no longer accepting revised ROPS or requests to reconsider denied items..." and that "[r]equests to reconsider denied or disputed ROPS items will be addressed in [DOF's Third ROPS] review."

On July 31, 2012 the Successor Agency Board approved the Third ROPS, prior to the August City Council recess, to allow Oversight Board approval and submittal of the Third ROPS prior to the September 1, 2012 deadline.

On August 6, 2012 the DOF posted a new template to be used for the Third ROPS. This template made several substantive changes and included additional information that was not required on previous templates. On August 9, 2012 DOF revised the Third ROPS template again, without giving prior notice to successor agencies.

On August 23, 2012 the Oversight Board approved the Third ROPS to allow submittal prior to the September 1, 2012 deadline and thus avoid penalties due to late submittal, with the understanding that a Corrected Third ROPS using the updated template would need to be approved by the Successor Agency and Oversight Board and submitted to DOF as soon as practicable thereafter.

On September 11, 2012 the Successor Agency Board approved the Corrected Third ROPS. The Oversight Board approved the Corrected Third ROPS on September 26, 2012 and the Corrected Third ROPS was transmitted to DOF on September 27, 2012.

Consistent with the advice of legal counsel, the Corrected Third ROPS submitted to DOF included the previously denied projects referenced above. On September 17, 2012, the DOF issued a letter to the Successor Agency indicating their determination that the Officer Bradley A. Moody Memorial Underpass is an enforceable obligation. On November 11, 2012 the DOF approved the Corrected Third ROPS but again struck certain line items, including the Miraflores and Nevin Court housing projects, and reclassified several contracts and employee costs as administrative costs subject to a \$500,000 annual cap. Staff challenged these denied and reclassified items; utilizing the "meet and confer" process established by AB 1484.

On December 18, 2012 the DOF issued their final determinations on the disputed items discussed in the "meet and confer" process. These determinations included the

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continued denial of the Nevin Court Project as an enforceable obligation, the classification of certain contracts as administrative costs, and the reclassification of a portion of certain employee costs as enforceable obligations rather than administrative costs.

In January 2013, the DOF revised the ROPS template again, and revised the naming convention to reflect the fiscal year under review (i.e. rather than “Fourth ROPS,” the ROPS from July 2013 to December 2013 is known as “ROPS 13-14a”). On February 19, 2013 the Successor Agency board approved ROPS 13-14a. The Oversight Board approved ROPS 13-14a on February 21, 2013. On April 14, 2013 DOF approved ROPS 13-14a but struck several line items, including reclassification of the employee costs previously approved as enforceable after the “meet and confer” held for the Third ROPS, and several design and support contracts relating to certain streetscape projects. Staff challenged these denied and reclassified items via the “meet and confer” process.

On May 17, 2013 DOF issued their final determinations on the disputed items in ROPS 13-14a discussed in the “meet and confer” process. These determinations included reclassification of a portion of certain employee costs as enforceable obligations rather than administrative costs (consistent with the DOF determination subsequent to the prior “meet and confer”) and continued denial of the design and support contracts.

On September 24, 2013 the Successor Agency Board approved ROPS 13-14b. The Oversight Board approved ROPS 13-14b on September 26, 2013. On November 10, 2013 DOF approved portions of ROPS 13-14b but struck several line items, including the Miraflores remediation and Richmond Transit Village Phase II projects, and contract compliance costs associated with Successor Agency capital projects (see Attachment 3). Most significantly, the DOF also denied the amount of funding requested for debt service of several of Richmond Community Redevelopment Agency (“Former Agency”) bonds, and the funding of a debt reserve account required by Former Agency bonds issued in 1998.

Because DOF’s actions, if left unchallenged, would cause a default on the Former Agency’s bonds and the shut-down of both the Miraflores and Richmond Transit Village projects, staff challenged these denied items via the “meet and confer” process. On December 17, 2013 DOF issued their final determinations on the disputed items in ROPS 13-14b (see Attachment 4). These determinations restored the Successor Agency’s requests for funding for debt payments, debt service reserve, the Richmond Transit Village and Miraflores remediation projects, and contract compliance costs.

### *Summary*

ROPS 14-15a proposed for approval is consistent with the final determinations of DOF to date and is required to be submitted to DOF by March 1, 2014 to avoid penalties. Upon the Successor Agency Board’s approval of ROPS 14-15a, staff will submit ROPS 14-15a to the Oversight Board for their consideration and approval, and upon such

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approval, to the Contra Costa County Auditor-Controller, the California State Controller, and the DOF Controller, and the DOF.

**CEQA:**

The actions taken by enactment of this resolution do not commit the Oversight Board to any actions that may have a significant effect on the environment. As a result, such actions do not constitute projects subject to the requirements of the California Environmental Quality Act.

**DOCUMENT ATTACHMENTS:**

Attachment 1 – Resolution

Attachment 2 – Exhibit A to Resolution (ROPS 14-15a)

Attachment 3 – November 10, 2013 letter from DOF

Attachment 4 – December 17, 2013 letter from DOF

**RESOLUTION NO. 1 -14**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED RICHMOND COMMUNITY REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING THE PERIOD JULY-DECEMBER 2014 (ROPS 14-15A), PURSUANT TO AB1X26 AND AB 1484**

**WHEREAS**, as part of the 2011-12 State budget bill, AB1x26 was enacted, which act requires the dissolution of redevelopment agencies throughout California and the establishment of successor agencies to wind down the former redevelopment agencies' affairs; and

**WHEREAS**, on January 24, 2012, pursuant to AB1x26, the Successor Agency to the Richmond Community Redevelopment Agency (the "Successor Agency") was created; and

**WHEREAS**, on June 27<sup>th</sup>, 2012 a State budget trailer bill, AB 1484 was enacted, which act requires clarifications of provisions in AB1X26 (AB1x26 and AB 1484 are collectively referred to herein as the "Dissolution Act"), including a provision that successor agencies that do not submit an approved ROPS by the statutory deadlines will be assessed a \$10,000 per day penalty for lateness; and

**WHEREAS**, Section 34179(a) of the Health and Safety Code provides for the establishment of an Oversight Board to the Successor Agency (the "Oversight Board"); and

**WHEREAS**, the Successor Agency has prepared a Recognized Obligations Payment Schedule 14-15A ("ROPS"), for submittal to the Oversight Board for approval, and once approved for submittal, to the County Auditor-Controller for certification and the California Department of Finance for review and approval; and

**WHEREAS**, once certified by the County Auditor-Controller and approved by the Oversight Board, the approved ROPS will serve as the spending plan for the Successor Agency during its operative period; and

**WHEREAS**, the Successor Agency Board, has reviewed a ROPS 14-15A that was prepared pursuant to the Dissolution Act, which is Exhibit A to this Resolution, for submittal to the County Auditor-Controller, the Oversight Board, and the State Department of Finance.

**NOW THEREFORE, BE IT RESOLVED** that the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency hereby approves the Recognized Obligation Payment Schedule 14-15A attached hereto as Exhibit A as required under the Dissolution Act.

**BE IT FURTHER RESOLVED** that the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency authorizes the submittal of the approved Recognized Obligation Payment Schedule 14-15A to the County Auditor-Controller and the Department of Finance as required under the Dissolution Act.

**BE IT FURTHER RESOLVED** that Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the Department of Finance.

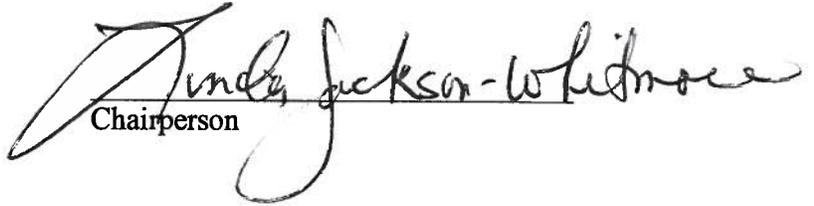
I certify that the foregoing Resolution was passed and adopted by the Oversight Board, at a regular meeting held on February 25, 2014, by the following vote:

AYES: Boardmembers: Dotson, Gamba, Lee, Chairperson Jackson-Whitmore, Marquez, Vice-Chairperson Smalley.

NOES: none.

ABSENT: Boardmember Johnson.

ABSTAIN: none.

  
Chairperson

ATTEST:

  
Oversight Board Secretary

**EXHIBIT A**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

**[Attached behind this page]**

**Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary**

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Richmond  
 Name of County: Contra Costa

<u>Current Period Requested Funding for Outstanding Debt or Obligation</u>	<u>Six-Month Total</u>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>	
<b>A Sources (B+C+D):</b>	<b>\$ 18,178,105</b>
B Bond Proceeds Funding (ROPS Detail)	541,000
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	17,637,105
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 10,647,176</b>
F Non-Administrative Costs (ROPS Detail)	10,337,064
G Administrative Costs (ROPS Detail)	310,112
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 28,825,281</b>

<u>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>	
I Enforceable Obligations funded with RPTTF (E):	10,647,176
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 10,647,176</b>

<u>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>	
L Enforceable Obligations funded with RPTTF (E):	10,647,176
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>10,647,176</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code, I hereby  
 certify that the above is a true and accurate Recognized Obligation  
 Payment Schedule for the above named agency.

  
 Name \_\_\_\_\_ Title \_\_\_\_\_  
 /s/ Linda Jackson-Whitmore  
 Signature \_\_\_\_\_ Date \_\_\_\_\_

2-25-14

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										L						Six-Month Total
										M						
										N						
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	O		M		Admin		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin			
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
								\$ 291,349,426		\$ 541,000	\$ -	\$ 17,637,105	\$ 10,337,065	\$ 310,112	\$ 28,825,282	
1	1998 Tax Allocation Refunding Bond	Bonds Issued On or Before 12/31/10	2/1/1998	7/1/2023	US Bank	Refinance a portion of 1991 TARB;	Merged Project Area	30,450,354	N						\$	
2	2000A Tax Allocation Bond	Bonds Issued On or Before 12/31/10	11/1/2000	9/1/2029	Union Bank	Fund capital improvement projects	Merged Project Area	17,923,671	N						\$	
3	2003A Tax Allocation Revenue Bond	Bonds Issued On or Before 12/31/10	8/1/2003	9/1/2025	Union Bank	Fund capital improvement projects	Merged Project Area	21,590,154	N						\$	
4	2003B Tax Allocation Revenue Bond	Bonds Issued On or Before 12/31/10	8/1/2003	9/1/2025	Union Bank	Fund capital improvement projects	Merged Project Area	17,554,557	N						\$	
5	2004A Tax Allocation Revenue Bond (2/3)	Bonds Issued On or Before 12/31/10	10/1/2004	10/1/2026	Union Bank	Fund capital improvement projects	Merged Project Area	14,208,157	N				604,887		\$ 604,887	
6	Section 108 Loan	Bonds Issued On or Before 12/31/10	11/22/2004	8/1/2023	HUD	Finance costs related to the Ford Assembly Building Project	Merged Project Area	3,290,925	N				216,674		\$ 216,674	
7	2010A Tax Allocation Refunding Bond	Bonds Issued On or Before 12/31/10	4/1/2010	9/1/2036	Union Bank	Refund all outstanding 2007A Bonds	Merged Project Area	58,858,455	N				3,177,561		\$ 3,177,561	
8	SERAF Payment	SERAF/ERAF	5/9/2011	5/10/2021	State of California	Finance SERAF	Merged Project Area	13,535,744	N						\$	
9	2000B Tax Allocation Bonds (Housing)	Bonds Issued On or Before 12/31/10	11/1/2000	9/1/2029	Union Bank	Loaned to the Agency to provide funding for capital improvements of the Agency	Merged Project Area	5,192,997	N						\$	
11	2004A Tax Allocation Revenue Bond (1/3 Housing)	Bonds Issued On or Before 12/31/10	10/1/2004	9/1/2026	Union Bank	Fund low/moderate income housing projects	Merged Project Area	7,103,155	N				302,443		\$ 302,443	
12	2004B Tax Allocation Revenue Bond (Housing)	Bonds Issued On or Before 12/31/10	10/1/2004	9/1/2026	Union Bank	Fund low/moderate income housing projects	Merged Project Area	2,632,124	N						\$	
13	Section 108 Loan (Housing)	Third-Party Loans	7/25/2005	12/31/2026	HUD	Finance costs related to the North Richmond Iron Triangle Project	Merged Project Area	4,515,714	N				271,777		\$ 271,777	
14	2007B Tax Allocation Capital Appreciation Bond (Housing)	Bonds Issued On or Before 12/31/10	7/1/2007	9/1/2036	Union Bank	Finance low and moderate income housing activities	Merged Project Area	22,252,137	N						\$	
15	CalHFA Loan	Third-Party Loans	11/10/2004	11/10/2014	CalHFA	Finance acquisition, construction, of homeownership and multifamily rental	Merged Project Area	1,253,888	N				1,253,833		\$ 1,253,833	
16	Employee Costs	Project Management Costs	2/1/2012	12/31/2015	Employees of Agency	Directors, Project Managers, Accountants, Operation/Redev Specialists, Business Assitance Officer, Community Development Program Manager, Attorney	Merged Project Area	2,973,608	N				871,195		\$ 871,195	
37	Contract for Project Monitoring	Project Management Costs	2/1/2012	12/31/2015	City of Richmond Employment & Training	Monitoring of Certified Payroll/Workforce Ordinance	Merged Project Area	214,015	N				50,000		\$ 50,000	
39	Infill Phase II/Filbert Townhomes Project (Housing)	Third-Party Loans	9/30/2010	9/30/2015	CHDC (Community Housing Development Corp.)	Loan to construct approx. 42 Low/Mod town homes	Merged Project Area	1,398,013	N						\$	
41	Contra Costa County	Miscellaneous	11/8/1954	12/31/2015	Contra Costa County	Assessment taxes on agency owned property	Merged Project Area	160,000	N						\$	
45	Unfunded Pension Liability	Unfunded Liabilities	11/8/1954	12/31/2015	California Public Employees Retirement System	Cost of unfunded pensions	Merged Project Area	1,648,056	N						\$	
46	Compensated Absences	Miscellaneous	1/1/2014	12/31/2015	Employees of Agency	Cost of vacation and severance pay	Merged Project Area	1,186,809	N						\$	
47	Metrowalk Phase II and BART Garage Project	Improvement/Infrastructure	7/1/2009	12/31/2014	Vallier Design	Construction design costs	Merged Project Area	3,391	N						\$	
48	Metrowalk Phase II and BART Garage Project	OPA/DDA/Construction	11/1/2003	12/31/2014	Winifred Day/ Fine Art by Day	Construction art costs	Merged Project Area	11,700	N						\$	
51	Metrowalk Phase II and BART Garage Project	OPA/DDA/Construction	2/16/2010	12/31/2014	Mack 5	Construction site management	Merged Project Area	34,092	N				17,000		\$ 17,000	
54	Metrowalk Phase II and BART Garage Project	OPA/DDA/Construction	8/1/2008	12/31/2014	Bay Area Rapid Transit	Bay area rapid transit design and funding agreement	Merged Project Area	210,000	N				95,000		\$ 95,000	
55	Metrowalk Phase II and BART Garage Project	OPA/DDA/Construction	4/11/2002	12/31/2014	Various	Developer agreement	Merged Project Area	13,872,631	N			6,810,225	2,110,075		\$ 8,920,300	
56	Metrowalk Phase II (Housing)	OPA/DDA/Construction	4/11/2002	12/31/2014	Various	Developer agreement	Merged Project Area	5,000,000	N						\$	
57	Bradley A Moody Memorial Underpass Project	Improvement/Infrastructure	12/1/2010	12/31/2013	Moscone, Emblid	Legal Services	Merged Project Area	39,870	Y						\$	
58	Bradley A Moody Memorial Underpass Project	Improvement/Infrastructure	6/21/2011	12/31/2015	Union Pacific Railroad	Review of plans and agreements	Merged Project Area	25,000	N						\$	
61	Bradley A Moody Memorial Underpass Project	Improvement/Infrastructure	5/4/2009	12/31/2015	Various	Grant agreement	Merged Project Area	22,917,509	N			10,616,880	1,219,120		\$ 11,836,000	
62	Miraflores Project - Remediation	Remediation	1/15/2011	12/31/2014	PES Environmental	Remediation Costs	Merged Project Area	565,137	N	200,000					\$ 200,000	
66	Miraflores Project - Remediation	Remediation	6/1/2011	12/31/2014	Department of Toxic Substance Control	Remediation Costs	Merged Project Area	20,993	N	16,000					\$ 16,000	



**Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances**

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I
		<b>Fund Sources</b>						
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>	
	<b>Cash Balance Information by ROPS Period</b>	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	<b>Comments</b>
<b>ROPS 13-14A Actuals (07/01/13 - 12/31/13)</b>								
1	<b>Beginning Available Cash Balance (Actual 07/01/13)</b> Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	5,127,074		2,224,578				The beginning balance of Bond Proceeds has been revised/corrected since the last ROPS filing.
2	<b>Revenue/Income (Actual 12/31/13)</b> Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013					15,896,041	8,897,900	
3	<b>Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)</b> Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs	33,818				15,896,041	8,897,900	
4	<b>Retention of Available Cash Balance (Actual 12/31/13)</b> Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A							
5	<b>ROPS 13-14A RPTTF Prior Period Adjustment</b> Note that the RPTTF amount should tie to column S in the Report of PPAs.			No entry required				
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 5,093,256	\$ -	\$ 2,224,578	\$ -	\$ -	\$ -	
<b>ROPS 13-14B Estimate (01/01/14 - 06/30/14)</b>								
7	<b>Beginning Available Cash Balance (Actual 01/01/14)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,093,256	\$ -	\$ 2,224,578	\$ -	\$ -	\$ -	
8	<b>Revenue/Income (Estimate 06/30/14)</b> Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014					5,900,000	8,481,369	
9	<b>Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)</b>	2,091,000		2,224,578		5,900,000	8,481,369	
10	<b>Retention of Available Cash Balance (Estimate 06/30/14)</b> Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B							
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)</b>	\$ 3,002,256	\$ -	\$ -	\$ -	\$ -	\$ -	















**Recognized Obligation Payment Schedule 14-15A - Notes**

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
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November 10, 2013

Mr. Patrick Lynch, Director  
City of Richmond  
440 Civic Center Plaza  
Richmond, CA 94804

Dear Mr. Lynch:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Richmond Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on September 27, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations for the reasons specified:

- Item Nos. 1 through 4, 9, and 12 – Various Tax Allocation Bonds totaling \$4,542,206. The Agency requested \$7,694,212 for Redevelopment Property Tax Trust Fund (RPTTF) funding, however, the total amount due during ROPS 13-14B is \$3,152,006. HSC section 34171 (d) (1) (A) allows agencies to hold a reserve for debt service payments when required by the bond indenture, or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year. Based on our review of the bond indentures, we did not note any requirement to create such reserves. Additionally, based on the Agency's history, it is our understating the next property tax allocation will be sufficient to make debt service payments due for these items. Therefore, the requested funding has been adjusted by \$4,542,206 (\$7,694,212-\$3,152,006) to \$3,152,006.
- Item No. 55 – Metrowalk Phase II and BART Garage Project in the amount of \$14,213,057. Funding for this project was provided in part by grant funds; insufficient documentation was provided to support the amounts claimed. Therefore, this item is not eligible for RPTTF funding.
- Item No. 67 – Miraflores Project Remediation in the amount of \$1,550,000. According to information provided by the Agency, the amounts expended to date, plus the current amount claimed, exceed the total obligation. Therefore, this item is not eligible for RPTTF funding.

- Item No. 72 – Marina Bay Trails Landscape/Security/Improvements Project in the amount of \$7,563. According to information provided by the Agency, the contract for these services is valid through December 31, 2013. Additionally, the Agency is requesting \$50,000; however, the total obligation remaining is \$7,563. Therefore, this item is not an enforceable obligation and is not eligible for RPTTF funding.
- Item No. 116 – 1998 Bonds Reserve Shortfall in the amount of \$1,115,756. Insufficient documentation was provided to support the amounts claimed. Therefore, this item is not an enforceable obligation and is not eligible for RPTTF funding.
- Item Nos. 117 and 118 – 2013 Series A and Series B Refunding Bonds totaling \$42,575,026. It is our understanding these bonds have not yet been issued. Once the bonds have been issued, they may be deemed enforceable obligations, subject to the conditions described in HSC section 34177.5. As such, the Agency is currently approved for \$0 in funding for these obligations. To the extent bonds are refunded, the Agency may request a Meet and Confer to establish funding for these items.
- The Agency's claimed administrative costs exceed the allowance by \$204,619. HSC section 34171 (b) limits fiscal year 2013-14 administrative expenses to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. As a result, the Agency is eligible for \$449,324 in administrative expenses. The Contra Costa County Auditor-Controller's Office did not distribute any funds to the Agency for the July through December 2013 period, thus leaving a balance of \$374,924 available for the January through June 2014 period. Although \$546,943 is claimed for administrative cost, Item No. 37, Compliance Monitoring Costs in the amount of \$107,000, is considered an administrative expense and should be counted toward the cap. Therefore, \$204,619 of excess administrative cost is not allowed.

Pursuant to HSC Section 34186 (a), successor agencies were required to report the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the table below includes only the prior period adjustment that was self-reported by the Agency.

Except for items denied in whole or in part as enforceable obligations or for items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 13-14B. If you disagree with the determination with respect to any items on your ROPS 13-14B, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$4,304,310 as summarized below:

<b>Approved RPTTF Distribution Amount For the period of January through June 2014</b>	
Total RPTTF requested for non-administrative obligations	18,231,439
Total RPTTF requested for administrative obligations	546,943
<b>Total RPTTF requested for obligations</b>	<b>\$ 18,778,382</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>18,231,439</b>
<u>Denied Items</u>	
Item No. 1	(213,281)
Item No. 2	(2,077,175)
Item No. 3	(865,206)
Item No. 4	(782,983)
Item No. 9	(494,105)
Item No. 12	(109,456)
Item No. 55	(5,036,913)
Item No. 67	(1,300,000)
Item No. 72	(50,000)
Item No. 72	(1,115,756)
	<b>(12,044,875)</b>
<u>Reclassified Items</u>	
Item No. 37	(107,000)
	<b>(107,000)</b>
<b>Total RPTTF approved for non-administrative obligations</b>	<b>6,079,564</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>546,943</b>
<u>Reclassified Items</u>	
Item No. 37	107,000
	107,000
<b>Total RPTTF requested for administrative obligations after reclassification</b>	<b>653,943</b>
<b>Total RPTTF allowable for administrative obligations (see Administrative Cost Cap Calculation table below)</b>	<b>449,324</b>
Self-Reported ROPS III prior period adjustment (PPA)	(2,224,578)
<b>Total RPTTF approved for distribution</b>	<b>4,304,310</b>
<b>Administrative Cost Cap Calculation</b>	
Total RPTTF for 13-14A (July through December 2013)	8,897,900
Total RPTTF for 13-14B (January through June 2014)	6,079,564
<b>Total RPTTF for fiscal year 2013-14</b>	<b>14,977,464</b>
Allowable administrative cost for fiscal year 2013-14 (Greater of 3% or \$250,000)	449,324
Administrative allowance for 13-14A (July through December 2013)	-
<b>Allowable RPTTF distribution for administrative cost for ROPS 13-14B</b>	<b>449,324</b>

Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. During our ROPS 13-14B review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14B%20Forms%20by%20Successor%20Agency/).

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Nichelle Thomas, Supervisor or Alex Watt, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Ms. Lizeht Zepeda, Operations Specialist II, City of Richmond  
Mr. Bob Campbell, Auditor-Controller, Contra Costa County  
California State Controller's Office



December 17, 2013

Mr. Patrick Lynch, Director  
City of Richmond  
440 Civic Center Plaza  
Richmond, CA 94804

Dear Mr. Lynch:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 10, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Richmond Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to Finance on September 27, 2013, for the period of January through June 2014. Finance issued a ROPS determination letter on November 10, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on November 26, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item Nos. 1 through 4, 9, and 12 – Various Tax Allocation Bonds totaling \$4,542,206. Finance no longer denies these items. The Agency requested \$7,694,212 from the Redevelopment Property Tax Trust Fund (RPTTF); however, Finance initially denied \$4,542,206 as the total amount due during ROPS 13-14B is \$3,152,006. HSC section 34171 (d) (1) (A) allows agencies to hold a reserve for debt service payments when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year. Based on our initial review of the bond indentures, we did not note any requirement to create such reserves. Additionally, based on the Agency's history, it is our understating the next property tax allocation will be sufficient to make debt service payments due for these items. During the Meet and Confer process, the Agency contended that the indentures require all available revenue to be set aside as soon as they are available until sufficient funds to make the entire annual debt service payments are held in reserve. Based on further review, this requirement is included in the bond documents for the 1998, 2000 Series A and B, 2003 Series A and B, and 2004 Series B bonds. Therefore, the amount requested from the RPTTF to be held in reserve totaling \$4,542,206 is approved along with the \$3,152,006 for ROPS 13-14B debt service payments.

Finance notes that pursuant to HSC section 34183 (a) (2) (A), debt service payments have first priority for payment from distributed RPTTF funding. As such, the additional \$4,542,206 requested to be held in reserve should be transferred upon receipt to the bond trustee(s) along with \$3,152,006 approved for the other ROPS 13-14B debt service payments prior to making any other payments on approved ROPS items. Any requests to fund these items again in the ROPS 14-15A period will be denied unless insufficient RPTTF is received to satisfy both the debt service payments due during the ROPS 13-14B period and the reserve amounts requested in ROPS 13-14B for the ROPS 14-15A debt service payments.

- Item No. 55 – Metrowalk Phase II and BART Garage Project in the amount of \$14,213,057. Finance no longer denies this item. Funding for this project was provided in part by grant funds; however, Finance initially denied this item as insufficient documentation was provided to support the amounts claimed. During the Meet and Confer process, the Agency provided a breakdown of the project costs and the various funding sources to be used on the project, which includes RPTTF funding in the amount requested. Therefore, this item is eligible for RPTTF funding.

Unless insufficient RPTTF is received to satisfy this obligation during the ROPS 13-14B period, any requests to fund this item again in future ROPS periods from the RPTTF will be denied because the \$5,036,913 requested in the ROPS 13-14B satisfies the Agency's obligation using funds from the RPTTF.

- Item No. 67 – Miraflores Project Remediation in the amount of \$1,550,000. Finance no longer denies this item. Finance initially denied this item because according to information provided by the Agency, the amounts expended to date, plus the current amount claimed, exceed the total obligation. Based on further review during the Meet and Confer process, it was determined the outstanding obligation amount listed on the current ROPS of \$1,550,000 is related to the 2007 Series B bonds to be expended on the project, which the Agency is requesting to use. The Agency provided a breakdown for the project tasks totaling \$19,979,150 and all of the funding sources to be expended on the project, which includes various bonds and multiple grants received. Therefore, this item is eligible for Bond funding.
- Item No. 116 – 1998 Bonds Reserve Shortfall in the amount of \$1,115,756. Finance no longer denies this item. Finance initially denied this item as insufficient documentation was provided to support the amounts claimed. During the Meet and Confer process, the Agency provided information from the trustee indicating the amount of the shortfall. Therefore, this item is an enforceable obligation and is eligible for RPTTF funding.

Finance notes that pursuant to HSC section 34183 (a) (2) (A), debt service payments have first priority for payment from distributed RPTTF funding. As such, the \$1,115,756 requested to replenish the reserve account should be transferred upon receipt to the bond trustee(s) along with the amounts approved for the other ROPS 13-14B debt service payments prior to making any other payments on approved ROPS items. Any requests to fund these items again in the ROPS 14-15A period will be denied unless insufficient RPTTF is received to satisfy both the debt service payments due during the ROPS 13-14B period and the reserve amounts requested in ROPS 13-14B for the ROPS 14-15A debt service payments.

- Finance initially determined Item No. 37 – Compliance Monitoring Costs in the amount of \$107,000 should be considered an administrative expense and counted toward the cap. During the Meet and Confer process, the Agency contended that several enforceable obligations listed on the ROPS entail the construction of public works projects, which require assurance that all contractors pay prevailing wages and to monitor and review wage records. Finance verified that this requirement is included in the contracts and such costs should be considered enforceable obligations, not administrative costs. Therefore, Finance no longer reclassifies Item No. 37 as an administrative cost.

In addition, per Finance's letter dated November 10, 2013, we continue to deny the following items not contested by the Agency during the Meet and Confer:

- Item No. 72 – Marina Bay Trails Landscape/Security/Improvements Project in the amount of \$7,563. According to information provided by the Agency, the contract for these services is valid through December 31, 2013. Additionally, the Agency is requesting \$50,000; however, the total obligation remaining is \$7,563. Therefore, this item is not an enforceable obligation and is not eligible for RPTTF funding.
- Item Nos. 117 and 118 – 2013 Series A and Series B Refunding Bonds totaling \$42,575,026. It is our understanding these bonds have not yet been issued. Once the bonds have been issued, they may be deemed enforceable obligations, subject to the conditions described in HSC section 34177.5. As such, the Agency is currently approved for \$0 in funding for these obligations. To the extent bonds are refunded, the Agency may request a Meet and Confer to establish funding for these items.

Pursuant to HSC section 34186 (a), successor agencies were required to report the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment that was self-reported by the Agency. HSC section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the table below includes only the prior period adjustment that was self-reported by the Agency.

Except for items denied in whole or in part as enforceable obligations or for items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 13-14B. The Agency's maximum approved RPTTF distribution for the reporting period is \$16,503,804 as summarized on the following page:

<b>Approved RPTTF Distribution Amount For the period of January through June 2014</b>	
Total RPTTF requested for non-administrative obligations	18,231,439
Total RPTTF requested for administrative obligations	546,943
<b>Total RPTTF requested for obligations</b>	<b>\$ 18,778,382</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>18,231,439</b>
<u>Denied Item</u>	
Item No. 72	(50,000)
	<b>(50,000)</b>
<b>Total RPTTF approved for non-administrative obligations</b>	<b>18,181,439</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>546,943</b>
Self-Reported ROPS III prior period adjustment (PPA)	(2,224,578)
<b>Total RPTTF approved for distribution</b>	<b>16,503,804</b>

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. During our ROPS 13-14B review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14B%20Forms%20by%20Successor%20Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010, exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section

Mr. Patrick Lynch  
December 17, 2013  
Page 5

34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

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

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Ms. Lizeht Zepeda, Operations Specialist II, City of Richmond  
Mr. Bob Campbell, Auditor-Controller, Contra Costa County  
California State Controller's Office

**Oversight Board Members:**

Linda Jackson-Whitmore, Chair  
Chadrick Smalley, Vice Chair

John Marquez  
Jeff Lee

Whitney Dotson  
Janet Johnson

Sheri Gamba



**SUCCESSOR AGENCY TO THE  
RICHMOND COMMUNITY  
REDEVELOPMENT AGENCY**

# AGENDA REPORT

**DATE:** February 25, 2014

**TO:** Honorable Chairperson Linda Jackson-Whitmore and Members of the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency

**FROM:** Successor Agency Staff

**SUBJECT:** APPROVE THE TRANSFER OF LOW/MODERATE INCOME HOUSING LOAN PORTFOLIO TO THE SUCCESSOR HOUSING AGENCY

## **STATEMENT OF THE ISSUE:**

Staff is seeking adoption of a resolution approving the transfer of the Low/Moderate Income Housing Loan Portfolio to the Successor Housing Agency.

## **RECOMMENDED ACTION:**

APPROVE the transfer of Low/Moderate Income Housing Loan Portfolio to the Successor Housing Agency.

## **FINANCIAL IMPACT OF RECOMMENDATION:**

This action would affirm the Successor Agency's transfer of the former Redevelopment Agency's Low/Moderate Income Housing loan portfolio to the Successor Housing Agency. This action is one of the redevelopment dissolution steps required by AB 1484 to wind down redevelopment financial affairs and distribute financial assets. AB 1484 provided for the special protection and transfer of Redevelopment Housing Assets to a Successor Housing Agency that is distinct from the Successor Agency. The Successor Housing Agency is charged with on-going accountability for housing assets.

At the time of its dissolution, the former Redevelopment Agency had low/moderate income housing loans valued at \$16.4 million. Since dissolution, additional loans of \$1.7 million have been recorded for the Lillie Mae Jones project, increasing the total

**Oversight Board Members:**

Linda Jackson-Whitmore, Chair  
Chadrick Smalley, Vice Chair

John Marquez  
Jeff Lee

Whitney Dotson  
Janet Johnson

Sheri Gamba

low/moderate income housing loan portfolio to \$18.1 million. Many of these housing loans are long-term commitments. In the future, as these housing loans mature and convert to cash, the Successor Housing Agency will be responsible for the reinvestment of loan cash flow into ongoing Low/Moderate Income housing programs.

**DISCUSSION:***Background*

The Oversight Board fulfills an important function in monitoring the financial affairs of the Successor Agency and, in particular, monitoring the distribution of its assets in conformance with the redevelopment dissolution law, AB 1484. The purpose of this report is to provide the Oversight Board with the status of Successor Agency housing loan assets; to identify the specific loans transferred to the Successor Housing Agency upon its February 1, 2012 inception; and to clarify the ongoing low/moderate income housing restriction that any future loan collections will retain.

Prior to the dissolution of redevelopment agencies, the former Richmond Community Redevelopment Agency ("RCRA") invested 20% of its tax increment revenue in low to moderate income housing programs. Some of this investment was implemented through loans in support of specific housing development projects. Over time, the low/moderate income housing development loan portfolio reached \$16.4 million. The following housing loans were transferred to the Successor Housing Agency as of the date of state-wide redevelopment dissolution on January 31, 2012. Subsequent loans recorded for the Lillie Mae Jones project, after dissolution, are also listed in this chart.

**Oversight Board Members:**Linda Jackson-Whitmore, Chair  
Chadrick Smalley, Vice ChairJohn Marquez  
Jeff LeeWhitney Dotson  
Janet Johnson

Sheri Gamba

<b>Low/Mod Housing Loan Portfolio</b>	
<b>Transfer to Successor Housing Agency</b>	
<b><u>Loan Balances at Dissolution</u></b>	
Silent 2nd loans	\$ 2,074,661
Atchison Village	351,758
Housing Authority	174,067
MacDonald Place	3,411,328
Creely Avenue	1,594,057
Rental Rehab	30,700
Carquinez Project	1,152,510
Lillie Mae Jones	304,410
Miraflores	91,000
Def Loans/Easter Hill	2,281,960
Chesley Loans	4,741,492
Heritage Park Loans	252,906
<b><i>Subtotal, at dissolution</i></b>	<b>\$ 16,460,849</b>
<b><u>Additional Loans Recorded Since Dissolution</u></b>	
Lillie Mae Jones	
FY 2011-12	216,844
FY 2013-14	1,516,455
<b>Grand total</b>	<b>\$ 18,194,148</b>

AB 1484 requires Successor Agencies to report housing asset transfers to the State Department of Finance. The Agency timely completed and filed its housing asset report with the Department of Finance on August 1, 2012. The loans asset transfers were subsequently accepted by the State Department of Finance.

The State Controller's Office has recently completed its own review of Successor Agency asset transfers. The State Controller recommends that the Oversight Board provide additional transparency over this transfer by taking specific action to approve the transfer of this loan portfolio to the Successor Housing Agency. Staff therefore recommends that the Oversight Board approve the transfer of the Low/Moderate Income Housing Loan Portfolio to the Successor Housing Agency.

**CEQA:**

The actions taken by enactment of this resolution do not commit the Oversight Board to

**Oversight Board Members:**

Linda Jackson-Whitmore, Chair  
Chadrick Smalley, Vice Chair

John Marquez  
Jeff Lee

Whitney Dotson  
Janet Johnson

Sheri Gamba

any actions that may have a significant effect on the environment. As a result, such actions do not constitute projects subject to the requirements of the California Environmental Quality Act.

**DOCUMENT ATTACHMENTS:**

Attachment 1 – Resolution

**RESOLUTION NO. 2 -14**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED RICHMOND COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRASFER OF THE LOW/MODERATE INCOME HOUSING LOAN PORTFOLIO TO THE SUCCESSOR HOUSING AGENCY AS PART OF THE DISSOLUTION PROCESS, PURSUANT TO AB 1484**

**WHEREAS**, as part of the 2011-12 State budget bill, AB1x26 was enacted, which act requires the dissolution of redevelopment agencies throughout California and the establishment of successor agencies to wind down the former redevelopment agencies' affairs; and

**WHEREAS**, on January 24, 2012, pursuant to AB1x26, the Successor Agency to the Richmond Community Redevelopment Agency (the "Successor Agency") was created; and

**WHEREAS**, on January 24, 2012, the City of Richmond elected to retain the housing assets and functions previously performed by the Richmond Community Redevelopment Agency in its capacity as the Successor Housing Agency ("Successor Housing Agency") pursuant to Health and Safety Code ("HSC") Section 34176 (a) (1); and

**WHEREAS**, on June 27<sup>th</sup>, 2012 AB 1484 was enacted, which act provided clarifications of provisions in AB1X26 (AB1x26 and AB 1484 are collectively referred to herein as the "Dissolution Act"); and

**WHEREAS**, Section 34179(a) of the Health and Safety Code provides for the establishment of an Oversight Board to the Successor Agency (the "Oversight Board"); and

**WHEREAS**, the Dissolution Act provided for the special protection and transfer of redevelopment housing assets to the Successor Housing Agency, and the Successor Housing Agency is charged with on-going accountability for housing assets; and

**WHEREAS**, prior to its dissolution on February 1, 2012 the Richmond Community Redevelopment Agency had made \$18.1 million in loans for construction of low/moderate income housing ("Low/Moderate Income Housing Loan Portfolio"), and these loan receivables represent a housing asset for the purposes of the Dissolution Act; and

**WHEREAS**, the Successor Agency timely completed and filed its housing asset transfer report with the California Department of Finance on August 1, 2012 in accordance with HSC Section 341676(a)(2) and included the Low/Moderate Income Housing Loan Portfolio as a housing asset to be transferred. The transfer of the Low/Moderate Income Housing Loan Portfolio was subsequently accepted by the State Department of Finance; and

**WHEREAS**, based on the information contained in the staff report and the information provided during the meeting on this item, the Oversight Board has been provided with the necessary information to make the findings and take the actions set forth.

**NOW THEREFORE, BE IT RESOLVED** that the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency finds that the recitals set forth above are true and correct and have served, together with the accompanying Agenda Report and information provided during the meeting, as the basis for the findings and actions as set forth in the Resolution.

**BE IT FURTHER RESOLVED** that the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency hereby approves the transfer of the Low/Moderate Income Housing Loan Portfolio to the Successor Housing Agency as required by the Dissolution Act.

**BE IT FURTHER RESOLVED** that the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency authorizes the submittal of this resolution to the County Auditor-Controller and the Department of Finance as required by the Dissolution Act.

**BE IT FURTHER RESOLVED** that Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the Department of Finance.

I certify that the foregoing Resolution was passed and adopted by the Oversight Board, at a regular meeting held on February 25, 2014, by the following vote:

AYES: Boardmembers: Dotson, Gamba, Lee, Chairperson Jackson-Whitmore, Marquez, Vice-Chairperson Smalley.

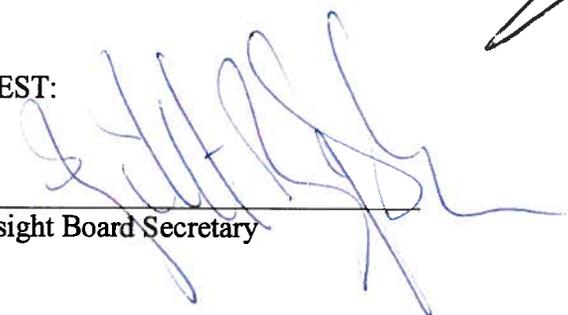
NOES: none.

ABSENT: Boardmember Johnson.

ABSTAIN: none.

  
Chairperson

ATTEST:

  
Oversight Board Secretary

**Oversight Board Members:**

Linda Jackson-Whitmore, Chair  
Chadrick Smalley, Vice Chair

John Marquez  
Jeff Lee

Whitney Dotson  
Janet Johnson

Sheri Gamba



**SUCCESSOR AGENCY TO THE  
RICHMOND COMMUNITY  
REDEVELOPMENT AGENCY**

# AGENDA REPORT

**DATE:** February 25, 2014

**TO:** Honorable Chairperson Linda Jackson-Whitmore and Members of the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency

**FROM:** Successor Agency Staff

**SUBJECT:** APPROVE THE TRANSFER OF A PROPERTY TO THE CITY OF RICHMOND

**STATEMENT OF THE ISSUE:**

Staff is seeking adoption of a resolution approving the transfer of a property to the City of Richmond.

**RECOMMENDED ACTION:**

CONSIDERATION OF APPROVING the transfer of a Successor Agency property to the City of Richmond.

**FINANCIAL IMPACT OF RECOMMENDATION:**

No financial impact. The property in question has been used as a public street since its construction and does not have development potential.

**DISCUSSION:**

*Background*

The Successor Agency is the owner of Parcel D (see map attachment 2), a public street located in the Marina Bay Area of Richmond. Approving the transfer of ownership to the City of Richmond would correct the Successor Agency's ownership of a public street and transfer it to the City of Richmond for the purpose of providing adjacent property owners the ability to obtain financing for their properties, as proof of public access is

**Oversight Board Members:**

Linda Jackson-Whitmore, Chair  
Chadrick Smalley, Vice Chair

John Marquez  
Jeff Lee

Whitney Dotson  
Janet Johnson

Sheri Gamba

normally required in order to obtain title insurance.

California Health and Safety Code Section 34181(a) provides that the Oversight Board may direct the transfer of ownership of property constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings to the appropriate public jurisdiction, pursuant to any existing agreements relating to the construction or use of such an asset.

The property is an extension of Marina Way South and is indistinguishable from the rest of the City-owned portion of Marina Way South. The property has been constructed as a public street and continuously used in that manner since its construction. In light of these facts, staff recommends that the Oversight Board direct the Successor Agency to transfer this property to the City of Richmond.

**CEQA:**

The actions taken by enactment of this resolution do not commit the Oversight Board to any actions that may have a significant effect on the environment. As a result, such actions do not constitute projects subject to the requirements of the California Environmental Quality Act.

**DOCUMENT ATTACHMENTS:**

Attachment 1 – Resolution  
Attachment 2 - Map

**RESOLUTION NO. 3 -14**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED RICHMOND COMMUNITY REDEVELOPMENT AGENCY APPROVING TRANSFER OF PROPERTY TO THE CITY OF RICHMOND**

**WHEREAS**, as part of the 2011-12 State budget bill, AB1x26 was enacted, which act requires the dissolution of redevelopment agencies throughout California and the establishment of successor agencies to wind down the former redevelopment agencies' affairs; and

**WHEREAS**, on January 24, 2012, pursuant to AB1x26, the Successor Agency to the Richmond Community Redevelopment Agency (the "Successor Agency") was created; and

**WHEREAS**, on June 27<sup>th</sup>, 2012 a State budget trailer bill, AB 1484 was enacted, which act requires clarifications of provisions in AB1X26 (AB1x26 and AB 1484 are collectively referred to herein as the "Dissolution Act"); and

**WHEREAS**, Section 34179(a) of the Health and Safety Code ("HSC") provides for the establishment of an Oversight Board to the Successor Agency (the "Oversight Board"); and

**WHEREAS**, the Successor Agency is the owner of certain property located in the City of Richmond identified as Contra Costa County Assessor's Parcel Number 560-181-099 ("Property") Parcel D, a public Street; and

**WHEREAS**, the Property has been in continuous use as a public street since its construction, and

**WHEREAS**, HSC Section 34181(a) provides that the Oversight Board may direct the Successor Agency to transfer ownership of assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset; and

**WHEREAS**, in furtherance of the dissolution process the Successor Agency wishes to transfer the Property to the City of Richmond; and

**WHEREAS**, based on the information contained in the staff report and the information provided during the meeting on this item, the Oversight Board has been provided with the necessary information to make the findings and take the actions set forth.

**NOW THEREFORE, BE IT RESOLVED** that the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency finds that the recitals set forth above are true and correct and have served, together with the accompanying Agenda Report and information provided during the meeting, as the basis for the findings and actions as set forth in the Resolution.

**BE IT FURTHER RESOLVED** that the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency hereby directs the Successor Agency to transfer the Property to the City of Richmond

**BE IT FURTHER RESOLVED** that the Oversight Board of the Successor Agency to the Dissolved Richmond Community Redevelopment Agency authorizes the submittal of this resolution to the County Auditor-Controller and the Department of Finance as required under the Dissolution Act.

**BE IT FURTHER RESOLVED** that pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the Department of Finance.

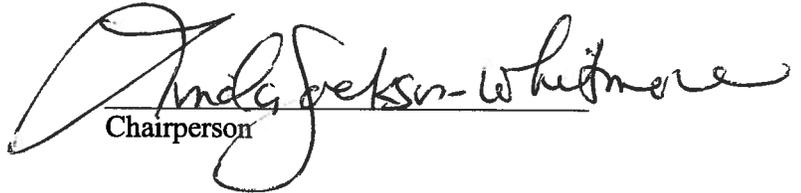
I certify that the foregoing Resolution was passed and adopted by the Oversight Board, at a regular meeting held on February 25, 2014, by the following vote:

AYES: Boardmembers: Dotson, Gamba, Lee, Chairperson Jackson-Whitmore, Marquez, Vice-Chairperson Smalley.

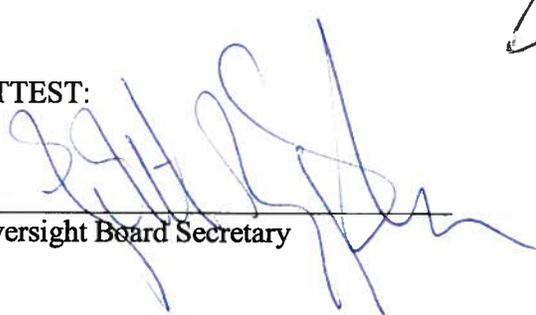
NOES: none.

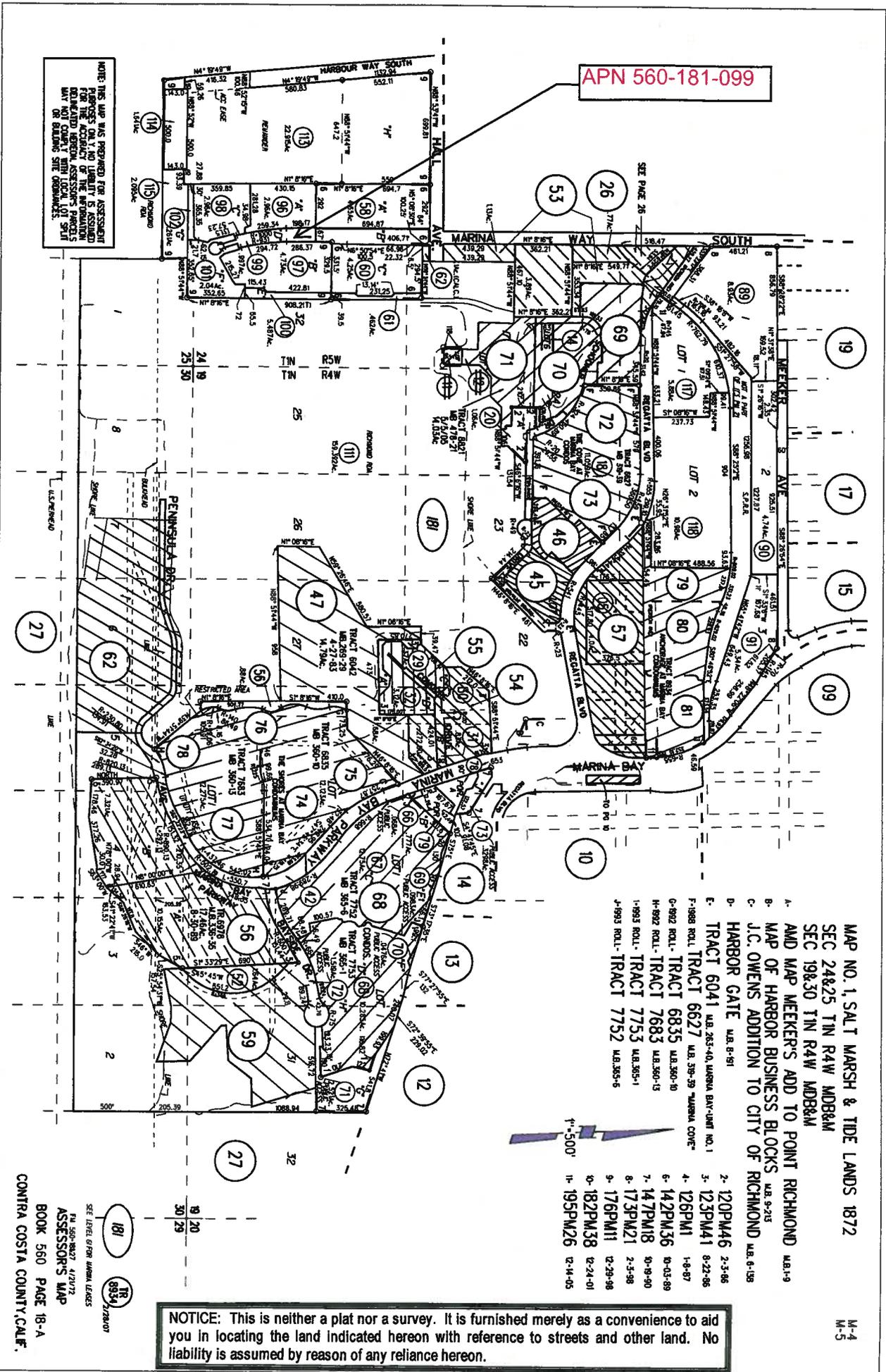
ABSENT: Boardmember Johnson.

ABSTAIN: none.

  
Chairperson

ATTEST:

  
Oversight Board Secretary



APN 560-181-099

NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. THE MAP IS NOT A SURVEY. THE ASSASSOR'S OFFICE HAS CONDUCTED VISUAL INSPECTIONS OF THE LANDS SHOWN HEREON AND HAS FOUND THEM TO BE ACCURATELY LOCATED. THE ASSASSOR'S OFFICE HAS NOT CONDUCTED ANY OTHER SURVEYING OR MEASUREMENTS. THE ASSASSOR'S OFFICE HAS NOT CONDUCTED ANY OTHER SURVEYING OR MEASUREMENTS.

- MAP NO. 1, SALT MARSH & TIDE LANDS 1872
- SEC 24&25 T1N R4W MDB&M
- SEC 19&30 T1N R4W MDB&M
- A. MAP MEEKER'S ADD TO POINT RICHMOND M.B. 1-9
- B. MAP OF HARBOR BUSINESS BLOCKS M.B. 9-215
- C. J.C. OWENS ADDITION TO CITY OF RICHMOND M.B. 6-139
- D. HARBOR GATE M.B. 8-51
- E. TRACT 6041 M.B. 363-40, LARBA DIV-UNIT NO. 1
- F. 1988 ROLL TRACT 6627 M.B. 378-39 "MURRAY COVE"
- G. 1992 ROLL TRACT 6835 M.B. 360-10
- H. 1992 ROLL TRACT 7683 M.B. 360-13
- I. 1993 ROLL TRACT 7753 M.B. 365-1
- J. 1993 ROLL TRACT 7752 M.B. 365-5
- 1- 120PM46 2-3-86
- 2- 123PM41 8-22-85
- 3- 126PM1 1-6-87
- 4- 142PM36 0-03-89
- 5- 147PM18 0-9-90
- 6- 173PM21 2-3-88
- 7- 176PM11 12-26-98
- 8- 182PM38 12-24-01
- 9- 195PM26 12-14-05



NOTICE: This is neither a plat nor a survey. It is furnished merely as a convenience to aid you in locating the land indicated hereon with reference to streets and other land. No liability is assumed by reason of any reliance hereon.

SEE LEVEL 6 FOR MARINA LEASES  
 PA 560-18027 4/20/12  
 ASSESSOR'S MAP  
 BOOK 560 PAGE 18-A  
 CONTRA COSTA COUNTY, CALIF.