

AGENDA



CITY OF VALLEJO OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY REGULAR MEETING

BOARDMEMBERS:
Erin Hannigan, Chair
Annette Taylor, Vice-Chair
Marti Brown
Melvin Jordan
LaGuan Lea
Shane McAfee

THURSDAY, JUNE 20, 2013
8:00 A.M.

CITY COUNCIL CHAMBERS, 2ND FLOOR
555 SANTA CLARA STREET, VALLEJO

This AGENDA contains a brief general description of each item to be considered. The posting of the recommended actions does not indicate what action may be taken. If comments come to the Board without prior notice and are not listed on the AGENDA, no specific answers or response should be expected at this meeting per State law.

Notice of Availability of Public Records: All public records relating to an open session item, which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to a majority of the Board will be available for public inspection at the City Clerk's Office, 555 Santa Clara Street, Vallejo, CA at the same time that the public records are distributed or made available to the Board. Such documents may also be available on the City of Vallejo website at <http://www.ci.vallejo.ca.us> subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (707) 648-4527, TDD (707) 649-3562.

Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990) and the federal rules and regulations adopted in implementation thereof

NOTICE: Members of the public shall have the opportunity to address the Board concerning any item listed on the agenda *before or during consideration of that item. No other items may be discussed at this special meeting.*

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **COMMUNITY FORUM**
4. **APPROVAL OF THE MINUTES**
 - A. Approval of the Minutes from the April 4, 2013 Special Meeting
5. **OLD BUSINESS – None.**
6. **NEW BUSINESS**
 - A. **Approval of loan agreements between the City of Vallejo and the Successor Agency to the Vallejo Redevelopment Agency**

Recommendation: Adopt a Resolution approving the loan agreements between the City of Vallejo and Successor Agency for legal services (\$110,000) and preparation of a Long Range Property Management Plan (\$100,000) and placing these loans on the

subsequent Recognized Obligation Payment Schedule for submittal to the State Department of Finance.

B. Approval of July 1, 2013 – December 31, 2013 Administrative Budget

Recommendation: Adopt a Resolution approving the Administrative Budget for July 1, 2013 – December 31, 2013, not to exceed \$125,000.

7. AGENDA ITEMS FOR FUTURE MEETINGS

A. Discussion of Agenda Items for Future Meetings.

8. ADJOURNMENT

CERTIFICATION:

I, Dawn Abrahamson, Secretary, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the Oversight Board for the Successor Agency of the Vallejo Redevelopment Agency, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 5:00 p.m., June 11, 2013.

Dated: June 11, 2013


Dawn Abrahamson, Secretary

**CITY OF VALLEJO
OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
APRIL 4, 2013**

1. CALL TO ORDER

The meeting was called to order by Chair Hannigan at 8:02 a.m.

2. ROLL CALL

Boardmembers Present: Chair Hannigan (Solano County Board of Supervisors' Appointee), Vice Chair Taylor (member representing Employees of Former Redevelopment Agency Appointee), Boardmembers Brown (Mayor of Vallejo Appointee), Jordan (Solano County Superintendent of Education Appointee) arrived at 8:06 a.m., Lea (Chancellor of California Community College Appointee), and McAfee, (GVRD, Largest Special District)

Absent: Boardmember da Silva (Solano County Board of Supervisors Public Member Appointee)

Staff Present: Economic Development Director Luna Reynosa and Secretary Abrahamson

3. COMMUNITY FORUM – None.

4. APPROVAL OF MINUTES

A. Approval of Minutes from March 28, 2013 Special Meeting

Action: Moved by Boardmember McAfee and carried by members present to approve the minutes. (Absent- da Silva and Jordan)

5. OLD BUSINESS – None.

6. NEW BUSINESS

A. Approval of the Due Diligence Review of all Other Fund and Account Balances of the Dissolved City of Vallejo Redevelopment Agency

Recommendation: Adopt a Resolution approving the findings of the audit report on the Due Diligence Review of all other fund and account balances of the dissolved City of Vallejo Redevelopment Agency

Economic Development Director Luna Reynosa provided a recap of last week's public review meeting and noted various corrections to the DDR.

Staff responded to questions from Boardmembers.

Action: Moved by Boardmember Brown, seconded by Boardmember Lea and carried unanimously by boardmembers present to adopt Resolution No. 13-3. (Absent-da Silva)

B. Approval of Amendment to the Administrative Budget for the Successor Agency to the former Redevelopment Agency

Recommendation: Adopt a Resolution approving an amendment to the Successor Agency Administrative Budget

Economic Development Director Luna Reynosa provided an overview of the staff report and outlined changes and staff's recommendation, including noting a correction that will need to be made to the dates reflected in Column Two of Exhibit A.

Staff responded to questions from Boardmembers. Boardmembers provided comment.

Action: Moved by Boardmember Jordan, seconded by Boardmember McAfee and carried unanimously by boardmembers present to adopt Resolution No. 13-4. (Absent-da Silva)

7. Agenda Items for Future Meetings

A. Discussion of Agenda Items for Future Meetings

Economic Development Director Luna Reynosa noted that staff does not anticipate a need for the regular meeting of the Oversight Board scheduled for April 18, 2013. She requested boardmembers to hold the regular meeting dates of May 16 and June 20 open in the event that business will need to come forward for consideration and action. Ms. Luna Reynosa did confirm that the June 20 regular meeting will be held for the Board to consider and approve a budget for the next six month period.

Chair Hannigan requested that future agenda meeting dates and tentative items be included on future agendas.

8. ADJOURNMENT

The meeting adjourned at 8:26 a.m.

ERIN HANNIGAN, CHAIR

ATTEST:

DAWN G. ABRAHAMSON, SECRETARY



VALLEJO OVERSIGHT BOARD

For the Successor Agency to the
Former Vallejo Redevelopment Agency

CHAIR
Erin Hannigan

BOARDMEMBERS:
Annette Taylor, Vice-Chair
Marti Brown
Melvin Jordan
LaGuan Lea
Shane McAfee

STAFF REPORT: OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY

Date: June 20, 2013

TO: Chair and Members of the Board

FROM: Dan Marks, Interim Economic Development Director

SUBJECT: ADOPT A RESOLUTION APPROVING LOANS TO THE SUCCESSOR AGENCY FROM THE CITY OF VALLEJO, ONE FOR \$110,000 FOR LEGAL SERVICES, AND ONE FOR \$100,000 FOR PREPARATION OF THE LONG RANGE PROPERTY MANAGEMENT PLAN, TO BE SUBMITTED AS RECOGNIZED OBLIGATIONS ON THE 2014 ROPS.

RECOMMENDATION

It is recommended that the Oversight Board adopt a resolution approving a loan from the City of Vallejo to the Successor Agency to the Former Vallejo Redevelopment Agency for purposes of advancing funds for costs involving work to be performed for the benefit of the successor agency: for legal costs involved in defending the Successor Agency in ongoing litigation and for consultant costs involved in the creation of a Long Range Property Management plan for real property.

BACKGROUND

ABX1 26 provides for an administrative cost allowance to provide funds for successor agencies to wind down the affairs and administer the debt repayments of the former Redevelopment Agency. An annual maximum budget of of \$250,000 is authorized for all administrative work of the Successor Agency and Oversight Board. The Administrative Budget presented in a companion staff report for the June 20, 2013 meeting estimates that the full \$250,000 will be expended in support for the Successor Agency and Oversight Board: prepare ongoing Recognized Obligation Payment Schedule (ROPS), respond to DOF and Auditor reports, prepare staff reports, hold public meetings, oversee consultant work and other tasks. However, the Successor Agency is also required to address a legal dispute in regard to a substantial amount of Agency and Downtown property, and to prepare a Long Range Property Management Plan.

Although some legal costs were previously anticipated in earlier ROPS, an estimated additional \$110,000 is needed for expenses of outside legal Counsel related to defending ongoing litigation in the case of *Triad Downtown v. Vallejo Redevelopment Agency*, expected to go to trial in September, 2013.

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June 20, 2013

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The Agency is also required under AB 1484 to prepare a Long Range Property Management Plan that will set forth the expected disposition of all Successor Agency property that has not yet been transferred to the City of Vallejo as public-use property. This involves the assembly of a significant amount of information on each Agency property, as well as a long term plan for its disposition. Because there are insufficient staff resources to prepare the plan, a consultant will prepare the plan, and Staff estimates the consultant cost of preparing such a plan at \$100,000 (not counting staff oversight of the consultant which will be absorbed by the Administrative Budget).

AB 1484 (the Redevelopment Trailer Bill) provides that a city that formed a Redevelopment Agency may loan funds to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses.

The attached Loan Agreements, if approved by the Oversight Board, would allow the City to loan funds to the Successor Agency for these purposes. Repayment of the loans to the City would be subject to approval of the Department of Finance (DOF) in the next ROPS.

The City Council and Successor Agency approved the two Loan Agreements on June 11, 2013, subject to approval by the Oversight Board. Key terms and provisions in the Loan Agreement are as follows:

- Term – The term of the Loan Agreements will run through December 31, 2014, by which time the Successor Agency anticipates it will have met the former Redevelopment Agency's outstanding enforceable obligations, resolved the Triad litigation and created the Long Range Property Management Plan (LRPMP).
- Credit Limit and Loan Draws – the Loan Agreement limits the maximum cumulative amount of loans to one hundred ten thousand dollars (\$110,000) for Triad litigation expenses, and one hundred thousand dollars (\$100,000) for preparation of the Long Range Property Management Plan. Loan Draws may be made on the Loans based upon Oversight Board approval, to be paid back when approved by DOF as part of the next ROPS.
- Loan Repayment – AB 1484 prohibits a Successor Agency from beginning to repay loans owed to a city until the Successor Agency has been issued a finding of completion by DOF¹, which would not be granted until the Successor Agency completes all required due diligence reviews specified in the legislation (namely, audits of Low- and Moderate-Income Housing funds and other fund and account balances) and makes any payment to taxing entities required pursuant to the Dissolution Act and AB 1484. Assuming those processes go relatively smoothly, and DOF approves these loans as obligations, staff anticipates that loan repayments could begin in FY 2013-2014. Thereafter, loan repayments shall be made within thirty (30) business days of the Successor Agency receiving from the Redevelopment Property Tax Trust Fund tax increment necessary to make such payments.
- Interest – In accordance with the provisions of HSC §34191.4, the interest rate may not exceed the interest rate earned by funds on deposit with the Local Agency Investment Fund (LAIF). LAIF publishes a daily and monthly earnings rate. The interest rate will be based upon the monthly LAIF interest earnings rate published on the LAIF website for

¹ HSC § 34191.4

REGULAR MEETING – OVERSIGHT BOARD FOR SUCCESSOR AGENCY TO THE VALLEJO
REDEVELOPMENT AGENCY

June 20, 2013

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the most recently published month(s) during the time in which the loan draw was outstanding.

Staff is recommending that the Oversight Board adopt the resolution (Attachment A) approving the loans (Exhibits A and B to the Resolution) and authorize that they be included as line item obligations in the next ROPS. While the City Council and the Successor Agency Board approved the loan agreement on June 11, 2013, there is no obligation to advance funds under the terms of the Loan Agreement without the Oversight Board approving the advance of those funds and agreeing to include the loans as line items in the next ROPs.

CONTACT

Dan Marks, 707-648-4382, dmarks@ci.vallejo.ca.us

DOCUMENTS ATTACHED

1. Attachment A – RESOLUTION (including Loan Agreements, Exhibits A and B)

RESOLUTION NO.

A RESOLUTION APPROVING LOANS TO THE SUCCESSOR AGENCY FROM THE CITY OF VALLEJO, ONE FOR \$110,000 FOR LEGAL SERVICES, AND ONE FOR \$100,000 FOR PREPARATION OF THE LONG RANGE PROPERTY MANAGEMENT PLAN, TO BE SUBMITTED AS RECOGNIZED OBLIGATIONS ON THE 2014 ROPS

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Vallejo ("RDA Successor Agency") is the successor agency to the former Vallejo Redevelopment Agency ("Agency"); and

WHEREAS, Health and Safety Code section 34179(a) provides that each Successor Agency shall have an oversight board composed of seven members; and

WHEREAS, the Oversight Board is the RDA Successor Agency's oversight board pursuant to Health and Safety Code section 34179(a); and

WHEREAS, Health and Safety Code section 34177(j) requires that the Successor Agency prepare a proposed administrative budget (the "Administrative Budget") and submit it to the Oversight Board for its approval; and

WHEREAS, AB 1484 (the Redevelopment Trailer Bill) provides that a city that formed a redevelopment agency may loan funds to the successor agency for administrative costs, enforceable obligations, or project-related expenses and that such loans may be considered enforceable obligations upon approval of the Finding of Completion; and

WHEREAS, AB 1484 requires the Successor Agency to prepare a Long Range Property Management Plan; and

WHEREAS, the Successor Agency is engaged in a legal dispute that clouds the disposition of a substantial amount of Agency property; and

WHEREAS, the Administrative allowance for Successor Agency is insufficient to address the legal and planning costs identified above.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED VALLEJO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. CEQA Compliance. The approval of the Loans through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 3. Approval of the Loans to the Successor Agency. The Oversight Board hereby approves the loan from the City of Vallejo to the Successor Agency to the City of Vallejo Redevelopment Agency in substantially the forms attached to this Resolution as Exhibit A (legal expenses) and Exhibit B (Long Range Property Management Plan);

SECTION 4: The loans shall be placed as a line-item enforceable obligation to the City of Vallejo from the Successor Agency in a subsequent Recognized Obligation Payment Schedule (ROPS);

SECTION 4. Certification. The City Clerk of the City of Vallejo, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

PASSED AND ADOPTED this 20th day of June, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Erin Hannigan, Chair

ATTEST:

Dawn G. Abrahamson, Secretary

LOAN AGREEMENT, LEGAL COSTS**(Administrative Costs, Enforceable Obligations, Project-Related Costs)**

This Loan Agreement (“Agreement”) is entered into as of the ___ day of ___, 2013, (“Effective Date”) by and between the City of Vallejo, a California municipal corporation (“City”), and the Successor Agency to the Vallejo Redevelopment Agency (the “Successor Agency”).

RECITALS

A. In accordance with AB 1X 26 (Stats. 2011, chap. 5, as amended by a decision filed by the California Supreme Court on December 29, 2011) (“Dissolution Act”), the former Vallejo Redevelopment Agency (“Redevelopment Agency”) was dissolved, effective February 1, 2012, and the City Council of the City of Vallejo determined that the City would serve as the successor agency to the former Redevelopment Agency.

B. The Dissolution Act, pursuant to Health and Safety Code Section 34177, tasks each successor agency with the responsibility, among other things, for winding down the dissolved redevelopment agency’s affairs, continuing to meet the former redevelopment agency’s enforceable obligations, overseeing completion of redevelopment projects and disposing of the assets and properties of the former redevelopment agency, all as directed by an oversight board established pursuant to Health and Safety Code Section 34179 (“Oversight Board”).

C. AB 1484 (Stats. 2012, chap. 26, filed with the Secretary of State on June 27, 2012) amended Health and Safety Code Section 34173(h) to provide that the city “that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's

discretion, but the receipt and use of these funds shall be reflected on the Recognized Obligation Payment Schedule or the administrative budget and therefore are subject to the oversight and approval of the oversight board. An enforceable obligation shall be deemed to be created for the repayment of those loans.”

D. The Successor Agency anticipates that, from time-to-time, there may be insufficient Redevelopment Property Tax Trust Fund balances to fulfill its obligations relative to administrative costs, enforceable obligations, or project-related costs.

E. The City and the Successor Agency desire to enter into this Agreement in order for the City, subject to prior Oversight Board approval, to advance funds to the Successor Agency to allow the Successor Agency to fulfill its obligations under the Dissolution Act, and for the Successor Agency to repay such advanced funds to the City.

AGREEMENT

Section 1. Term. The term of this Agreement shall expire on December 31, 2029.

Section 2. Loan Draws; Maximum Loans Outstanding. The Successor Agency may borrow funds in the form of a loan draw (“Loan Draw”) from the City upon approval of the Oversight Board and Department of Finance (“DOF”), as may be evidenced by Oversight Board and DOF approval of a Recognized Obligation Payment Schedule including such loans.

Section 3. Purpose. The purpose of such loans shall be to pay legal costs to defend the successor agency in the case of *Triad Downtown Vallejo v. Vallejo Redevelopment Agency et al.*; (Solano County Superior Court Case FCS037033). It is envisioned that defense counsel will represent the parties throughout the course of litigation and that a defense to this litigation is proper and desirable. The maximum cumulative outstanding balance of such loans, excluding accrued interest, may not at any time exceed One Hundred and Ten Thousand Dollars (\$110,000).

Section 4. Interest. Interest shall accrue on any loans made pursuant to Section 2 above based upon the Pooled Money Investment Account (PMIA) Average Monthly Effective Yields rate as published by the Local Agency Investment Fund for the months in which the Loan Draw was made (“Interest Rate”). Interest shall be calculated on a monthly basis based on the Interest Rate applicable for that month. Interest paid prior to the end of a calendar month shall be accrued at the Interest Rate for the most recently published month available at the time of repayment.

Section 5. Enforceable Obligation. The obligation of the Successor Agency to repay the City loans made pursuant to this Agreement shall constitute an indebtedness and enforceable obligation of the Successor Agency under the Dissolution Act and AB 1484 to be included in the Recognized Obligation Payment Schedules to be prepared by the Successor Agency and approved by the Oversight Board.

Section 6. Terms of Repayment. The Successor Agency agrees to pay any amounts owed under this Agreement to the City together with accrued interest. The debt is due and payable within five (5) business days from the date on which the Successor Agency has funds available and allocable to it from the Redevelopment Property Tax Trust Fund or from other sources, which are not otherwise needed to make payments on other enforceable obligations, as set forth in the applicable Recognized Obligation Payment Schedule approved by the Oversight Board and DOF. All outstanding amounts owing under this Agreement shall become due and payable in full prior to expiration of this Agreement pursuant to Section 1.

Section 7. City Obligations. The City is under no obligation to advance funds to the Successor Agency pursuant to this Agreement without the express prior approval of the Oversight Board and DOF as indicated herein.

Section 8. Remedies. If either party defaults with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the

defaulting party. If the default is not cured by the defaulting party within thirty (30) days after service of the notice of default the defaulting party shall be liable to the other party for damages caused by such default.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY OF VALLEJO
a California municipal corporation

By _____
Daniel E. Keen
City Manager

Attest:

Dawn Abrahamson, City Clerk

APPROVED AS TO FORM

By: _____
Claudia Quintana, City Attorney

- AND -

SUCCESSOR AGENCY to the
Former Vallejo Redevelopment Agency

By _____
Daniel E. Keen
Executive Director

Attest:

Dawn Abrahamson, Secretary

APPROVED AS TO FORM

By: _____
Claudia Quintana
Successor Agency Counsel

LOAN AGREEMENT, LONG RANGE PROPERTY MANAGEMENT PLAN

(Administrative Costs, Enforceable Obligations, Project-Related Costs)

This Loan Agreement (“Agreement”) is entered into as of the ___ day of ___, 2013, (“Effective Date”) by and between the City of Vallejo, a California municipal corporation (“City”), and the Successor Agency to the Vallejo Redevelopment Agency (the “Successor Agency”).

RECITALS

A. In accordance with AB 1X 26 (Stats. 2011, chap. 5, as amended by a decision filed by the California Supreme Court on December 29, 2011) (“Dissolution Act”), the former Vallejo Redevelopment Agency (“Redevelopment Agency”) was dissolved, effective February 1, 2012, and the City Council of the City of Vallejo determined that the City would serve as the successor agency to the former Redevelopment Agency.

B. The Dissolution Act, pursuant to Health and Safety Code Section 34177, tasks each successor agency with the responsibility, among other things, for winding down the dissolved redevelopment agency’s affairs, continuing to meet the former redevelopment agency’s enforceable obligations, overseeing completion of redevelopment projects and disposing of the assets and properties of the former redevelopment agency, all as directed by an oversight board established pursuant to Health and Safety Code Section 34179 (“Oversight Board”).

C. AB 1484 (Stats. 2012, chap. 26, filed with the Secretary of State on June 27, 2012) amended Health and Safety Code Section 34173(h) to provide that the city “that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's

discretion, but the receipt and use of these funds shall be reflected on the Recognized Obligation Payment Schedule or the administrative budget and therefore are subject to the oversight and approval of the oversight board. An enforceable obligation shall be deemed to be created for the repayment of those loans.”

D. The Successor Agency anticipates that, from time-to-time, there may be insufficient Redevelopment Property Tax Trust Fund balances to fulfill its obligations relative to administrative costs, enforceable obligations, or project-related costs.

E. The City and the Successor Agency desire to enter into this Agreement in order for the City, subject to prior Oversight Board approval, to advance funds to the Successor Agency to allow the Successor Agency to fulfill its obligations under the Dissolution Act, and for the Successor Agency to repay such advanced funds to the City.

AGREEMENT

Section 1. Term. The term of this Agreement shall expire on December 31, 2029.

Section 2. Loan Draws; Maximum Loans Outstanding. The Successor Agency may borrow funds in the form of a loan draw (“Loan Draw”) from the City upon approval of the Oversight Board and Department of Finance (“DOF”), as may be evidenced by Oversight Board and DOF approval of a Recognized Obligation Payment Schedule including such loans.

Section 3. Purpose. The purpose of such loans is for consultants to prepare a required Long Range Property Management Plan, pursuant to AB 1484, that identifies the long term disposition of all Successor Agency property. The maximum cumulative outstanding balance of such loans, excluding accrued interest, may not at any time exceed One Hundred Thousand Dollars (\$100,000).

Section 4. Interest. Interest shall accrue on any loans made pursuant to Section 2 above based upon the Pooled Money Investment Account (PMIA) Average Monthly Effective Yields rate as published by the Local Agency Investment Fund for the months in which the Loan Draw was made (“Interest Rate”). Interest shall be calculated on a monthly basis based on the Interest Rate applicable for that month. Interest paid prior to the end of a calendar month shall be accrued at the Interest Rate for the most recently published month available at the time of repayment.

Section 5. Enforceable Obligation. The obligation of the Successor Agency to repay the City loans made pursuant to this Agreement shall constitute an indebtedness and enforceable obligation of the Successor Agency under the Dissolution Act and AB 1484 to be included in the Recognized Obligation Payment Schedules to be prepared by the Successor Agency and approved by the Oversight Board.

Section 6. Terms of Repayment. The Successor Agency agrees to pay any amounts owed under this Agreement to the City together with accrued interest. The debt is due and payable within five (5) business days from the date on which the Successor Agency has funds available and allocable to it from the Redevelopment Property Tax Trust Fund or from other sources, which are not otherwise needed to make payments on other enforceable obligations, as set forth in the applicable Recognized Obligation Payment Schedule approved by the Oversight Board and DOF. All outstanding amounts owing under this Agreement shall become due and payable in full prior to expiration of this Agreement pursuant to Section 1.

Section 7. City Obligations. The City is under no obligation to advance funds to the Successor Agency pursuant to this Agreement without the express prior approval of the Oversight Board and DOF as indicated herein.

Section 8. Remedies. If either party defaults with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the

EXHIBIT B

defaulting party. If the default is not cured by the defaulting party within thirty (30) days after service of the notice of default the defaulting party shall be liable to the other party for damages caused by such default.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY OF VALLEJO
a California municipal corporation

By _____
Daniel E. Keen
City Manager

Attest:

Dawn Abrahamson, City Clerk

APPROVED AS TO FORM

By: _____
Claudia Quintana, City Attorney

- AND -

SUCCESSOR AGENCY to the
Former Vallejo Redevelopment Agency

By _____
Daniel E. Keen
Executive Director

Attest:

Dawn Abrahamson, Secretary

APPROVED AS TO FORM

By: _____
Claudia Quintana
Successor Agency Counsel



VALLEJO OVERSIGHT BOARD

For the Successor Agency to the
Former Vallejo Redevelopment Agency

CHAIR
Erin Hannigan

BOARDMEMBERS:
Annette Taylor, Vice-Chair
Marti Brown
Melvin Jordan
LaGuan Lea
Shane McAfee

MEMO: OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY

Date: June 20, 2013

TO: Chair and Members of the Board

FROM: Dan Marks, Interim Economic Development Director

SUBJECT: ADOPT A RESOLUTION APPROVING THE JULY 1, 2013 – DECEMBER 31, 2013 ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE FORMER VALLEJO REDEVELOPMENT AGENCY, PURSUANT TO CAL H&S CODE §34177(J)

RECOMMENDATION

The Oversight Board adopt a Resolution Approving the Successor Agency Administrative Budget for the period of July 1, 2013 – December 31, 2013 and provide the Executive Director of the Successor Agency the authority to administratively amend the Administrative Budget so that the total costs do not exceed \$125,000 within the given six-month period covered by this Administrative Budget.

BACKGROUND

ABX1 26 provides for an administrative cost allowance to provide funds for successor agencies to wind down the affairs and administer the debt repayments of the former Redevelopment Agency. Cal. H&S Section 34177(j) requires that the Successor Agency prepare a proposed administrative budget and submit it to the Oversight Board for its approval. The proposed administrative budget is to include:

1. Estimated amounts for Successor Agency administrative costs for the upcoming six months;
2. Proposed sources of payment for the costs identified in 1 above; and
3. Proposals for arrangement for administrative and operations services provided by the City

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A copy of the Successor Agency Administrative Budget for the period of June 30, 2013 – December 31, 2013 is attached to the Resolution as Exhibit A. The maximum annual amount available for administration is \$250,000, based on the formula established in State law. The Oversight Board previously adopted an Administrative Budget for the period of January 1, 2013 – June 30, 2013.

Staff is recommending that the Oversight Board provide the authority to staff to administratively amend the Administrative Budget. This action would allow the Executive Director to move money between line items so that the total expenditure does not exceed half the \$250,000 annual allocation: \$125,000.

CONTACT

Dan Marks, 707-648-4382, dmarks@ci.vallejo.ca.us

DOCUMENTS ATTACHED

1. Attachment A – 2013-14 Budget
2. Attachment B: Resolution

Exhibit A to Resolution					
SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY AND OVERSIGHT BOARD					
ADMINISTRATIVE BUDGET					
JULY 1, 2013 - DECEMBER 31, 2013					
				Arrangement of	
Expenditure Category	Amount	Source	Services Provided by City		
Staff					
City Mangement and City Attorney	10,000	RPTTF*	Direct Payment		
Finance Department	55,000	RPTTF*	Direct Payment		
Economic Development Staff	50,000	RPTTF*	Direct Payment		
City Clerk	8,000	RPTTF*	Direct Payment		
Other Costs (printing, postage, travel, etc.)	4,000	RPTTF*	Direct Payment		
June 30 - December 31, 2013	\$125,000				
RPTTF: Redevelopment Property Tax Trust Fund					

RESOLUTION NO. 13 - 4

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
TO THE FORMER VALLEJO REDEVELOPMENT AGENCY, APPROVING THE
SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD
JULY 1, 2013 – DECEMBER 31, 2013

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Vallejo ("RDA Successor Agency") is the successor agency to the former Vallejo Redevelopment Agency ("Agency"); and

WHEREAS, Health and Safety Code section 34179(a) provides that each Successor Agency shall have an oversight board composed of seven members; and

WHEREAS, the Oversight Board is the RDA Successor Agency's oversight board pursuant to Health and Safety Code section 34179(a); and

WHEREAS, Health and Safety Code section 34177(j) requires that the Successor Agency prepare a proposed administrative budget (the "Administrative Budget") and submit it to the Oversight Board for its approval.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED VALLEJO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. CEQA Compliance. The approval of the Administrative Budget through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 3. Approval of the Administrative Budget. The Oversight Board hereby approves and adopts the Successor Agency Administrative Budget for the period of July 1, 2013 – December 31, 2013, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177.

SECTION 4. Certification. The City Clerk of the City of Vallejo, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

PASSED AND ADOPTED this 20th day of June, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Erin Hannigan, Chair

ATTEST:

Dawn G. Abrahamson, Secretary