AGENDA
SPECIAL MEETING OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO
THE EL CERRITO REDEVELOPMENT AGENCY

Wednesday, April 4, 2012, 7:00 pm

El Cerrito City Council Chambers
10890 San Pablo Avenue
El Cerrito CA, 94530

1. Call to Order

2. Roll Call

3. Public Comment
   Comments are limited to 3 minutes per speaker.

4. Introduction of Board Members and Staff

5. New Business Items
   A. Election of Chair and Vice Chair
   B. Presentation of Background on Dissolution of the El Cerrito Redevelopment Agency
      Pursuant to AB1x26
   C. Consideration of a Resolution Establishing Rules, Procedures, Date, Time and Location
      for Meetings of the Oversight Board of the Successor Agency to the El Cerrito
      Redevelopment Agency (Oversight Board)
   D. Consideration of a Resolution Approving the Successor Agency Administrative Budget
   E. Consideration of a Resolution Approving the First Recognized Obligation Payment
      Schedule

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 the Board Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to
  make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).
Background on Dissolution of the El Cerrito Redevelopment Agency Pursuant to AB1x26

Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency
Special Meeting, April 4, 2012
Background

- Historical and Legislative Overview
  - Former El Cerrito Redevelopment Agency
  - Dissolution Legislation
  - Role and Actions Required of the Oversight Board

- Financial Overview
  - Assets and Liabilities transferred to the City or the Successor Agency
  - Successor Agency Obligations as of February 1, 2012
  - Benefit of Approving Economic Development Obligations - Financial Projections

- Items for Consideration
  - Oversight Board Rules; Procedures; Date, Time and Location for Meetings
  - Successor Agency Administrative Budget
  - First Recognized Obligation Payment Schedule (ROPS)

April 4, 2012
Former El Cerrito Redevelopment Agency Facts and Project Area Map

<table>
<thead>
<tr>
<th>Acres</th>
<th>368</th>
</tr>
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<tbody>
<tr>
<td>Date Adopted</td>
<td>November 28, 1977</td>
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<tr>
<td>Plan Effectiveness Date</td>
<td>December 28, 1977</td>
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<tr>
<td>Base Year</td>
<td>FY 1977/78</td>
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<tr>
<td>Base Year Assessed Value</td>
<td>$92,946,392</td>
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</table>

**Time Limits**
- Incurring Debt: Repealed
- Eminent Domain*: November 6, 2018
- Project Activities: November 28, 2020
- Tax Increment Receipt: November 28, 2025

**Financial Limits**
- Tax Increment Cap: $250,000,000
- Outstanding Indebtedness Limit: $80,000,000

- Cumulative Tax Increment Collected Through FY10/11: Approximately $70M
- FY11/12 Assessed Value: $573M (Prior to Expected $15M Correction)
- FY11/12 Incremental Assessed Value: Approximately $480M ($495M with Correction)

April 4, 2012
El Cerrito Redevelopment Agency

Goals and Objectives

- Facilitate commercial and residential transit-oriented development at El Cerrito’s two BART stations
- Strengthen the City’s economic base by increasing opportunities to purchase local goods, services, and entertainment
- Improve El Cerrito’s image and strengthen the sense of community, while enhancing property values
- Ensure a wide range of quality housing choices in El Cerrito, including mixed-use and affordable housing developments
- Improve the physical and natural environment and maintain the City’s long-term infrastructure investment
El Cerrito Redevelopment Agency
Recent Projects and Programs

- Public Improvements
  - San Pablo Avenue Streetscape
  - Civic Center Plaza
  - Library

- Economic Development
  - Business Recruitment and Retention
  - URM Abatement (Technical Assistance to Nearly 30 Businesses)
  - Video Equipment Loan Program (Over 50 Businesses)
  - Funded Implementation of Economic Development Projects and Programs by EC Municipal Services Corp.
    - Commercial Loan Program (Elevation 66)
    - Program and Project Staff
    - Grant Program (First Grant to Fire Department for Regional Radio System)

- Encouraging Infill Development
  - Cerrito Theater
  - Mayfair Acquisition
  - San Pablo Avenue Specific Plan and Del Norte TOD Strategy
  - Target Option Negotiation
  - Sale of Properties with Obligations to EC Municipal Services Corp.

- Affordable Housing
  - Loan to Resources for Community Development for Property Acquisition
  - Acquisition of Tradeway Site, Developer Solicitation, predevelopment loan and exclusive negotiating agreement
  - Sale of Tradeway Property with Development Obligations to City of El Cerrito

April 4, 2012
Project Area Assessed Value
FY1992/93 to FY2011/12

$700 Market Peak

$631.4M in FY08/09

$572.7M in FY11/12

Down 9% from Peak

$500

$600

$300

$400

$200

$100

$0

Base Assessed Value

$92.9M in FY77/78

Historical AV (FY92/93-FY11/12)
Base AV

April 4, 2012
Tax Increment
FY1992/93 – FY2011/12

Roughly 20% of Tax Increment was passed through to taxing entities each year, with the split calculated by County according to Property Tax Shares.

FY11/12 includes anticipated Prior Year Supplemental Payment for Anticipated AV Correction

- $5.0M in FY11/12
- $4.9M in FY11/12
- $5.4M in FY08/09

April 4, 2012
Taxing Entities Serving Redevelopment Project Area*

- Education
  - Contra Costa County Superintendent of Schools (1)
  - West Contra Costa Unified School District
  - Contra Costa Community College District (1)
  - ERAF
- City of El Cerrito (2)
- Contra Costa County (2)
- Special Districts
  - East Bay Regional Park District (1)
  - Contra Costa Water Agency
  - Mosquito Abatement District
  - Stege Sanitary District
  - West Contra Costa Hospital District
  - East Bay Municipal Utility District
  - AC Transit
  - Bay Area Rapid Transit District
  - Bay Area Air Quality Management District

* Number in parentheses is the entity’s number of appointments to the Oversight Board.

April 4, 2012
Continued Goal: Revitalization Through Economic Development and Affordable Housing

**Funding Obligations for Economic Development & Housing Programs**

- **Policies**
  - Priority Development Area
  - Adoption of New Zoning Based on San Pablo Avenue Specific Plan
  - Del Norte TOD Parking and Feasibility Strategy
  - Del Norte BART Area Master Planning
- **El Cerrito Plaza Area**
  - Tenant Recruitment
  - Developer/Property Owner Facilitation
- **Midtown**
  - URM Abatement
  - Senior Housing/Mixed-Use Project Adjacent to City Hall
  - Multi-family/Special Needs Project on Portola Drive
- **Del Norte**
  - Master Development in Partnership with Property Owners and BART
- **Economic Development Programs**
  - Maintaining Existing Affordable Housing Stock

April 4, 2012
Summary of AB1x26

- **Effect on public agencies**
  - Dissolves redevelopment agency
  - Transfers assets and liabilities to a successor agency
  - Creates oversight boards for successor agencies

- **Impact on existing projects and finances**
  - Allows projects to proceed and be funded if there is a financial commitment
  - Invalidates property conveyances to and contracts with public agencies (occurring after Jan. 1, 2011)

- Requires successor agencies to use tax revenue, proceeds, and unencumbered reserves to pay:
  1. County Auditor-Controller administration costs
  2. Enforceable obligations (including both debt service and contractual obligations)
  3. Administrative cost allowance to the successor agency

- Remaining funds distributed to the taxing entities serving the project area

April 4, 2012
Legal Provisions Related to Oversight Boards

- Representatives of city, county, community college district, county board of education, largest special district
- Unpaid position, serves at pleasure of appointing entity
- Subject to the Brown Act, Public Records Act, and Political Reform Act of 1974
- Personal immunity, but not legal counsel provided
- Actions subject to review by Department of Finance
- Fiduciary duty to holders of enforceable obligations and taxing entities
- One county-wide Oversight Board starting in 2016
Oversight Board Required Actions

Direct and/or approve actions of the Successor Agency to:

- Approve Successor Agency Administrative Budget
- Establish of new repayment schedules or refunding of debt
- Set aside needed reserves
- Merge of project areas
- Continue acceptance of financial assistance
- Make payments or perform obligations on recognized obligation payment schedules
- Dispose of property and assets
- Terminate unenforceable obligations or renegotiate contracts
- Transfer housing functions
Process

- Successor Agency: prepares Recognized Obligations Payment Schedule (ROPS) with debt payments and contractual obligations by month
- County Auditor-Controller: uses independent auditor to certify obligations on ROPS are valid
- Oversight Board: approves payment and performance of obligations on ROPS
- Department of Finance: allowed three days to request review of any oversight board actions (actions are not effective for three-day period)
- Department of Finance: has ten days to approve the oversight board action being reviewed or return it to the oversight board
- County Auditor-Controller: disburses funds in January and June each year
- Successor Agency: makes debt payments and ensures performance of contractual obligations
Actions Already Taken for Dissolution: City Elected to Assume Housing Functions

- Assets (as of February 1)
  - Agency’s unencumbered housing funds transferred to new City Housing Fund
  - Receivables for loans to Agency to pay prior funding takeaways by the State
  - Loan portfolio of affordable housing projects
    - Idaho Apartments
    - El Cerrito Royale and St. John’s Land Partnership
    - Land acquisition for Ohlone Gardens Project by Resources for Community Development
  - Tradeway property (conveyed prior to dissolution legislation)
- Contractual and Statutory Obligations
  - Loan commitments to Ohlone Gardens and Eden Housing
  - Exclusive Negotiating Agreement with Eden Housing for Tradeway property
  - Monitoring existing housing projects for compliance with affordability restrictions

*AB1x26 provides no additional funding. If Housing obligations on ROPS are not approved, current and future will be eliminated.*
Actions Already Taken for Dissolution: City Elected to Serve as Successor Agency

- Assets as of February 1
  - Funds remaining in Redevelopment Capital Fund
  - Real property (remnants of right-of-way from prior projects)
  - Performance Deeds of Trust by EC Municipal Services Corp. to redevelop or operate properties conveyed
    - Eastshore Triangle
    - Mayfair Block
    - Civic Center Parcel
    - Cerrito Theater
  - McMorgan DDA - Right to approve tenants (currently occupied by OSH)
  - Loan receivables for Video Equipment Program (Portion of balance forgiven annually)
February 1: Enforceable Obligations and Liabilities Transferred to Successor Agency

- **Debt Payments**
  - Tax Allocation Bonds
  - Valente Note (secured by third-party deed of trust)
  - Payments to Housing Fund for loans to fund Educational Revenue Augmentation Fund (ERAF) 2005-06 and Supplemental ERAF 2009-10

- **Commitment to County for $5.1M facilities funding** - enforceability is unclear

- **Successor Agency Administrative Allowance**

- **Contracts**
  - Coop Agmt with City for El Cerrito Redev Project Area (Housing)
  - Coop Agmt with EC MSC for El Cerrito Redev Project Area (Ec Dev)

- **Project Commitments**
  - Ohlone Gardens Loan Agreement
  - Eden Housing Loan Agreement
  - Project Related Costs
  - Affordable housing monitoring

April 4, 2012
## ROPS February-June 2012

<table>
<thead>
<tr>
<th>Obligation (Payee)</th>
<th>Description</th>
<th>Total Obligation</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>Total ROPS</th>
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<tr>
<td>1997A Bonds (Union Bank)</td>
<td>Redev Projs</td>
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<td>2004B Bonds (Union Bank)</td>
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## Draft ROPS July-December 2012

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<th>Description</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<td>$1,611,025</td>
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April 4, 2012
Timing Issues for First and Second ROPS Created by Stay on AB1x26

<table>
<thead>
<tr>
<th>Required Action</th>
<th>Timing</th>
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<tbody>
<tr>
<td>County Auditor-Controller to certify obligations</td>
<td>Delayed by Supreme Court Stay to June 30, after first and second ROPS</td>
</tr>
<tr>
<td>Successor Agency to authorize first ROPS (Feb-Jun 2012)</td>
<td>Completed February 21 (delayed by Stay)</td>
</tr>
<tr>
<td>Oversight Board to approve first ROPS</td>
<td>Due by April 15 (delayed by Stay)</td>
</tr>
<tr>
<td>County to disburse funds for first ROPS</td>
<td>Due on May 15 (however, no funds will be disbursed as they were disbursed in December, during Stay and used for expenses due prior to May 15)</td>
</tr>
<tr>
<td>Successor Agency to consider second ROPS (Jul-Dec 2012)</td>
<td>Due by May 1 (Scheduled for April 17, initial draft of second ROPS to be adjusted for June payments on first ROPS)</td>
</tr>
<tr>
<td>Oversight Board will approve second ROPS</td>
<td>Due by May 11</td>
</tr>
<tr>
<td>County to disburse funds for second ROPS</td>
<td>Due on June 1</td>
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</table>
Successor Agency
Administrative Budget FY2011-12

<table>
<thead>
<tr>
<th>Entity/Activity</th>
<th>Successor Agency</th>
<th>Oversight Board</th>
</tr>
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<tbody>
<tr>
<td><strong>Staffing Functions (Total Compensation plus Overhead for Indirect Costs)</strong></td>
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<tr>
<td>City Management</td>
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<td>$ 33,910</td>
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<td>Finance</td>
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<td>Legal Services</td>
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<td>Financial &amp; Audit Services</td>
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<td>Bond-related Costs</td>
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<td>Advertising/Legal Notices</td>
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<td>Property Management</td>
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<td><strong>Total</strong></td>
<td><strong>$ 260,656</strong></td>
<td><strong>$ 97,387</strong></td>
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<td><strong>Combined Total</strong></td>
<td><strong>$ 358,043</strong></td>
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**Funding Source**

| Redev Property Tax Trust Fund        | $ 250,000        |
| Unfunded                             | $ 108,043        |

- Start-up costs are high
- Setting up a new agency requires numerous one-time actions
- Legislation provides very little and sometimes conflicting direction
- Learning curve
Fiscal Impact of Oversight Boards Decisions

Through the ability to approve a successor agency’s contractual obligations for projects, an oversight board influences the short- and long-term fiscal impact on taxing entities and the economic development of the community. Oversight boards can:

- Support new development, increasing tax base and resulting in greater property tax revenue to taxing entities over time
- Limit enforceable obligations, making property tax revenue available to taxing entities now, but also constraining its growth

Note that any increased revenue from successor agencies to school districts would replace revenue from the State General Fund, freeing it up for other State obligations, potentially resulting in no fiscal benefit for education, regardless of oversight board actions.
## Tax Allocation Bonds

<table>
<thead>
<tr>
<th>Issue</th>
<th>Balance</th>
<th>Purpose</th>
<th>Payment (to be moved to second ROPS)</th>
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<tbody>
<tr>
<td>1997 A</td>
<td>$4,662,048</td>
<td>Refinancing of 1991 Bonds (Projects in the Del Norte Area)</td>
<td>$470,868</td>
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<td>1998 B</td>
<td>$1,071,038</td>
<td>Refinancing of 1993 Bonds (Del Norte Place Project)</td>
<td>$195,200</td>
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<td>2004 A</td>
<td>$13,636,426</td>
<td>Public Improvements (Tax-Exempt)</td>
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<tr>
<td>2004 B</td>
<td>$481,045</td>
<td>Economic Development &amp; Affordable Housing Projects (Taxable)</td>
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</tbody>
</table>

Note: Payments due July 1, but funds to be delivered to Trustee June 15 and therefore can be moved to second ROPS
Valente Promissory Note

- Principal Balance: $2.3M
- Payment of $288,215 was made on March 5, 2012
- Purpose: Land at 11600 San Pablo Avenue—Property is a key catalyst for revitalization of the Del Norte BART area with transit-oriented development
- Purchased in March 2009 for $3.3M with a $2.7M seller carry back note
- Note is secured by a third-party deed of trust on the property, now owned by the El Cerrito Municipal Services Corporation
- Current value of the property is less than balance due on the note
ERAF and SERAF Loans

- Combined Balance Remaining: $1,663,091
- Combined Payment due in May: $415,773
- Purpose: Housing Fund loans to pay prior State takeaways – 2005-06 Educational Revenue Augmentation Fund (ERAF) and 2009-10 Supplemental ERAF
- Statute requires repayment in full by June 2015 for use on affordable housing
Undisbursed Loan Commitments

- Contracts with affordable housing developers for housing projects already underway
  - Eden Housing
    - Remaining commitment: $310,000
    - Senior Housing/Mixed-Use Project Adjacent to City Hall
    - Property subject to transfer through future disposition and development agreement
  - Resources for Community Development
    - Remaining commitment: $471,152
    - Multi-family/Special Needs Project on Portola Drive
    - RCD owns property and has project entitlements
Successor Agency
Administrative Allowance

- Minimum administrative cost allowance of $250,000 annually
- Separate obligation to prepare a budget for approval by the Oversight Board, regardless of funding sources
Cooperation Agreement with the City of El Cerrito (Housing)

- Balance: $50M (equals the contract value)
- Annual payments thru 2025 are based on previously projected tax increment available and project needs
- No payment request for first ROPS
- Ongoing housing activities can be funded through Coop Agreement
- Should this agreement be invalidated under AB1x26, specific project commitments are also listed on the ROPS
Cooperation Agreement with Municipal Services Corp (Ec Dev)

- MSC is a separate nonprofit, public benefit corporation
- Balance: $105M (equals the contract value)
- Annual payments thru 2025 are based on previously projected tax increment available and project needs
- No payment request for first ROPS
- Projects to be funded include economic development activities, development of MSC-owned land, coordination with City and other taxing entities (transit agencies) on sustainable transit-oriented development efforts
- Cooperation Agreement is key to increasing the property tax base, benefiting all taxing entities in the long term
Maximize Future Revenue Through Economic Development and Increased Tax Base

- Funding the Coop Agmts and/or project obligations will create community and fiscal benefit for all taxing entities

- MSC Focus
  - Funding and staffing for economic development programs (important to fiscal impact, but less direct)
  - Investment in development of vacant land it owns and facilitating development of other land (key to having a significant impact on the tax base)
  - Example: One 180-unit project could be valued at $60M and fit on the Mayfair Block

- Creation of affordable housing has an indirect fiscal impact but is crucial to equitable and sustainable revitalization of San Pablo Avenue by increasing residential density and quality development
Projected Tax Increment Thru FY24-25
Under Various Growth Scenarios
Potential Annual New Revenue to Taxing Entities Under Growth Scenarios

Note: due to AB1x26 cash flow timing for first ROPS, no taxing entity payments are anticipated for FY11-12.
First Year Cash Flow Issue

- Legislation does not work with common redevelopment agency funding cycles, particularly for large and irregular debt service payments (AB1585 recently approved by Assembly and Senate addresses this problem, not signed by governor as of March 29)
- Supreme Court Stay on AB1x26 complicated and compressed the timing of payments for the first and second ROPS
- County notification of no additional May 15 payment after ROPS’ authorization
- Staff will work with County Auditor-Controller to deal with cash flow issue
- Debt Service Payments can be funded from second ROPS payment on June 1
- Successor Agency will authorize second ROPS on April 17, adjusted for cash flow
- Oversight Board approval of second ROPS needed before May 11
Consideration of Resolutions

- Establishing Rules; Procedures; Date, Time and Location for Meetings of the Oversight Board
- Approving the Successor Agency Administrative Budget
- Approving the first Recognized Obligation Payment Schedule
OVERSIGHT BOARD OF SUCCESSOR AGENCY TO THE EL CERRITO REDEVELOPMENT AGENCY RESOLUTION 2012-XX

RESOLUTION OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO THE EL CERRITO REDEVELOPMENT AGENCY ESTABLISHING RULES OF CONDUCT, PROCEDURES AND SCHEDULE FOR MEETINGS OF THE OVERSIGHT BOARD

WHEREAS, as part of the 2011-12 State budget bill, AB1x26 (the “Dissolution Act”) was enacted significantly modifying the Redevelopment Law to require the dissolution of redevelopment agencies throughout California and the establishment successor agencies to wind down the former redevelopment agencies’ affairs; and

WHEREAS, on August 15, 2011, pursuant to the Dissolution Act, the City elected to serve as the Successor Agency to the El Cerrito Redevelopment Agency (the “Successor”); and

WHEREAS, Section 34179(a) of the Health and Safety Code provides for the establishment of an oversight board of the successor agency to the former redevelopment agency (“Successor Agency”); and

WHEREAS, the Oversight Board desires to establish rules for the conduct of its meetings, including but not limited to the designation of officers and the conduct of meetings.

NOW THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency (“Oversight Board”) hereby adopts the Rules of Procedure of the Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency, a copy of which is attached hereto and incorporated herein as Exhibit A.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.
RULES OF PROCEDURE OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO
THE EL CERRITO REDEVELOPMENT AGENCY

ARTICLE 1 – THE OVERSIGHT BOARD

Section 1. Purpose
The Oversight Board shall perform the duties described in Chapter 4 (commencing with Section 34179) of Part 1.85 of Division 24 of the Health and Safety Code in connection with the winding down of the affairs of the former El Cerrito Redevelopment Agency (hereinafter the “former Agency”) by the City of El Cerrito in its capacity as the successor agency (hereinafter the “Successor”).

Section 2. Membership

a. Total Membership/Appointment
The total membership of the Oversight Board shall be seven (7), selected as follows:

(1) One member shall be appointed by the Board of Supervisors of the County of Contra Costa;
(2) One member shall be appointed by the Mayor of the City of El Cerrito;
(3) One member shall be appointed by the largest, by property tax share, special district (as defined in Revenue and Taxation Code Section 95) with territory in the territorial jurisdiction of the former El Cerrito Redevelopment Agency, which in this case is the East Bay Regional Park District;
(4) One member, to represent schools, shall be appointed by the elected County of Contra Costa Superintendent of Education;
(5) One member shall be appointed by the Chancellor of the California Community Colleges to represent community college districts in the County of Contra Costa;
(6) One member shall be a member of the public appointed by the Board of Supervisors of the County of Contra Costa; and
(7) One member, to represent the employees of the former El Cerrito Redevelopment Agency, shall be appointed by the Mayor of the City of El Cerrito.

The Governor may appoint individuals to fill any member position identified herein that has not been filled by May 15, 2012. Following its initial formation, the Oversight Board shall report the names of its officers and other members to the State Department of Finance (“DOF”).

The members shall serve without compensation and without reimbursement for expenses. Each member shall serve at the pleasure of the entity that appointed such member.
b. Duration
The Oversight Board shall be and remain established until the sooner of (1) the date that all indebtedness of the former Agency has been repaid, or (2) July 1, 2016, at which time the Oversight Board shall be dissolved and replaced by a single oversight board for all successor agencies within the County of Contra Costa.

Section 3. Local Entity
Pursuant to subdivision (e) of Section 34179 of the Health and Safety Code, the Oversight Board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

Section 4. Personal Immunity
Oversight Board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as members of the Oversight Board.

Section 5. Fiduciary Responsibilities
Oversight Board members shall have fiduciary responsibilities to holders of enforceable obligations, as that term is defined in subdivision (d) of Section 34171 of the Health and Safety Code, and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Health and Safety Code.

Section 6. Resignation
Any Oversight Board member may resign at any time by giving written notice to the Chairperson, who shall forward such notice to the Successor Agency and to DOF. Any such resignation will take effect upon receipt or upon any date specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 7. Filling of Vacancies
In the event of a vacancy on the Oversight Board, the appointing entity for the vacant seat shall select a member to fill such vacancy as soon as reasonably practicable, provided, however, that the Governor may appoint individuals to fill any member position that remains vacant for more than sixty (60) days.

ARTICLE II – OFFICERS

Section 1. Chair
The Chairperson shall preside at all meetings of the Oversight Board. The Chairperson shall sign all documents necessary to carry out the business of the Oversight Board.

Section 2. Vice Chair
The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson. In the event of the death, resignation or removal of the Chairperson, the Vice Chairperson shall assume the Chairperson’s duties until such time as the Oversight Board shall elect a new Chairperson.
Section 3. Secretary
The City Manager of the Successor Agency shall designate a person to serve as the Secretary to the Oversight Board. The Secretary shall keep the records of the Oversight Board, shall act as secretary at meetings of the Oversight Board, shall record all votes, keep a record of the proceedings of the Oversight Board in a journal of proceedings to be kept for such purpose and shall perform all duties incident to the office. The Secretary shall maintain a record of all official proceedings of the Oversight Board and its programs. In the absence of the Secretary, the City Manager to the Successor Agency shall appoint a member of the staff to act as Secretary.

Section 4. Designated Contact Person for State Department of Finance
The City Manager of the Successor Agency shall be the designated point of contact for communications with the Department of Finance.

Section 5. Election
The Chairperson and Vice Chairperson shall be elected from among the members of the Oversight Board at the first meeting of the Oversight Board.

Section 6. Vacancies
Should the office of the Chairperson or Vice Chairperson become vacant, the Oversight Board shall elect a successor from among the Oversight Board members at the next regular or special meeting.

ARTICLE III -MEETINGS

Section 1. Regular Meetings
Regular meetings of the Oversight Board shall be held on the last Wednesday of April, at the hour of 7:00 p.m., and on the first Wednesday of December, at the hour of 7:00pm. The meetings will be held in the Council Chambers at City Hall, El Cerrito, California, or at such other locations as the Oversight Board may from time to time designate by resolution or in the notice of call of any special meeting. In the event that the regular meeting date shall be a legal holiday, then any such regular meeting shall be held on the next business day thereafter ensuing that is not a legal holiday. A notice, agenda and other necessary documents shall be delivered to the members, personally or by mail, at least seventy-two (72) hours prior to the meeting.

Section 2. Special Meetings
The City Manager of the Successor Agency may, when he or she deems it necessary, and shall, upon written request of four members of the Oversight Board, call a special meeting of the Oversight Board for the purpose of transacting the business designated in the call. The means and method for calling such special meeting shall be as set forth in the Ralph M. Brown Act, California Government Code Section 53950 et seq. (the “Brown Act”).
Section 3. Adjourned Meetings
Any meeting of the Oversight Board may be adjourned to an adjourned meeting without
the need for notice requirements of a special meeting, provided the adjournment indicates
the date, time and place of the adjourned meeting. Oversight Board members absent from
the meeting at which the adjournment decision is made shall be notified by the
Chairperson of the adjourned meeting. In adjourning any meeting, there shall be
compliance with all procedures of the Brown Act.

Section 4. All Meetings to be Open and Public
All meetings of the Oversight Board shall be open and public to the extent
required by law. All persons shall be permitted to attend any such meetings, except as
otherwise provided by law.

Section 5. Posting Agendas/Notices
The Secretary, or his/her authorized representative, shall post an agenda for each regular
Oversight Board meeting or a notice for each special Oversight Board meeting containing
a brief description of each item of business to be transacted or discussed at the meeting
together with the time and location of the meeting. Agendas/notices shall be posted at El
Cerrito City Hall, El Cerrito, California (a location readily accessible to the public) at
least seventy-two (72) hours in advance of each regular meeting and at least twenty-four
(24) hours in advance of each special meeting.

All notices required by law for proposed actions by the Oversight Board shall also be
posted on the Successor Agency’s internet web site or the Oversight Board’s internet web
site, if one exists.

Section 6. Right of Public to Appear and Speak
At every regular meeting, members of the public shall have an opportunity to address the
Oversight Board on matters within the Oversight Board subject matter jurisdiction. Public
input and comment on matters on the agenda, as well as public input and comment on
matters not otherwise on the agenda, shall be made during the time set aside for public
comment; provided, however, that the Oversight Board may direct that public input and
comment on matters on the agenda be heard when the matter regularly comes up on the
agenda.

The Chairperson may limit the total amount of time allocated for public discussion on
particular issues and/or the time allocated for each individual speaker.

Section 7. Non-Agenda Items
Matters brought before the Oversight Board at a regular meeting which were not placed
on the agenda of the meeting shall not be acted upon by the Oversight Board at that
meeting unless action on such matters is permissible pursuant to the Ralph M. Brown Act
(Gov. Code §54950 et seq.). Those non-agenda items brought before the Oversight Board
which the Oversight Board determines will require Oversight Board consideration and
action and where Oversight Board action at that meeting is not so authorized shall be
placed on the agenda for the next regular meeting.
Section 8. Quorum
The powers of the Oversight Board shall be vested in the members thereof in office from time to time. A majority of the total membership of the Oversight Board shall constitute a quorum for the purpose of conducting the business of the Oversight Board, exercising its powers and for all other purposes, but less than that number may adjourn the meeting from time to time until a quorum is obtained. An affirmative vote by a majority of the total membership of the Oversight Board shall be required for approval of any questions brought before the Oversight Board.

Section 9. Minutes
Minutes of the meetings of the Oversight Board shall be prepared in writing by the Secretary. Copies of the minutes of each Oversight Board meeting shall be made available to each member of the Oversight Board and the Successor. Approved minutes shall be filed in the official book of minutes of the Oversight Board.
WHEREAS, as part of the 2011-12 State budget bill, AB1x26 (the "Dissolution Act") was enacted significantly modifying the Redevelopment Law to require the dissolution of redevelopment agencies throughout California and the establishment successor agencies to wind down the former redevelopment agencies’ affairs; and

WHEREAS, on August 15, 2011, pursuant to the Dissolution Act, the City elected to serve as the Successor Agency to the El Cerrito Redevelopment Agency (the “Successor”); and

WHEREAS, Section 34179(a) of the Health and Safety Code provides for the establishment of an oversight board ("Oversight Board") of the successor agency to the former redevelopment agency ("Successor Agency"); and

WHEREAS, the Dissolution Act requires the Successor to prepare a proposed administrative budget for each upcoming six-month period of the fiscal year and submit it to the Oversight Board for its approval; and

WHEREAS, the Successor Agency has prepared a proposed administrative budget for the 2011-12 Fiscal Year and is hereby submitting it to the Oversight Board as Exhibit A to this Resolution.

NOW THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency hereby approves the Successor Agency Administrative Budget for the Fiscal Year 2011-12 (the “FY 11-12 Administrative Budget”) attached hereto as Exhibit 1.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.
### Exhibit A
Successor Agency Administrative Budget
Fiscal Year 2011/2012

<table>
<thead>
<tr>
<th>Entity/Activity</th>
<th>Successor Agency</th>
<th>Oversight Board</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staffing Functions (Total Compensation plus Overhead for Indirect Costs)</strong></td>
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<tr>
<td>City Management</td>
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<td>Information Systems</td>
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<td>Legal Services</td>
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<td>Financial &amp; Audit Services</td>
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<td>Bond-related Costs</td>
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<td>Supplies</td>
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<td>Copies</td>
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<td>Website</td>
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<td>Advertising/Legal Notices</td>
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<td>Property Management</td>
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<td><strong>Total</strong></td>
<td><strong>$260,656</strong></td>
<td><strong>$97,387</strong></td>
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<tr>
<td><strong>Combined Total</strong></td>
<td></td>
<td><strong>$358,043</strong></td>
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</table>

**Funding Source**
- Redev Property Tax Trust Fund: $250,000
- Unfunded: $108,043
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE EL CERRITO REDEVELOPMENT AGENCY
RESOLUTION 2012-XX

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE EL CERRITO REDEVELOPMENT AGENCY APPROVING THE INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE AS REQUIRED UNDER AB1X26

WHEREAS, as part of the 2011-12 State budget bill, AB1x26 (the “Dissolution Act”) was enacted significantly modifying the Redevelopment Law to require the dissolution of redevelopment agencies throughout California and the establishment successor agencies to wind down the former redevelopment agencies’ affairs; and

WHEREAS, on August 15, 2011, pursuant to the Dissolution Act, the City elected to serve as the Successor Agency to the El Cerrito Redevelopment Agency (the “Successor”); and

WHEREAS, Section 34179(a) of the Health and Safety Code provides for the establishment of an oversight board (“Oversight Board”) of the successor agency to the former redevelopment agency (“Successor Agency”); and

WHEREAS, the Dissolution Act requires the Successor to prepare an initial draft of a Recognized Obligations Payment Schedule (“ROPS”) by March 1, 2012, to be certified by the County Auditor-Controller, approved by an oversight board and reviewed by the California Department of Finance; and

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

WHEREAS, the City Council, acting in its role as governing board of the Successor, has reviewed the initial draft ROPS that was prepared pursuant to the Dissolution Act, which is Exhibit 1 to this Resolution, for submittal to the County Auditor-Controller, the Oversight Board of the Successor Agency once established, and the State Department of Finance.

NOW THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency hereby approves the initial Recognized Obligation Payment Schedule as required under the Dissolution Act and attached hereto as Exhibit 1.

BE IT FURTHER RESOLVED that the Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency authorizes the submittal of the approved initial Recognized Obligation Payment Schedule as required under the Dissolution Act.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.
### INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE
February - June, 2012

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>Total Outstanding 1/31/12</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>Total Due in Period</th>
<th>Source of Funds</th>
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</thead>
<tbody>
<tr>
<td>1997 Tax Allocation Bonds, Series A</td>
<td>Union Bank</td>
<td>Refunding of prior TAB for Redevelop Projs</td>
<td>4,662,048</td>
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<td>2004 Tax Allocation Bonds, Series B</td>
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<td>Cooperation Agreement</td>
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<td>Redevelopment Plan Implementation (housing)</td>
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<td>2009-2010 SERAF Loan</td>
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<td>Ohlone Gardens LP</td>
<td>Undisbursed loan commitment</td>
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<td>Administrative Budget</td>
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<td>Administrative Budget per AB1x26</td>
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