



San Rafael

Agenda Item No: 8 a.

Meeting Date: June 18, 2012

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: City Manager

Prepared by: Stephanie Lovette *SL*
Economic Development Manger

City Manager Approval *J. Muehle*

SUBJECT: RESOLUTION OF THE SAN RAFAEL CITY COUNCIL, ACTING AS THE SUCCESSOR TO THE SAN RAFAEL REDEVELOPMENT AGENCY, APPROVING AN AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF AUGUST –DECEMBER 2011 AND APPROVING A SECOND AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY-JUNE 2012

RECOMMENDATION: Adopt a resolution of the City Council, in the capacity as governing board of the successor agency to the former Redevelopment Agency: (1) approving an Amended Enforceable Obligation Payment Schedule for the period of August-December 2011; (2) approving the Second Amended Recognized Obligation Payment Schedule for the period of January-June 2012 and authorizing the City Manager to take such actions and execute such other documents as are appropriate to effectuate the intent of the resolution.

OVERVIEW: The California state legislature enacted Assembly Bill x1 26 (the “Dissolution Act”) to dissolve redevelopment agencies formed under the Community Redevelopment Law. The California Supreme Court in its decision in *California Redevelopment Association v. Matosantos*, issued December 29, 2011 (the “Supreme Court Decision”), declared the Dissolution Act to be constitutional. Under the Dissolution Act, all California redevelopment agencies were dissolved effective February 1, 2012, and various actions are now required by successor agencies to unwind the affairs of all former redevelopment agencies.

BACKGROUND: On January 3, 2012 the City Council of the City of San Rafael (the “City Council”) adopted a resolution accepting for the City the role of successor agency (the “Successor Agency”) to the Redevelopment Agency of the City of San Rafael (the “Redevelopment Agency”). An oversight board (the “Oversight Board”), consisting of members representing the County, the City, and various education and special districts, was formed to approve and direct certain actions of the City as Successor Agency. The actions of the Oversight Board must be approved by the California Department of Finance.

FOR CITY CLERK ONLY

File No.: _____

Council Meeting: _____

Disposition: _____

On January 30, 2012, the Redevelopment Agency Board, in accordance with the Dissolution Act, adopted an amended Enforceable Obligations Payment Schedule (the "EOPS") listing all of the Redevelopment Agency's enforceable obligations for payments required to be made by the Redevelopment Agency through June 30, 2012.

The City as Successor Agency adopted an Amended EOPS on March 5, 2012. The Successor Agency also adopted the first Recognized Obligation Payment Schedule ("the First ROPS") and an administrative budget for the period of January-June 2012 on the same date.

Agency staff also prepared the second Recognized Obligation Payment Schedule and an administrative budget for the period of July-December 2012 (the "Second ROPS").

The Oversight Board met on May 9, 2012 and approved certain items on the First ROPS, the Second ROPS and the administrative budgets for January-June and July-December 2012. The partially approved First and Second ROPS and the administrative budgets were also approved by the California Department of Finance.

DISCUSSION: The EOPS has been superseded by the ROPS. At this time, the Agency may only fund transactions that are listed on the ROPS and approved by the Oversight Board and the Department of Finance.

The County and the State are in the process of auditing all former redevelopment agencies for financial transactions that occurred prior to the adoption of the ROPS and assessing those transactions against the EOPS that were prepared in August 2011 and January 2011. Staff has been advised to update the EOPS' to include the month of January and to list specific payees for certain items that were listed categorically. These changes are reflected in the Amended EOPS'. The total obligations shown on the Amended EOPS' does not exceed the obligations listed on the previous EOPS'.

FISCAL IMPACT: Approval of the Amended EOPS' will provide a better facilitate the ability of the City as Successor Agency to verify the payments that were made on enforceable obligations in the month of January 2012.

OPTIONS:

- Adopt the Resolution
- Modify the Resolution
- Request further information
- Reject the staff recommendation

ACTION REQUIRED: Staff recommends that the Council adopt the Resolution.

ATTACHMENTS:

Attachment A – Amended Enforceable Obligation Payment Schedule for the period of August-December 2011

Attachment B - Amended Enforceable Obligation Payment Schedule for the period of January-June 2012

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL, ACTING
AS THE SUCCESSOR TO THE SAN RAFAEL
REDEVELOPMENT AGENCY, APPROVING AN AMENDED
ENFORCEABLE OBLIGATION PAYMENT SCHEDULE FOR
THE PERIOD OF AUGUST -DECEMBER 2011 AND APPROVING
A SECOND AMENDED ENFORCEABLE OBLIGATION
PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY-JUNE
2012**

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the "Redevelopment Law"), the City Council (the "City Council") of the City of San Rafael (the "City") adopted the Redevelopment Plan for the Central San Rafael Redevelopment Project Area by Ordinance No. 1079, on November 20, 1972 (as amended from time to time, the "Redevelopment Plan"); and

WHEREAS, the San Rafael Redevelopment Agency (the "Agency") is responsible for implementing the Redevelopment Plan pursuant to the Redevelopment Law; and

WHEREAS, ABx1 26 (the "Dissolution Act") was enacted on June 28, 2011; and

WHEREAS, through its December 29, 2011 decision in the case of *California Redevelopment Association v. Matosantos* -(the "Supreme Court Decision"), the California Supreme Court declared the Dissolution Act to be constitutional and revised certain dates for performance of actions under the Dissolution Act; and

WHEREAS, the Dissolution Act provides for dissolution of the Agency as of February 1, 2012, at which time the assets and payment obligations (defined in the Dissolution Act as "Enforceable Obligations") of the dissolving Agency will be transferred to the City, acting in its capacity as "Successor Agency" (as defined in the Dissolution Act) to the dissolving Agency; and

WHEREAS, pursuant to Section 34167(h) and Section 34177(a) of the Redevelopment Law (as added by the Dissolution Act), after August 29, 2011 and until the first "Recognized Obligation Payment Schedule" (as defined in the Dissolution Act) is operative, the Agency or the Successor Agency, as applicable, can only make payments on Enforceable Obligations listed and required on an "Enforceable Obligation Payment Schedule" (as defined in the Dissolution Act); and

WHEREAS, in accordance with the foregoing requirements, the Agency adopted its Enforceable Obligation Payment Schedule for the period of August-December 2011 on September 6, 2011, by Resolution 2011-11 (the "Initial Schedule"), and transmitted the adopted Initial Schedule to the Marin County Auditor-Controller, the State Controller, and the State Department of Finance, all in accordance with Section 34169(g) of the Redevelopment Law; and

WHEREAS, On January 30, 2012, the Agency amended its previously adopted Initial Schedule to include obligations through June 2012, in the form of a First Amended Enforceable Obligation Payments Schedule (the "First Amended Schedule"), in order to facilitate an orderly transfer of its Enforceable Obligations payment responsibilities on February 1, 2012 to the City, acting in its capacity as Successor Agency to the Agency, and as authorized pursuant to Section 33169(g)(2) of the Redevelopment Law;

WHEREAS, the Successor Agency desires to amend its previously adopted Initial Schedule for the period of August-December 2011 (the "Amended Initial Schedule"), pursuant to advice from the Agency Auditor.

WHEREAS, the Successor Agency desires to amend its previously adopted the First Amended Schedule, for the period ending June 2012, to add the month of January 2012 pursuant to advice from the Agency auditor; and

WHEREAS under Title 14 of the California Code of Regulations, Section 15378(b)(4), the approval of the Amended Initial Schedule, and the Second Amended Schedules, (collectively, the "Amended Schedules") are exempt from the requirements of the California Environmental Quality Act ("CEQA") in that it is not a project, but instead consists of the continuation of an existing governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program, because it merely lists enforceable obligations previously entered into and approved by the Agency; and

WHEREAS, the Successor Agency board of directors (the "Successor Agency Board") has reviewed and duly considered the Staff Report, the proposed Amended Schedules, and documents and other written evidence presented at the meeting.

NOW, THEREFORE, BE IT RESOLVED, that the Successor Agency Board finds that the above Recitals are true and correct and have served, together with the supporting documents, as the basis for the findings and approvals set forth below.

BE IT FURTHER RESOLVED, that the Agency Board finds, under Title 14 of the California Code of Regulations, Section 15378(b)(4), that this resolution is exempt from the requirements of CEQA in that it is not a project. The Agency Board therefore directs that a Notice of Exemption be filed with the County Clerk of the County of Marin in accordance with the CEQA guidelines.

BE IT FURTHER RESOLVED, that the Successor Agency Board hereby approves the Amended Schedules and declares that the Amended Schedules amend and replace the previously adopted Schedules in their entirety.

BE IT FURTHER RESOLVED, that the Sucessor Agency Board authorizes and directs the Agency's Executive Director or the Executive Director's designee to: (1) post the Schedules on the the City's website; (2) designate the Economic Development Manager as the representative to whom all questions related to the Amended Schedules can be directed; (3) notify, by mail or electronic means, the Marin County Auditor-Controller, the State Department of Finance, and the State Controller of the Agency's action to adopt the Amended Schedules and to provide those persons with the internet website location of the posted schedule and the contact information for the Successor Agency's designated contact; and (4) to take such other actions and execute such other documents as are appropriate to effectuate the intent of this Resolution and to implement the Amended Schedules on behalf of the Successor Agency.

BE IT FURTHER RESOLVED, that this Resolution shall take immediate effect upon adoption.

The above and foregoing resolution was duly and regularly passed and adopted at a meeting by the Successor Agency Board on the eighteenth day of June, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a true and correct copy of the original Resolution on file in the office of the City Clerk.

Esther C. Beirne, City Clerk

Name of Redevelopment Agency: San Rafael
 Project Area(s) Central San Rafael Redevelopment Project Area

SECOND AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 1x 26 - Section 34167 and 34169

Project Name / Debt Obligation	Payee	Description	Funding Source	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	January	February	March	April	May	June	Total
1 Series 1999 TA Bonds (CABS)	US Bank Trust Nat'l Assn	Bond issue for non housing projects	Prop tax trust fund	7,004,275	0				0		0	0
2 Series 2002 TA Bonds	US Bank Trust Nat'l Assn	Bond issue for non housing & housing projects	Prop tax trust fund	15,239,994	2,109,014				307,006		1,802,008	2,109,014
3 Series 2009 TA Bonds	US Bank Trust Nat'l Assn	Bond issue for non housing projects	Prop tax trust fund	16,743,200	1,509,450				289,725		1,219,725	1,509,450
4 Bond indenture obligations 2002	US Bank Trust Nat'l Assn	Pursuant to RDA sales certificate	Prop tax trust fund	unknown								0
5 Bond indenture obligations 2009	US Bank Trust Nat'l Assn	Pursuant to RDA sales certificate	Prop tax trust fund	unknown								0
6 Bond indenture obligations 1999	US Bank Trust Nat'l Assn	Pursuant to RDA sales certificate	Prop tax trust fund	unknown								0
7 Continuing Disclosure Services	Willdan Financial Services	Bond Disclosure	Prop tax trust fund	15,000	15,000	750	1,925		2,375		9,950	15,000
8 RDA Pension Obligation	MECRA	unfunded actuarial accrued liability	Prop tax trust fund	2,566,769	2,566,769						2,566,769	2,566,769
9 RDA OPES obligation	City of San Rafael	unfunded current & retiree health care	Prop tax trust fund	393,000	393,000						393,000	393,000
10 RDA employee payroll to 2/1/2012	City of San Rafael	salary/benefits accrued 1/15-1/31/2012 to be paid 2/15/2012	Prop tax trust fund	34,081	34,081		34,081					34,081
11 Obligations pursuant to employee contracts	City of San Rafael	Obligations pursuant to employee contracts	Prop tax trust fund	106,156	106,156		106,156					106,156
12 Loan to SHRDA per Reso 4250 adopted 6/19/1972	City of San Rafael	\$20,000 allocation @ 7% annual interest	Prop tax trust fund	299,489	299,489					299,489		299,489
13 Agency admin staff	City of San Rafael	staff costs	Admin. Cost allowance	387,816	355,498	32,318	32,318	32,318	32,318	32,318	193,908	355,498
14 Agency admin Finance Staff	City of San Rafael	staff costs	Admin. Cost allowance	58,080	53,240	4,840	4,840	4,840	4,840	4,840	29,040	53,240
15 Agency admin auditor	Maze & Associates		Admin. Cost allowance	20,000	20,000	2,300					17,700	20,000
16 Agency admin. utilities/leases	PG&E	Utility-lease payments	Admin. Cost allowance	18,690	18,690	1,699	1,699	1,699	1,699	1,699	10,194	18,689
Total this page				42,886,550	7,480,387	41,907	181,019	38,857	637,963	339,346	6,242,294	7,480,386
Total Page 2				22,721,627	2,568,697	836,807	131,570	260,514	510,514	290,634	538,680	2,568,699
Total Page 3				1,969,000	179,000	0	0	0	179,000	0	0	179,000
Grand total				67,577,177	10,228,084	878,714	312,589	299,371	1,327,477	628,980	6,780,954	10,228,085

EXHIBIT B

Name of Redevelopment Agency: San Rafael

Project Area(s) Central San Rafael Redevelopment Project Area

SECOND AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
Per AB 1x 26 - Section 34167 and 34169

Project Name / Debt Obligation	Payee	Description	Funding Source	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	January	February	March	April	May	June	Total
1 Agency admin. Maintenance	Various	Maint. RDA offices	Admin. Cost	23,470	23,470	3,912	3,912	3,912	3,912	3,912	3,912	23,472
2 Agency admin. IT/communication	City of San Rafael	IT services	Admin. Cost	22,620	22,620	2,056	2,056	2,056	2,056	2,056	12,336	22,616
3 Agency admin. liability insurance	City of San Rafael	Insurance	Admin. Cost	5,870	5,870	534	534	534	534	534	3,204	5,874
4 Agency admin. legal	Goldfarb & Lipman	Legal Services	Admin. Cost	44,130	44,130	11,310	4,012	4,012	4,012	4,012	16,772	44,130
5 Agency admin. prop. operation	City of San Rafael	Maintain RDA owned facilities	Admin. Cost	15,120	15,120					15,120		15,120
6 BID support	Downtown BID	Annual support for downtown		21,500	21,500	6,500				15,000		21,500
7 BMR program	Marin Housing	Affordable ownership prog. mgmt.		93,000	93,000	69,932					23,068	93,000
8 Downtown Beautification/Promotion	Republic ITS	30918), Electrical Repairs/Lights		167,930	15,000	7,856					7,144	15,000
9 BMR program acquisition	Marin Housing	events.Funds approved by RDA prior to June 2011 & reserved in audit	Housing Fund	1,241,056	1,241,056		121,056	250,000	250,000	250,000	370,000	1,241,056
10 BMR Program Administration	Marin Housing	Program administration	Housing Fund	93,000	93,000						93,000	93,000
11 Corporation Yard Cleanup	Seagate Properties	Pursuant to DDA	Prop tax trust fund	250,000	250,000				250,000			250,000
12 519 4th Environmental Cleanup	Edd Clark & Assoc.	Pursuant to DTSC order	Prop tax trust fund	9,224	9,224						9,224	9,224
13 Andersen Du Bois	Maggiore & Ghilotti, Inc.	Road improvement RDA Reso 74-14 & City Reso 4748 passed 6/17/74	Bond Proceeds	233,778	233,778	233,778						233,778
14 Parking lot improvements 3rd-Cijos	City of San Rafael	Parking lot RDA Reso 74-14 & City Reso 4748 passed 6/17/74	Bond Proceeds	268,372	268,372	268,372						268,372
15 Parking lot improvements 5th & D	City of San Rafael	Parking lot RDA Reso 74-14 & City Reso 4748 passed 6/17/74	Bond Proceeds	111,443	111,443	111,443						111,443
16 Parking lot improvements Lootens-3rd	City of San Rafael	Parking lot improvements RDA Reso 74-14 & City Reso 4748 passed 6/17/74	Bond Proceeds	95,574	95,574	95,574						95,574
17 Pickleweed Community Center	City of San Rafael	Wiring & conduit repair RDA Reso 74-14 & City Reso 4748 passed 6/17/74	Bond Proceeds	25,540	25,540	25,540						25,540
18 Agreement w/ Marin Co. GGTD*			Prop tax trust	20,000,000	unknown							0
Total this page				22,721,627	2,568,697	836,807	131,570	260,514	510,514	290,634	538,660	2,568,699

* Estimate for Andersen Drive improvements. Agency share of improvement cost unknown at this time.

OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	January	February	March	April	May	June	Total
HSC 33401 payment	San Rafael High School	Payments per former HSC 33401	1,969,000	179,000				179,000			179,000
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Totals - Other Obligations			\$ 1,969,000	\$ 179,000		\$ -	\$ -	\$ 179,000	\$ -		\$ 179,000