

**HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD
SPECIAL MEETING
AUGUST 23, 2012
777 B STREET
CONFERENCE ROOM 2A
3:30 PM**

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS: *(The Public Comment section provides an opportunity to address the Oversight Board on items not listed on the agenda. The Board welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the Board or are within the jurisdiction of the Board. As the Board is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.)*

1. Approval of June 7, 2012 Meeting Notes
2. Overview of AB 1484 (Oral Report)
Attachments (3)
3. Approval of Modified Second Recognized Obligation Payment Schedule (ROPS) for July – December 2012 and Approval of Third ROPS and Administrative Budget for January – June 2013
Staff Report and Attachments (4)
Resolutions (2)
4. Approval by the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Hayward for the Transfer of the Residual Burbank Site from the Successor Agency to Urban Dynamic, LLC; and the Subsequent Assignment from Urban Dynamic to KB Home
Staff Report
Resolution
5. Update on Oversight Board Legal Counsel Request for Proposals (Oral Report)
Attachment (1)
6. Update on Housing Asset Inventory (Oral Report)
Attachment (1)
7. Future Meeting Dates and Agenda Items
TBD

BOARD MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

NEXT MEETING – TBD

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the Assistant City Manager at (510) 583-4300 or TDD (510) 247-3340.



**HAYWARD SUCCESSOR AGENCY
OVERSIGHT BOARD
June 7, 2012**

SUMMARY NOTES

BOARD MEMBERS PRESENT: Michael Sweeney, Jesus Armas, Terri Swartz, Sean Brooks; Mark Salinas; Nate Miley

BOARD MEMBERS ABSENT: None

STAFF: Kelly Morariu, Assistant City Manager; Stacey Bristow, Neighborhood Partnership Manager

PUBLIC: Rafael Yaquian, Goldfarb Lipman Attorneys; Heather Gould, Goldfarb Lipman Attorneys; Ruben Briones, Alameda County

Call Meeting to Order: Meeting called to order at 4:00 p.m.

Roll Call: Those in attendance introduced themselves. Board members signed in.

Pledge of Allegiance: Those in attendance cited the Pledge of Allegiance.

Public Comments: There were no public comments.

Approval of May 21, 2012 Meeting Notes: It was **motioned/seconded** (Armas/Swartz) to approve the meeting notes of May 21, 2012. **APPROVED** 6:0 (vacancy 1)

Approval of Oversight Board Bylaws: Assistant City Manager, Kelly Morariu reported that the draft bylaws were revised based on changes that Board members requested at the May 21 meeting. Ms. Morariu reviewed the revisions and answered board member questions.

After discussion, the Board requested that Article III, Section 9 (Unexcused Absences) end with the following sentence: *“The Chairperson shall send written notice, to the entity identified in Health and Safety Code Section 34179 that appointed the absenting member, requesting said entity to consider appointing a replacement member to serve on the Oversight Board”*; all verbiage thereafter will be deleted.

It was **motioned/seconded** (Armas/Salinas) to approve the Oversight Board Bylaws noting the amendment outlined above. **APPROVED** 6:0 (vacancy 1)

Discussion of Options for Oversight Board Legal Counsel: Assistant City Manager, Kelly Morariu outlined the process that the Oversight Board would need to take in order to award a contract for legal counsel, shared information about four potential attorneys, and suggested that the Board appoint a subcommittee to begin the process.

After discussion, the Board summarized the scope as general administrative tasks including review of resolutions and reports prior to meetings, attending meetings, providing counsel at meetings, noting specialized projects and representation related to any legal action against the Board may require an amendment to the contract. The Board elected to include all Board members in the process, rather than appoint a subcommittee. Staff explained how the list of four potential attorneys was developed and answered Board member questions.

The Board instructed staff to begin the process of developing a Request for Proposal (RFP) for Legal Services, and to amend the ROPS to include a line item for Legal Services.

Review of State Controller Asset Transfer Worksheet: Assistant City Manager Kelly Morariu reported that in March 2012 the State Controller's office asked staff to prepare a spreadsheet that detailed any assets transferred from the former agency to the City or any other entity prior to dissolution. Ms. Morariu reported that staff prepared the requested worksheet and submitted it to the State Controller's Office in April. Ms. Morariu answered Board member questions and noted that staff will report on this item as information becomes available.

Update on Second Recognized Obligation Payment Schedule (ROPS) for July – December 2012: Assistant City Manager Kelly Morariu reported that staff received notice from the County Auditor-Controller's Office that there would be insufficient funds in the Redevelopment Property Tax Trust Fund (RPTTF) as of June 1, 2012 to pay the obligations listed on the Second ROPS. As a result, staff reviewed and updated the funding sources on the Second ROPS and recommended deferral of payment on a couple of items, and provided the revisions to the County. Ms. Morariu reviewed the revisions made and answered Board member questions.

Update on Litigation Related to ABx1 26: Assistant City Manager Kelly Morariu shared information from the League of California Cities on lawsuits filed by several cities, including the City of Hayward, challenging the Department of Finance's decisions rejecting certain items listed on Recognized Obligation Payment Schedules (ROPS).

Future Meeting Dates and Potential Agenda Items:

Future Meeting Dates: July 9, 2012.

Future Agenda Items:

Board Members/Staff Announcements and Referrals:

There were no Board Member/Staff announcements or referrals.

Adjournment: The meeting adjourned at 5:16 p.m.

goldfarb lipman attorneys

Oakland Los Angeles San Diego

SUMMARY OF AB 1484: REDEVELOPMENT DISSOLUTION/ UNWIND TRAILER BILL

JUNE 29, 2012

The laws described below could be impacted by future cleanup legislation. Goldfarb & Lipman intends to update this summary as appropriate, but please contact us to get the most up-to-date information on the status and content of this legislation.

Goldfarb & Lipman LLP
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**SUMMARY OF AB 1484:
REDEVELOPMENT DISSOLUTION/UNWIND TRAILER BILL**

**PART I.
INTRODUCTION AND BACKGROUND**

A. Introduction; Purpose of Summary.

ABx1 26 (the "Dissolution Act") was enacted in late June 2011 as part of the FY 2011-12 state budget package and was held by the California Supreme Court to be largely constitutional on December 29, 2012. Under the Dissolution Act, each of California's redevelopment agencies (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the cities, counties, and city and county that formed the Dissolved RDAs, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDAs.

As part of the FY 2012-13 state budget package, on June 27, 2012, the Legislature passed and the Governor signed AB 1484, the primary purpose of which is to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing that act. As a budget "trailer bill," AB 1484 took immediate effect upon signature by the Governor.

AB 1484 will require those involved in the redevelopment unwind process to learn and implement some significant new rules of conduct just as they were beginning to adapt to and implement the complex rules mandated by the Dissolution Act itself. The purpose of this Summary is to highlight the key elements of AB 1484 for those involved in the redevelopment unwind process. Following a background synopsis of the Dissolution Act in this Part I, Part II of the Summary describes key features of AB 1484, while Part III provides a checklist Summary of major new upcoming milestones mandated by AB 1484.

We recommend particular attention to the Part III milestones checklist, as AB 1484 has added significant new or modified actions and deadlines, with major compliance consequences, that need to be implemented in the very near future and throughout the Summer and Fall of 2012.

Because AB 1484 was enacted less than two days after it first appeared in bill form, there has been no time for questions of interpretation and practice to be carefully evaluated by state and local officials charged with the redevelopment unwind process. Consequently, the highlights presented in this Summary represent a good faith initial understanding of the meaning and intent of AB 1484, with the expectation and plan that this Summary will be updated from time to time as further consideration and practice shed light on the proper interpretation of various elements of the bill. Please visit our website at www.goldfarbblipman.com to review future updates of this Summary.

This document is a summary of complex legislation. Reference should be made to the actual statutory language before making decisions or taking actions pursuant to AB 1484. Unless otherwise noted, section references in this Summary are to sections of the Health and Safety Code as added or amended by AB 1484. Reference to a "Part" is to the referenced Part of this Summary.

B. Overview Of Dissolution Act.

Under the Dissolution Act:

1. The authority of Dissolved RDAs to undertake most new activities was suspended as of the effectiveness of the Dissolution Act.
2. Each Dissolved RDA went out of existence on February 1, 2012.
3. A successor agency (a "Successor Agency") was created for each Dissolved RDA and charged with winding down the Dissolved RDA's affairs, including making payments due for enforceable obligations (as defined in the Dissolution Act), performing obligations required pursuant to enforceable obligations, disposing of the Dissolved RDA's assets (other than housing assets), and remitting unencumbered balances of the Dissolved RDA to the county auditor-controller (the "CAC") for distribution to the affected taxing entities. Except for certain housing assets, the assets of the Dissolved RDA transferred to the Successor Agency for this unwinding process.
4. For all but eight of California's Dissolved RDAs, the city, county, or city and county that had formed the Dissolved RDA (the "Sponsoring Community") elected to take on the role of Successor Agency for its Dissolved RDA.
5. Housing assets (other than unencumbered fund balances in the Dissolved RDA's Low and Moderate Income Housing Fund (the "LMIHF") at the time of dissolution, which were instead transferred to the Successor Agency), housing obligations and housing functions of the Dissolved RDA were transferred to a designated housing successor entity (the "Housing Successor"), which in most cases is the Sponsoring Community (and in a limited number of cases is a local housing authority).
6. The CAC is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTTF") for each Successor Agency and depositing into the RPTTF for each six-month period the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved. Semiannually, the CAC is required to make distributions from the RPTTF (a) to the affected taxing entities in the amount of the pass-through payments they would have received had the Dissolved RDA not been dissolved, (b) to the Successor Agency to pay amounts due on enforceable obligations for the upcoming six-month period, and (c) to various entities for specified administrative costs. Any amount left in the RPTTF after each semiannual distribution for the above purposes is distributed by the CAC to the affect taxing entities as normal property taxes.

7. An oversight board (the "Oversight Board") is established for each Successor Agency to approve specified actions and direct specified activities of the Successor Agency.

8. A recognized obligation payment schedule is prepared by the Successor Agency and approved by the Oversight Board setting forth the amounts due for each enforceable obligation during each six-month period (each, a "ROPS"). The Successor Agency is limited to making payments for items shown on an approved ROPS (except that, pending effectiveness of the first ROPS, a Successor Agency is authorized to make payments for amounts on an Enforceable Obligation Payment Schedule (the "EOPS") prepared by the Dissolved RDA prior to dissolution, and subject to update by the Successor Agency).

9. The Department of Finance (the "DOF") and the State Controller's office (the "SCO") are given specified review and approval responsibilities and are assigned certain other tasks in connection with the redevelopment dissolution and unwind process under the Dissolution Act.

PART II. SUMMARY OF AB 1484

A. Affordable Housing.

AB 1484 significantly modifies and provides some clarifications to the treatment of housing assets under the Dissolution Act. Specifically, AB 1484 now includes a definition of housing assets, sets forth explicit procedures with respect to transfer of housing assets which must occur by August 1, 2012, provides some greater flexibility and procedural steps regarding the use of housing bond proceeds, establishes a new Low and Moderate Income Housing Asset Fund (the "Housing Asset Fund") to be administered by the Housing Successor, and clarifies that no future deposits are required to be made to the LMIHF.

1. Definition of Housing Assets. Section 34176(e) sets forth a list of assets that are considered housing assets. This is important because the Dissolution Act, as modified by AB 1484, treats both the Housing Successor and housing assets with more flexibility than the Successor Agency and non-housing assets. The list of housing assets in AB 1484 significantly expands the limited list of housing assets announced in the DOF Housing Frequently Asked Questions issued earlier this year (the "Housing FAQs"), due in large part to the efforts of several housing policy groups. The list of housing assets includes the following:

a. Real Property Assets. Housing assets include any real property, interest in, or restriction on the use of real property, whether improved or not, and any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

b. Encumbered Funds. Housing assets include any funds that are encumbered by an enforceable obligation to build or acquire low- and moderate-income housing,

as defined by the Community Redevelopment Law unless required in the bond covenants to be used for repayment purposes of the bond.

c. Loan or Grant Receivables. Housing assets include any loan or grant receivable, funded from the LMIHF, from homebuyers, homeowners, nonprofit or for-profit developers, and other parties that require occupancy by persons of low or moderate income as defined by the Community Redevelopment Law.

d. Rents and Payments from Operations. Housing assets include any funds derived from rents or operation of properties acquired for low- and moderate-income housing purposes by other parties that were financed with any source of funds, including residual receipt payments from developers, conditional grant repayments, cost savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

e. Rent and Payments from Operations Used to Maintain Affordability or for Affordable Housing-Related Enforceable Obligations. Housing assets include a stream of rents or other payments from housing tenants or operators of low- and moderate-income housing financed with any source of funds that are used to maintain, operate, and enforce the affordability of housing or for enforceable obligations associated with low- and moderate-income housing.

f. Amounts Owed to LMIHF. Repayment of amounts previously borrowed from, or owed to, the LMIHF (i.e. to make Supplemental Educational Revenue Augmentation Fund (“SERAF”) payments in prior years), repayment of which had been deferred as of the effective date of the Dissolution Act, are considered housing assets. The repayments can only be made pursuant to a schedule that must be approved by the Oversight Board. The repayments cannot start before FY 2013-14 and the maximum annual repayment is strictly limited by statutory formula. The repayments related to the SERAF (as opposed to other amounts owed to the LMIHF for other reasons) must be made before specified loan repayments to the Sponsoring Community that are described in Part II.E.2.

g. Mixed Use Assets. If a development includes both affordable housing and other types of property, the Oversight Board determines if this mixed use property should remain intact or be split into affordable housing and non-affordable housing components. AB 1484 leaves to the Oversight Board (subject to the DOF review) the decision on whether to make an allocation and, if so, how to accomplish this allocation. The legislation directs the Oversight Board to consider the overall value to the community as well as the benefit to taxing entities of keeping the mixed use development intact or dividing the property in making its decision. The legislation also provides that the disposition of mixed assets may be accomplished by a revenue-sharing arrangement as approved by the Oversight Board on behalf of the taxing entities.

h. Housing Bond Proceeds. Housing bond proceeds from bonds issued prior to January 1, 2011 for affordable housing purposes and secured by a pledge of LMIHF, remaining after satisfaction of enforceable obligations approved on a ROPS (the “Excess Housing Bond Proceeds”), are considered housing assets. The legislation provides that an enforceable obligation may be satisfied by creation of reserves, for projects which are the subject

of that enforceable obligation, consistent with the contractual obligations for the project, or by expending funds to complete that project. See discussion in Part II.A.3 below regarding new process for use of Excess Housing Bond Proceeds.

i. Exclusion of Unencumbered LMIHF Balance. AB 1484 does not change the Dissolution Act treatment of the amounts in the LMIHF balance that were not encumbered by an enforceable obligation as of the effective date of the Dissolution Act. Those funds are to be distributed to the taxing entities pursuant to new audit and review procedures, described in Part II.D.2, and not retained by the Housing Successor for affordable housing uses.

2. Transfer of Housing Assets. AB 1484 sets forth an explicit schedule related to the verification of housing assets transferred to the Housing Successor (Section 341676(a)(2)). By August 1, 2012, the Housing Successor is required to submit a list of all housing assets to the DOF in a format to be prescribed by the DOF. The list must include an explanation of why each asset qualifies as a housing asset, and include a list of assets that transferred between February 1, 2012 (when presumably all housing assets of a Dissolved RDA transferred to the Housing Successor by operation of law pursuant to 34176(a)(1)), and the date the list is made. The DOF has thirty (30) days after receipt of the housing asset list to object to any item on the list. The Housing Successor may request a meet and confer process with the DOF within five (5) business days of receiving any objection from the DOF. There is no timeframe set forth for completing this meet and confer process. Any asset ultimately determined not to be a housing asset is to be returned to the Successor Agency and is subject to clawback by the SCO under Section 34178.8 if not returned. Assets determined to be housing assets under this procedure are not subject to clawback by the SCO under Section 34178.8. The Successor Agency may retain a housing asset, and not transfer it to the Housing Successor, if that asset was previously pledged to pay bonds.

For the transfer of a housing asset that occurs after the date of the list, Sections 34181(c) and (f) provide that an Oversight Board must direct the transfer of housing assets after a 10-day public notice and the DOF then has five business days to review the proposed transfer with the option to extend the review period to up to 60 days. One possible example of this type of future transfer is a property acquired with LMIHF monies, which is in the process of undergoing Polanco Act clean-up and will transfer to the Housing Successor only upon completion of the remediation.

3. Use of Excess Housing Bond Proceeds. After the passage of the Dissolution Act, many practitioners considered any housing bond proceeds not yet committed to a specific project as housing assets to be used by the Housing Successor pursuant to the applicable bond documents with no oversight. AB 1484 significantly changes that practice.

Under Section 34176(g), the Housing Successor can use the Excess Housing Bond Proceeds (defined in subsection 1.h above) only after the following steps and approvals:

a. The Housing Successor must notify the Successor Agency of the intended use or commitment of Excess Housing Bond Proceeds at least twenty (20) days before the deadline to submit the ROPS to the Oversight Board.

b. The Successor Agency must list the proposed expenditure of Excess Housing Bond Proceeds as a separate line item on the ROPS prepared by the Successor Agency.

c. The Oversight Board must approve use of the Excess Housing Bond Proceeds on the ROPS.

d. The usual review period for the ROPS must be completed without objection to the use of the Excess Housing Bond Proceeds by the DOF, the CAC and the SCO.

e. Any review by the Successor Agency, Oversight Board and the DOF is limited to a determination that the use is consistent with the bond covenants and that sufficient funds are available.

f. No commitment or designation of use of the Excess Housing Bond Proceeds is valid until it is included on an approved and valid ROPS.

The Excess Housing Bond Proceeds must be used in a manner consistent with the purposes of the Housing Asset Fund (see subsection 4 below). The Successor Agency shall retain and expend the Excess Housing Bond Proceeds at the discretion of the Housing Successor; provided the Successor Agency ensures that the proceeds are expended in a manner consistent with the bond documents and any requirement relating to tax-exempt status of the bonds. The amount of the expenditures cannot exceed the amount of proceeds available.

4. Low and Moderate Income Housing Asset Fund. The Housing Successor must now create a new type of fund called the Low and Moderate Income Housing Asset Fund (the "Housing Asset Fund") in its accounting records pursuant to Section 34176(d). If the Housing Successor assumed the housing function of a Dissolved RDA with multiple projects areas, we suggest that the Housing Successor also account for the funds in the Housing Asset Fund on a project area basis for purposes of making applicable findings required under the Community Redevelopment Law. Any funds generated from housing assets (also known as program income by practitioners) and any funds transferred to the Housing Successor pursuant to the transfer provisions discussed in subsection 2 above (such as encumbered LMIHF monies) are required to be placed in the Housing Asset Fund. All payments made to repay amounts previously borrowed from, or owed to, the LMIHF, as of the effective date of the Dissolution Act, shall be placed in the Housing Asset Fund. In addition, twenty percent (20%) of all loan repayments made to the Sponsoring Community on loans described in Part II.E.2 will be deducted from those repayments and transferred to the Housing Asset Fund. All monies in the Housing Asset Fund must be used in accordance with the applicable housing-related provisions of the Community Redevelopment Law. This is a substantial change from the Housing FAQs and will provide a limited but on-going source of funds for low and moderate income housing activities in many communities.

5. Continuation of Community Redevelopment Law Housing Obligations. AB 1484 makes clear that no future deposits are required to be made to the LMIHF despite the assertion to the contrary by some housing advocacy groups. The legislation appears to make this requirement effective as of the effective date of the Dissolution Act therefore causing some ambiguity about whether LMIHF deposits were required for tax increment distributions made to Dissolved RDAs in December 2011 and January 2112.

AB 1484 fails to clearly address whether there are any continuing requirements with regard to redevelopment housing production and replacement housing obligations although the DOF has taken the position that those are no longer applicable except perhaps in the case of enforceable obligations. This may be an area for clean-up legislation in the future.

6. Housing Successors. AB 1484 clarifies many questions regarding affordable housing roles of the Housing Successor in the post- redevelopment era. However, some issues are not resolved. For instance, what happens in situations where the Sponsoring Community elects not to serve as the Housing Successor and the local housing authority also declines to take on that responsibility? Such a situation leaves the housing assets in limbo to the great distress, for instance, of a homeowner trying to refinance a home purchased under a first-time homebuyer program funded from LMIHF monies. Some practitioners had hoped AB 1484 would address this situation more directly. Presumably, the reluctance to act as the Housing Successor in those situations will be alleviated by the revised treatment of housing assets in AB 1484, which allows some flow of funds to the Housing Successor. However, further legislation may be required to address these situations, in particular, funding of administrative costs for Housing Successors where there is no stream of income derived from the Dissolved Agency's housing assets.

B. Successor Agency and Oversight Board Issues.

1. Successor Agency Legal Status. Under the Dissolution Act, the term "successor agency" was defined to refer to the Dissolved RDA's Sponsoring Community (the city, county or city and county that formed the Dissolved RDA), unless that Sponsoring Community adopted a resolution electing not to serve in that capacity. AB 1484 redefines "successor agency" to mean the successor entity to the Dissolved RDA pursuant to Section 34173.

Further, AB 1484 declares that "a successor agency is a separate legal entity from the public agency that provides for its governance," but then fails to directly address the relationship between the Successor Agency and that public agency that does provide for its governance. It appears that what AB 1484 is trying to establish is that: (a) unless the Sponsoring Community elected otherwise, the Sponsoring Community's governing body (e.g., city council or board of supervisors) and staff serve as the governing body and staff of the Successor Agency; but (b) the Successor Agency itself is a separate legal entity from the Sponsoring Community. AB 1484's apparent attempt to accomplish this result is ambiguous and imperfect at best.

As a separate legal entity, the Successor Agency will not merge with the public agency that provides for the Successor Agency's governance (Section 34173(g)). The Successor Agency retains the liabilities of the Dissolved RDA, as those do not transfer to the Dissolved RDA's Sponsoring Community (Section 34173(g)). The Successor Agency can sue and be sued in its own name (Section 34173(g)), and all litigation involving the Dissolved RDA is automatically transferred to the Successor Agency (Section 34173(g)).

The Successor Agency "retains" a separate collective bargaining status and the Dissolved RDA's employees do not automatically become employees of the Sponsoring Community (by

virtue of the Sponsoring Community's election to serve as the Successor Agency) (Section 34173(g)).

The Successor Agency succeeds to the organizational status of the Dissolved RDA but lacks the legal authority to participate in redevelopment activities except to complete work on enforceable obligations (Section 34173(g)).

AB 1484 further affirms that the Successor Agency is deemed to be a local public entity subject to the Ralph M. Brown Act (Section 34173(g)).

AB 1484 provides an opportunity for a Sponsoring Community that initially elected not to serve as a Successor Agency to reverse its decision and agree to serve as the Successor Agency (Section 34173(d)(4)). AB 1484 does not include a provision for a Sponsoring Community that initially elected to serve as a Successor Agency to later reverse the election and determine to no longer serve as the Successor Agency.

Although AB 1484 establishes the separate legal status of the Successor Agency and continues to limit the liability of the Successor Agency to the total sum of property tax revenues it receives pursuant to the Dissolution Act and the value of assets transferred to it (Section 34173(e)), several provisions of AB 1484 expose the Dissolved RDA's Sponsoring Community to penalties and other liabilities for the actions and inactions of the now separate and distinct legal entity that is the Successor Agency (see Part II.D.1. and 2. for additional discussion).

AB 1484 also provides that the Successor Agency is included in the definition of a "local public entity" required to participate in a neutral evaluation process pursuant to Government Code Section 53760.3 prior to filing a petition for federal bankruptcy.

2. Successor Agency Roles, Limitations, and Funding.

a. Authorized Activities. In addition to the activities authorized under the Dissolution Act, AB 1484 clarifies the authority of a Successor Agency to conduct certain activities, and also authorizes a Successor Agency to perform activities not previously authorized under the Dissolution Act.

AB 1484 clarifies that a Successor Agency may assume existing cleanup plans and liability limits under the Polanco Redevelopment Act¹ (Section 34173(f)), which was previously understood by most practitioners to be the legislative intent, but not expressly stated in the Dissolution Act.

In addition to previous authority granted under Section 34180(c), under AB 1484 a Successor Agency is authorized to hold reserves when required by bond indenture or when the next property tax allocation from the RPPTF will be insufficient to pay all bond debt obligations due in the following six-month period (Section 34171(d)(1)(A)).

¹ The existing cleanup plans and liability limits may also be transferred to the Housing Successor at that entity's request.

AB 1484 also more clearly sets forth a Successor Agency's authority to create enforceable obligations to conduct wind-down activities of the Dissolved RDA, such as hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance (Section 34177.3(b)).

Under AB 1484, a Successor Agency can, subject to Oversight Board approval, also enter into contracts, that will constitute enforceable obligations, with the Sponsoring Community to borrow from the Sponsoring Community to assist a Successor Agency to fund shortfalls for Successor Agency administrative costs, enforceable obligations, or project-related expenses (Section 34173(h)).

b. Annual Audit. A Successor Agency must also cause a certified public accountant to conduct a post-audit of a Successor Agency's financial transactions and records at least once annually (Section 34177(n)). AB 1484 is unclear on whether the cost of such post-audits may be shown as a separate enforceable obligation line item on a ROPS.

c. Additional Limitation on Activities. AB 1484 provides that a Successor Agency lacks the authority to enter into new enforceable obligations under the applicable portions of the Dissolution Act or begin new redevelopment work, except to comply with enforceable obligations that existed prior to June 28, 2011 (Section 34177.3(a)).

A Successor Agency has no authority and is prohibited from transferring any powers or revenues of a Successor Agency to any other party (public or private) except pursuant to an enforceable obligation listed on a DOF-approved ROPS (Section 34177.3(c)).

Under the Dissolution Act, a Successor Agency was authorized, with the approval of its Oversight Board, to re-enter into agreements with its Sponsoring Community pursuant to Section 34178(a) and Section 34180(h). AB 1484 narrows this authority, by providing that neither the Successor Agency or its Oversight Board has authority to restore funding for an enforceable obligation between a Successor Agency and the Sponsoring Community if the enforceable obligation was deleted or reduced by the DOF pursuant to Section 34179(h) (unless allowed as a result of the meet and confer process with the DOF, required by court order, or pursuant to new authority created by AB 1484 for certain Successor Agency/Sponsoring Community contracts as fully discussed in Part II.E.2 (Sections 34178(a); 34180(a), and 34180(h)).

d. Successor Agency Administrative Costs. The Dissolution Act established an administrative cost allowance for each Successor Agency, but did not specify which costs of a Successor Agency must be paid from the administrative cost allowance and which Successor Agency costs could be separately placed on a ROPS for payment in addition to and outside of the administrative cost allowance. AB 1484 only partially fills that void.

AB 1484 states that the administrative cost allowance excludes litigation costs related to assets or obligations, settlements and judgments, and predisposition carrying costs for property transferred to a Successor Agency. Furthermore, AB 1484 clarifies that project-specific employee costs (like employee costs for construction inspection, project management, and actual

construction) are excluded from a Successor Agency's administrative cost allowance. By excluding these costs from the administrative cost allowance, AB 1484 grants express authority to a Successor Agency to separately list enforceable obligations for such costs on a ROPS for payment in addition to and outside of the administrative cost allowance.

AB 1484 also provides for various mechanisms to reduce a Successor Agency's administrative cost allowance. As more fully discussed in Section II.B.3, the Oversight Board is authorized to reduce the administrative cost allowance below the \$250,000 annual minimum required under the Dissolution Act (Section 34171(b)). Additionally, upon failure by a Successor Agency to submit a ROPS by October 14 and March 13 of each year, the maximum administrative cost allowance for the fiscal year can be reduced by 25% (Section 34177(m))².

e. Wind-Down of a Successor Agency. When all debts of the Dissolved RDA are retired or paid off, a Successor Agency is required to dispose of all remaining assets and terminate its existence within one year of the final debt payment (Section 34187(b)). AB 1484 is silent on which entity a Successor Agency is allowed to transfer its remaining assets to, how that transfer should be effectuated, or if the Oversight Board has a role in the process of terminating a Successor Agency's existence. Also unclear is what becomes of a Successor Agency's non-monetary obligations or duties.

3. Oversight Board Composition and Roles.

a. Composition. AB 1484 makes modifications to the determination of the members of the Oversight Board. Under the Dissolution Act, one member of the Oversight Board is to be selected by the largest special district, by property tax share, with territory in the territorial jurisdiction of the Dissolved RDA. Disputes arose in several jurisdictions related to making that determination and the Dissolution Act did not provide for an arbiter of the dispute. Under AB 1484, the CAC is given the authority to determine which special district is the largest special district, by property tax share, with territory in the territorial jurisdiction of the Dissolved RDA (Section 34179(a)(3(B))).

The Dissolution Act required that one Oversight Board member, representing the employees of the Dissolved RDA, be selected from the recognized employee organization representing the largest number of Dissolved RDA employees employed by a Successor Agency. AB 1484 clarifies that in the case where city or county employees performed the administrative duties of the Dissolved RDA, the appointment to the Oversight Board under 34179(a)(7) is to be made from the recognized employee organization representing the city or county employees that performed the administrative duties of the Dissolved RDA (Section 34179(a)(7)). AB 1484 further clarifies that no conflict of interest exists (under Government Code Section 1090) when the Oversight Board member, employed by a Successor Agency or the Sponsoring Community and appointed pursuant to Section 34179(a)(7), votes to approve a contract as an enforceable obligation (Section 34179(a)(7)).

² For the ROPS covering January 1, 2013 through June 30, 2013 this date is September 10.

b. Staffing. Under the Dissolution Act, a Successor Agency is charged with providing staffing to its Oversight Board. Under AB 1484, the Oversight Board can direct a Successor Agency to provide additional legal or financial advice independent from a Successor Agency staff (Section 34179(n)) and the Oversight Board is also authorized to contract with the county or other public or private agency for administrative support (Section 34179(o)).

c. Powers. Under the Dissolution Act, a Successor Agency was guaranteed an administrative cost allowance of not less than \$250,000 for each fiscal year. Under AB 1484, the Oversight Board may reduce a Successor Agency's administrative cost allowance below the \$250,000 statutory minimum (Section 34171(b)).

AB 1484 further provides that Oversight Board decisions on matters within its purview supersede decisions of a Successor Agency or Successor Agency staff (Section 34179(p)).

d. Immunities. Oversight Board members have the same immunities applicable to public entities and public employees (Section 34179(d)) when exercising the authority granted to the Oversight Board under the Dissolution Act and AB 1484.

e. Review of Oversight Board Actions. AB 1484 requires that all actions taken by an Oversight Board be adopted by resolution (Section 34179(e)). A Successor Agency must notify the County Administrative Officer, the CAC, and the DOF, at the same time the Successor Agency transmits a proposed action to the Oversight Board for its approval (Section 34180(j)).

All actions taken by an Oversight Board require transmittal of notice to the DOF by electronic means in a manner of the DOF's choosing. Under the Dissolution Act, the DOF had a period of three business days to request review of Oversight Board actions. AB 1484 extends that time for the DOF to request review of an action to five business days (Section 34179(h)). Actions of the Oversight Board are deemed effective if the DOF does not request a review within five business days of receipt of the notice by the DOF. If the DOF requests a review of a particular Oversight Board action, the DOF has 40 calendar days to approve the action or return it to the Oversight Board for its reconsideration, giving the DOF an additional 30 days to review actions of the Oversight Board beyond the deadline originally in the Dissolution Act. For Oversight Board actions taken pursuant to Sections 34181(a) and (c) related to the disposition of real property and to housing assets, the DOF may extend the review period to 60 calendar days (Section 34181(f)). As discussed in Part II.C.2.c, a slightly different review period applies to the DOF's review of a ROPS.

C. Enforceable Obligations and ROPS Issues.

1. Enforceable Obligations. AB 1484 contains numerous substantive changes to the definition of the term "enforceable obligation."

In recognition of the timing issues related to the implementation of the Dissolution Act, under AB 1484, a Successor Agency is granted authority to amend the EOPS to authorize

continued payments on enforceable obligations until the ROPS covering the period from January 1, 2012 through June 30, 2012 has been approved by the Oversight Board and the DOF (Section 34177(a)(1)-(2)). AB 1484 also deletes the prohibition on making payments on enforceable obligations after May 1, 2012 unless a ROPS was approved by the Oversight Board and the DOF and certified by the CAC. Instead, under AB 1484, a Successor Agency is allowed to make payments on enforceable obligations listed on the EOPS through the date that the initial ROPS is approved by the Oversight Board and the DOF, erasing any uncertainty for payments made after May 1, 2012 but before the ROPS was approved by the DOF, which for most agencies did not occur until later in May.

AB 1484 clarifies that costs incurred to comply with collective bargaining agreements for layoffs or terminations of employees that performed work for the Dissolved RDA are payable for any employees to whom the obligations apply (Section 34171(d)(1)(C)). If an employee is transferred to the Housing Successor, a Successor Agency is authorized to enter into a contract with the Housing Successor to reimburse the Housing Successor for any costs of the employee obligations, and that contract will constitute an enforceable obligation of the Successor Agency (Section 34171(d)(1)(C)).

AB 1484 clarifies that contracts for the administration or operation of the Successor Agency, including agreements concerning litigation expenses related to assets or obligations, settlements and judgments, and predisposition asset carrying costs, are enforceable obligations of the Successor Agency (Section 34171(d)(1)(F)).

Contrary to published interpretations of the Dissolution Act posted by the DOF, AB 1484 establishes that amounts borrowed from and payments owing to the LMIHF (including SERAF loans) are enforceable obligations and are payable to the Housing Successor (Section 34171(d)(1)(G)) (see further discussion in Part II.A.1.f).

As discussed in other sections of this Summary, AB 1484 also allows a Successor Agency, subject to Oversight Board approval, to enter into an enforceable obligation whereby a Successor Agency borrows money from the Dissolved RDA's Sponsoring Community for administrative costs, enforceable obligations, or project-related expenses at the Sponsoring Community's discretion (Section 34173(h));³

AB 1484 also purports to retroactively declare as non-enforceable any contract entered into by a redevelopment agency after June 27, 2011 (Section 34177.3(d)). (See more detailed discussion in Part II.F.5.)

2. Recognized Obligation Payment Schedules.

AB 1484 makes several changes to the process and timing for preparation and approval of each ROPS.

³ Technically, Section 34173(h) only gives authority to a city, not a county, to make such a loan, although there does not appear to be any policy reason why the Legislature would intend such a distinction.

a. Changes to the Initial ROPS (For the Period Ending June 30, 2012). AB 1484 deletes the requirement that the initial ROPS be certified by the CAC before it can take effect (Section 34177(1)(2)(A)). AB 1484 also reforms dates and payment requirements in the initial ROPS to reflect delays in implementing the Dissolution Act caused by litigation (i.e. a new requirement that the initial ROPS specify January payments and estimate payments through June 30, 2012). AB 1484 states that the Initial ROPS takes effect once it has been approved by the Oversight Board and the DOF.

b. Schedule for Adoption of ROPS. AB 1484 establishes a schedule for adoption of the ROPS for the period ending June 30, 2013 (the “Third ROPS”) and all subsequent ROPS.

Although the schedule previously distributed by the DOF indicated that a Successor Agency and its Oversight Board would have until October 1, 2012 to approve the Third ROPS, under AB 1484 a Successor Agency is required to submit to the DOF and the CAC the Third ROPS, approved by the Oversight Board, no later than September 1, 2012.

The DOF will require that the ROPS be completed on a DOF-approved form. Moreover, AB 1484 now requires the Successor Agency staff to submit an electronic copy of the ROPS to the county administrative officer, the CAC, and the DOF at the same time as the proposed ROPS is submitted to the Oversight Board for approval (Section 34177(1)(2)(B)).

Beginning with the fourth ROPS (for the period ending December 31, 2013), a Successor Agency will be required to submit an Oversight Board approved ROPS to the CAC and the DOF no fewer than 90 days prior to the semiannual RPTTF property fund distribution (or October 4 for the January 2 distribution and March 3 for the June 1 distribution) (Section 34177(m)). If a Successor Agency fails to timely submit an Oversight Board approved ROPS within the specified deadlines, AB 1484 gives standing to creditors of a Successor Agency, the DOF and affected taxing entities to file suit for writ of mandate to compel a Successor Agency to adopt a ROPS (Section 34177(m)), and exposes the Successor Agency to additional penalties described below.

c. Review of ROPS. AB 1484 greatly expands this review period and authority of the DOF and significantly changes the ROPS review and approval process. Under the Dissolution Act, the DOF had a period of three business days to request a review of an enforceable obligation listed on a ROPS. AB 1484 extends the deadline to request review to five business days. It is presumed, pursuant to Section 34179(h) that if the DOF does not request a review of any items listed on a ROPS within the five business day review period, the ROPS will be deemed effective. The CAC’s role in review of the ROPS is discussed in more detail in Part II.D.3.

Under AB 1484, the DOF is required to make its determination “of the enforceable obligations and the amounts and funding sources of the enforceable obligations” no later than 45 days after the ROPS has been submitted by a Successor Agency. The addition of Section 34177(m) appears to give the DOF authority not only to determine what constitutes an enforceable obligation, but also provides the additional authority to determine the amount and

funding source to meet enforceable obligations. Furthermore, amendments to Section 34179(h), give the DOF the authority to eliminate or modify any item on the ROPS being reviewed under Section 34179 prior to DOF approval (Section 34179(h)). In some respects, these changes appear to provide statutory authority for practices the DOF had already assumed for itself in the first and second ROPS reviews.

A Successor Agency may request additional review by the DOF and an opportunity to meet and confer on disputed items, but such a request must be made within five business days of the Successor Agency's receipt of a DOF determination (Section 34177(m)). The DOF is then required to notify a Successor Agency and the CAC of its review at least 15 days before the date of the property tax distribution (by December 18 for the January 2 distribution and May 17 for the June 1 distribution).

A Successor Agency and Oversight Board may approve amendments to a ROPS to reflect the resolution of a dispute between the DOF and a Successor Agency, but such amendments will not effect a past allocation of property taxes or create a liability to any affected taxing entity with respect to past allocations (Section 34179(h)).

d. Penalties. Failure to approve and submit a timely ROPS may result in the assessment of various penalties to a Successor Agency and/or to the Sponsoring Community.

If a Successor Agency does not timely submit a ROPS pursuant to the deadlines set forth in AB 1484, the Sponsoring Community may be subject to a \$10,000 per day civil penalty for each day the ROPS is delinquent. In addition, failure of a Successor Agency to submit a ROPS within 10 days of the deadline (by October 14 for the January 2 distribution and March 13 for the June 1 distribution)⁴ may result in a 25% reduction of a Successor Agency's maximum administrative cost allowance for the period covered by the delinquent ROPS (Section 34177(m)(2)).

If a Successor Agency fails to submit an Oversight Board approved ROPS pursuant to the requirements of AB 1484 within five business days after the April 1 and October 1 dates on which the CAC releases the estimated property tax allocations from the RPTTF, the DOF may determine if any amount should be withheld to pay enforceable obligations (Section 34177(m)(3)). Funds withheld pursuant Section 34177(m)(3) are to be distributed to affected taxing entities in accordance with Section 34183(a)(4). If the DOF orders the CAC to withhold funds to pay for a Successor Agency's enforceable obligations, those funds will only be disbursed to the Successor Agency pursuant to a ROPS approved by the DOF (Section 34177(m)(3)).

D. Flow of Funds and Financial Issues.

1. Near Term Payments to Taxing Entities. AB 1484 contains provisions that appear to be designed to assure payments are made to the taxing entities in the short term, including payment of the FY 2011-12 pass-through payments and the potential payment of residual

⁴ For the Third ROPS, the date is September 10, 2012.

amounts pursuant to Section 34183(a)(4) for the first ROPS period although there was no distribution from the RPTTF for that period.

a. Fiscal Year 2011-12 Pass-through Payments. AB 1484 adds Section 34184.5 to the Dissolution Act to provide for the payment of the FY 2011-12 pass-through amounts to the taxing entities if such payments were not previously made.

Section 34184.5(a)(1) requires the CAC to make payments to the taxing entities for the FY 2011-12 pass-through amounts that were not previously paid, either by the former Dissolved RDA or by the CAC from the June 1, 2012 distribution from the RPTTF, by reducing the amounts that would be paid to a Successor Agency for enforceable obligations in subsequent distributions from the RPTTF, subject to any subordination of the payments owed to bond debt (as currently allowed pursuant to Section 34183(b)). The CAC will continue to reduce the amounts paid to a Successor Agency from the RPTTF during subsequent distributions until the full amount owed to the taxing entities for the FY 2011-12 pass-through payments have been made. Alternatively, a Successor Agency can use reserve funds to make these payments.

Pursuant to this section, if a Successor Agency did not have sufficient funds to pay the full amount of its pass-through payments for FY 2011-12, the unpaid amount effectively becomes a debt of a Successor Agency with a higher priority for payment from the RPTTF than other enforceable obligations in the next distribution from the RPTTF. The only exception will be if the Dissolved RDA, prior to dissolution, subordinated the pass-through payments to bond debt in which event the bond debt will have priority over the pass-through payments as currently allowed by Section 34183(b).

Under Section 34184.5(a)(2), if the Dissolved RDA did not make the FY 2011-12 pass-through payments but the CAC did, the CAC can offset up to one-half of the amount the CAC paid from the next distribution from the RPTTF to the Successor Agency. If the amount distributed to the Successor Agency is not sufficient to make the full deduction of one-half of the amount owed in the next distribution, the CAC is to continue to reduce the amounts allocated to the Successor Agency in subsequent distributions until one-half of the amount paid by the CAC is deducted. The CAC can also accept payments from the Successor Agency's reserve funds to cover the deduction provided for above.

b. Residual Distributions for FY 2011-12. Section 34183.5 also contains procedures for distributing any residual amounts of funds in the RPTTF that would have been available if the Dissolution Act had gone into effect when originally intended. If Dissolved RDAs had been dissolved effective October 1, 2011 under the Dissolution Act as originally set out in the statute (rather than on February 1, 2012 as modified by the Supreme Court), the first distribution from the RPTTF would have been in January 2012 and would have covered the initial ROPS period of January 1, 2012 through June 30, 2012. However, because of the Supreme Court stay, the funds that would have been available for deposit into the RPTTF for the January 2012 distribution were distributed to the Dissolved RDAs late in 2011 and used by most agencies to pay enforceable obligations on the EOPS incurred since July 1, 2011. The purpose

of Section 34183.5(b) appears to be to retroactively undo the Supreme Court stay and attempt expeditiously to collect funds from Successor Agencies⁵.

The provisions of Section 34183.5 require the distribution of residual funds deemed to be owing to the taxing entities from the first ROPS period of January through June 2012. The amounts owed to the taxing entities pursuant to 34183(a)(4) are to be determined based on the initial ROPS approved by the Department of Finance. How the amount is to be determined since there was no distribution from the RPTTF for this period is not explained in the legislation.

If the taxing entities have not received the full amount owed under Section 34183(a)(4) by July 9, 2012, the CAC is to determine the amount, if any, owed by each Successor Agency and demand the funds from the Successor Agency by no later than July 12, 2012. Although this section does not appear to allow for any appeal of the CAC's demand, the DOF assured legislators prior to passage of AB 1484 that the meet and confer provisions elsewhere in the legislation are applicable to this section as well.

If the CAC fails to make the demand by July 9, 2012, the DOF or any affected taxing agency can request a writ of mandate to compel the CAC to make the required determination of the amounts owed. The CAC is subject to penalties of 10% of the amount owed plus 1.5 % of the amount owed to each taxing entity for each month that it fails to perform its duties under this section. Additionally, any county that fails to make the determinations required by July 9, 2012 or fails to distribute the full amount received from the Successor Agencies by July 16, 2012 will not receive the distribution of sales and use tax scheduled for July 18, 2012 or any subsequent sales and use tax distributions up to the full amount owed to the taxing entities.

If the Successor Agency fails to make the payment demanded by the CAC by July 12, 2012, the DOF or any taxing entity can bring a writ of mandate to require the payment. Failure to make the payment will subject the Successor Agency and the Sponsoring Community to penalties of 10% of the amount owed plus 1.5% for each month that the payments are not made. The Successor Agency also cannot make any payment other than bond debt until the amounts owed are paid.

Finally, if the amounts owed are not paid on July 12, 2012, the Sponsoring Community will not receive a distribution of sales and use tax on July 18, 2012 or any subsequent distributions up to the full amount owed to the taxing entities.⁶

2. Unencumbered Fund Remittances; Finding of Completion. Section 34179.5 provides new procedures for reviewing the available cash assets of the Dissolved RDA (the "Review"). This Review is to be conducted by each Successor Agency with the end goal of distributing what are determined to be available cash assets to the taxing entities during FY

⁵ It should be noted that the DOF Exhibit H, *Distribution, Reporting and Transaction Period for the RPTTF*, shows that no residual distribution pursuant to Section 34183(a)(4) is due for the initial ROPS period. This appears to be the logical consequence of the fact that there were no deposits into the RPTTF for this reporting period so distributions of residual amounts appear to be impossible.

⁶ The constitutionality of these offsets is questionable.

2012-13. At the conclusion of the Review, if the Successor Agency remits the cash assets to the CAC, and if the Successor Agency has also made the payments summarized in Part II.D.1, the DOF will issue a finding of completion for the Successor Agency (a “Finding of Completion”). As fully discussed in Part II.E, the issuance of the Finding of Completion makes the Successor Agency eligible to retain Dissolved RDA properties, reinstate loans between the Dissolved RDA and the Sponsoring Community, and spend unspent bond proceeds from bonds issued prior to January 1, 2011 for the purposes for which the bonds were issued (subject to restrictions).

Successor Agencies undertaking the Review will need to proceed carefully in instructing the accountant hired. The Review is governed by definitions contained in Section 34179.5 that are multi-layered and nuanced.

a. Timeline for Review. The Review as it relates to the LMIHF must be complete by October 1, 2012. The Review for all other funds must be complete by December 15, 2012.

b. Review Procedures. Section 34179.5 requires each Successor Agency to hire a licensed accountant with experience and expertise in local government accounting to review the unobligated balances available for transfer to the taxing entities. The legislation does not provide any funding source for paying for the accountant and does not indicate whether the costs of the Review are to be covered by the Successor Agency's administrative cost allowance. The selection of the accountant has to be approved by the CAC. Alternatively, an audit conducted by the CAC that provides the required information can be used to comply if the Oversight Board concurs. The nature of the Review differs significantly from the agreed-upon procedure audits currently under way (see further discussion in Part II.D.3), so it is unlikely that the agreed-upon procedure audits will provide the required information. The DOF can specify the form in which the Review is to be provided.

c. Contents of Review. The statute contains specific definitions to be used for purposes of complying with the Review requirement. Proper interpretation of these definitions is essential to ensuring that the Review is conducted correctly. A Successor Agency will want to work closely with the accountant hired to perform the Review on setting the parameters for the Review to ensure correct application.

(1) Enforceable Obligations. For purposes of the Review, “enforceable obligations” are considered primarily to be those contained in the definition of enforceable obligations that applies after dissolution as set forth in Section 34171(d) and thus would exclude most contracts or agreements between the Dissolved RDA and the Sponsoring Community even though under the Dissolution Act those contracts are considered enforceable obligations prior to dissolution (through January 31, 2012). Since the Review covers both pre-dissolution and post-dissolution periods, this definition appears to be a camouflaged attempt to retroactively disallow payments prior to dissolution made by a Dissolved RDA to its Sponsoring Community, even though such payments were valid at the time made.

(2) Cash and Cash Equivalents. For purposes of the Review, “cash and cash equivalents” are defined as cash in hand, bank deposits, LAIF deposits, deposits with

the Sponsoring Community treasury and any other pool, marketable securities, commercial paper, US Treasury bills, banker's acceptances, payables and amounts from other parties and any other money owed by the Successor Agency (presumably this section was intended to mean amounts owed to the Successor Agency).

(3) Transferred. The definition of "Transferred" presents numerous interpretation challenges. As the definition reads: "Transferred means the transmission of money to another party that is not in payment of goods or services or an investment or where the payment is de minimus. Transfer also means where the payments are ultimately merely a restriction on the use of the money" (Section 34179.5(b)(3)). The Review is required to include the dollar value of assets transferred from the Dissolved RDA or the Successor Agency to the Sponsoring Community or any other party. Based on the definition of the term Transferred and Transfer in the statute, it appears that the Review need only cover those instances where assets were transferred without consideration, for investment purposes or pursuant to agreements that merely restricted the use of the money.

The Review is required to include all of the following:

- The dollar value of assets transferred from the Dissolved RDA to the Successor Agency upon dissolution;
- The dollar value of assets and cash and cash equivalents transferred by the Dissolved RDA or Successor Agency to the Sponsoring Community between January 1, 2011 and June 30, 2012, including the purpose of any such transfer and the documentation for any enforceable obligation related to such transfer;
- The dollar value of any cash or cash equivalents transferred after January 1, 2011 through June 30, 2012 to any other public agency or private party and the purpose of those transfers including documentation of any enforceable obligations requiring the transfer;
- Expenditure and revenue accounting information and transfers and funding sources for the 2010-11 and 2011-12 fiscal years that reconciles the balances, assets, liabilities of the Successor Agency on June 30, 2012 to those reported to the SCO for FY 2009-10;
- Separate accountings for (i) the balance of the LMIHF, and (ii) for all other funds combined that includes the following:
 - A statement of value of each fund as of June 30, 2012;
 - An itemized statement listing any amounts that are legally restricted and cannot be provided to the taxing entities, including bond proceeds, grant funds or restricted funds provided by other governmental entities;

- An itemized statement of the value of any assets that are not cash or cash equivalents which can include land, records and equipment. Physical assets can be valued at purchase cost or estimated market value. Housing assets are to be listed separately;
- An itemized list of any current balances that are legally owed to fund an enforceable obligation with the specific enforceable obligation identified. The Successor Agency is also to provide a listing of all approved enforceable obligations that includes a projection of the annual payments needed to satisfy the obligation and the projected revenues available to pay the obligation;
- If the Review finds that the current balances are necessary to fund the enforceable obligations because available restricted funds and future revenues are insufficient, the Review must identify the amounts necessary to pay the enforceable obligations from the current balances;
- Additionally, if the Review determines that the Successor Agency will have insufficient property tax to pay the enforceable obligations, the Review is to include the projected property tax revenue and other revenues projected to be available to the Successor Agency along with the amount and timing of bond debt payments of the Successor Agency; and
- An itemized list of the current balances that will be needed to pay enforceable obligations to be placed on a ROPS for the current fiscal year.

The Review is required to total the net balances available after deducting the restricted funds, the physical assets and the balances necessary for payment of enforceable obligations where there are insufficient funds from the projected property tax revenues and other revenues to pay the enforceable obligations. The balance available is to include the value of any cash transferred between January 1, 2011 and June 30, 2012 if there is not an enforceable obligation for that transfer. It is a rebuttable presumption that cash and cash equivalents are available to disburse to the taxing entities.

If the Review determines that there are insufficient cash balances to pay the amount determined to be the available amount, that insufficiency is to be demonstrated in a separate schedule.

d. Oversight Board and DOF Role with Respect to Review. Upon completion of the Review, the Review is to be submitted to the Oversight Board for review and approval. Additionally, the Successor Agency is to submit a copy of the ROPS to the County administrative officer, the CAC and the DOF at the same time the Successor Agency submits the Review to the Oversight Board.

Upon receipt of the Review, the Oversight Board is to convene a public comment session to take place at least five business days before the Oversight Board votes on approval of the Review. The Oversight Board is to review, approve and transmit the Review by October 15, 2012 for the LMIHF and by January 15, 2013 for all other funds. The Oversight Board can

adjust amounts provided in the Review to reflect additional information and analysis. The Oversight Board can also authorize the Successor Agency to retain the restricted funds, the non-cash assets, and the cash balances that are contractually committed or needed for items to be placed on the ROPS during the fiscal year.

The DOF may adjust the amounts determined to be available for allocation to the taxing entities in the Review based on its analysis and information provided by the Successor Agency and others. The DOF is to complete its review by November 9, 2012 for the LMIHF and by April 1, 2013 for the remaining funds. The DOF is required to provide the Successor Agency and the Oversight Board with an explanation of the basis for overturning or modifying any findings or determinations of the Oversight Board.

The Successor Agency and the Dissolved RDA's Sponsoring Community can request a meet and confer with the DOF after the DOF has made its determination of the amounts available for allocation to the taxing entities within five business days of receipt of the DOF's determination (and no later than November 16, 2012 for the LMIHF portion of the Review). The request to meet and confer must include an explanation and documentation of the basis for the dispute. The DOF is required to meet and confer with the requesting party and make a decision within 30 days of the request to meet and confer.

e. Payments to Taxing Entities and Penalties for Noncompliance. Successor Agencies are required to transmit the funds determined to be available for allocation to the taxing entities within five business days of receipt of the notification of the amount determined by the DOF. Successor Agencies are required to make diligent efforts to recover money determined to be transferred without an enforceable obligation. If the Successor Agency fails to transmit the funds determined to be available for allocation to the taxing entities, there are a variety of remedies set forth in the statute including:

- If the Successor Agency cannot recover funds transferred to another public agency without an enforceable obligation, the DOF can order the Board of Equalization to offset the sales and use tax of the local agency that received the transferred funds, or the if the DOF does not order a sales or use tax offset, the CAC can offset property tax of the local agency that received the funds⁷;
- The DOF and the CAC can demand the return of funds improperly spent or transferred to a private party and can recover those funds plus a 10% penalty and interest through any lawful means;
- If the Sponsoring Community is performing the duties of the Successor Agency⁸, the DOF can order an offset of the Sponsoring Community's sales and use tax. If the DOF does not order such an offset, the CAC can offset property tax owed to the Sponsoring Community;

⁷ As noted earlier, the constitutionality of these offsets is questionable.

⁸ The statute does not address the fact that, pursuant to AB 1484, each Successor Agency is now a separate and distinct legal entity and is no longer the Sponsoring Community.

- As an alternative to all of the above, the DOF can order the CAC to offset the amounts owed against future distributions from the RPTTF to the Successor Agency pursuant to Section 34183.

If the DOF determines that the full payment of the amounts determined to be available for allocation to the taxing entities is not feasible or would jeopardize a Successor Agency's ability to pay enforceable obligations, the DOF can agree to an installment payment plan.

3. County Auditor-Controller Responsibilities; Redevelopment Property Tax Trust Fund Distribution Issues. AB 1484 contains numerous substantive changes to the role and responsibilities of the CAC in the redevelopment unwind process and to the instructions for administering and making distributions from the RPTTF. In addition to matters described in other parts of this Summary, key changes include:

a. The initial ROPS (covering January through June 2012) is no longer subject to certification by the CAC based on the results of the agreed-upon procedures audit that the CAC is required to conduct or cause to be conducted by an external auditor (the "AUP Audit") (Section 34177(l)(2)). This change raises questions about the continuing purpose of the AUP Audit.

b. The AUP Audit completion deadline is pushed back from July 1 to October 1, 2012, and related delivery dates are pushed back correspondingly (Section 34182(a)).

c. Instead of "certifying" a ROPS, the CAC is instead authorized under AB 1484 to review a ROPS and object to inclusion of any items that are not demonstrated to be enforceable obligations and/or the funding source proposed for any items. Such review and objection may occur before or after Oversight Board action on a particular ROPS. The CAC is directed to submit notice to the DOF, the Successor Agency, and the Oversight Board concerning any objection, generally at least 60 days prior to the distribution date for moneys from the RPTTF for the applicable ROPS period. If an Oversight Board disputes a CAC objection to a ROPS item, it may refer the matter to the DOF for determination of what will be approved for inclusion on the applicable ROPS (Section 34182.5). The AUP Audit presumably could be of use to a CAC in this role.

d. In calculating pass-through payment amounts that would have been owed had the Dissolved RDA not been dissolved, the CAC is directed to assume that the requirement still existed to deposit a portion of what would have been tax increment into the LMIHF (Section 34183(a)(1)).

e. The obligation of the CAC to make a distribution from the RPTTF on May 16, 2012 (as required by the Dissolution Act as modified by the Supreme Court) is deleted by AB 1484, thereby sanctioning the previously unauthorized practice implemented by most CACs (Section 34183(a)(2)).

f. The CAC is required to provide estimates of the amounts it will distribute from the RPTTF for the upcoming six-month period on October 1 (was November 1 in the Dissolution Act) and April 1 (was May 1 in the Dissolution Act) (Section 34182(c)(4)).

g. The date for distributions by a CAC from the RPTTF for the first six-month period of each calendar year (starting in 2013) is moved from January 16 to January 2. The distribution date for the second six-month period of each calendar year remains June 1 (Sections 34183(a) and 34185).

h. If there is a confirmed insufficiency of funds available to pay all of a Successor Agency's debt service enforceable obligations, the Dissolution Act established a procedure for reducing various distributions from the RPTTF to deal with such insufficiency, including giving priority of RPTTF distributions to such debt service payments over any statutory pass-through payments that had been subordinated under the applicable statutory procedure to the debt service payments. AB 1484 clarifies that contract pass-through payment obligations entered into prior to 1994 that were expressly subordinated to debt service payments on a particular enforceable obligation are also subordinated for purposes of distributions by the CAC from the RPTTF (Section 34183(b)).

i. Within 10 days after each semi-annual distribution from the RPTTF, the CAC must provide a report to the DOF on specified matters related to such distribution (Section 34183(e)).

j. AB 1484 establishes a procedure for a CAC to adjust the amounts distributed from the RPTTF to a particular taxing entity for a succeeding six-month period to the extent the amount of pass-through payment distributed by the CAC to that taxing entity for the preceding six-month period (based on estimates of the amount owed) varied from the actual amount of pass-through payment owed to that taxing entity (based on more complete subsequent information) (Section 34186(b)).

k. Once a Successor Agency pays off all the enforceable obligations of the Dissolved RDA, AB 1484 directs it to dispose of all remaining assets and terminate its existence within one year of the final debt payment. When the Successor Agency is terminated, all pass-through payment obligations cease and no further property tax is deposited in or distributed from the RPTTF, with the effect that all property tax that would formerly have been tax increment becomes normal property taxes distributed among the taxing entities as if the Dissolved RDA had never existed (Section 34187(b)).

l. Acknowledging that it had created inconsistency and uncertainty in the way it enacted related provisions of the Dissolution Act regarding calculation of the amount of pass-through payments owed, the Legislature in AB 1484 states its intent that the full amount of pass-through payments be made from the RPTTF, and that the apparent reduction in such payments mandated by one of the provisions at issue in the Dissolution Act would not be operative (uncodified Section 36 of AB 1484). Serious questions remain as to whether the payment of full pass-through amounts, as now clarified by AB 1484, violates various provisions of the California Constitution.

4. Reversal of Certain Successor Agency/Sponsoring Community Transactions. AB 1484 directs the SCO to review activities of each Successor Agency to determine if it transferred an asset on or after February 1, 2012 (when the Successor Agency was established) to the Sponsoring Community (city, county, or city and county that formed the Dissolved RDA) other than pursuant to an enforceable obligation contained on an approved and valid ROPS.⁹ If such a transfer did occur other than in connection with an enforceable obligation, then the SCO is directed to order the return of the transferred asset to the Successor Agency (unless such return is prohibited by state and federal law), and the "affected local agency" (words used in the statute) is directed to effectuate such return of the applicable asset as soon as practicable. This provision does not apply to the transfer of housing assets (see discussion of housing asset definition in Part II.A) which, if held by the Successor Agency, are allowed and required to be transferred to a Housing Successor (which often will be the Sponsoring Community) for continued housing functions (Section 34178.8).

5. Refunding Bonds. AB 1484 provides much greater flexibility in the refunding of bonds than the Dissolution Act provided. The legislation recognizes the advisability of authorizing the refunding bonds to lower the long-term cost of financing in many situations. Section 34177.5 adopts in most respects the language prepared by a committee of bond counsel from around the State, although it did not include the suggested language to address greater flexibility in refunding variable rate bonds. We suggest consultation with bond counsel for details regarding possible restructuring of any bonds.

As with other actions in the post-redevelopment era, any bond refunding requires Oversight Board approval and DOF review. The statute also provides for subordination of pass-through payments by taxing entities in substantially the same manner as previously provided in the Community Redevelopment Law (Section 34177.5(c)). To provide greater certainty to bond holders and others, the Successor Agency may petition the DOF to provide written confirmation that a DOF approval of an enforceable obligation with payments over time is final and conclusive and reflects the DOF's approval of subsequent payments under that enforceable obligation. If such confirmation is granted by the DOF, DOF review in the future is limited to confirming the payments are required by that prior approved enforceable obligation (Section 34177.5(i)).

A validation action may be brought regarding any bond refunding within 30 days of the Oversight Board approval of the refunding (Section 34177.5(e)). The DOF is required to be notified of a validation action involving a bond refunding (Section 34177.5(d)).

E. Potential Local Benefits of AB 1484.

The following potential benefits to a Successor Agency and its Sponsoring Community are offered under AB 1484 once the Successor Agency has attained a Finding of Completion from the DOF, as further described in Part II.D.2.

⁹ Presumably, the same treatment should apply to a transfer pursuant to an enforceable obligation listed on an approved Enforceable Obligation Payment Schedule in effect prior to the effectiveness of the first ROPS.

1. Property Disposition. The Dissolution Act calls for the Successor Agency, under the direction of the Oversight Board, to dispose of real property it received from the Dissolved RDA either for limited public uses, or for disposition into the private market expeditiously and with a view toward maximizing value, with the disposition proceeds ultimately made available for distribution to the affected taxing entities.

AB 1484 appears to suspend this process,¹⁰ and to provide certain flexibility and local benefits in connection with property disposition for a Successor Agency that has received a DOF Finding of Completion (Section 34191.3). Within six months after receipt of a Finding of Completion, the Successor Agency must submit a long-range property management plan for the real property of the Dissolved RDA for approval by the Oversight Board and the DOF (Section 34191.5(b)). The property management plan must include an inventory (with specified information) about each property, and address the use or disposition of each property (Section 34191.5(c)).

Permitted uses under a property management plan include:

- a. retention of the property for governmental use;
- b. retention of the property for future development;
- c. sale of the property; and
- d. use of the property to fulfill an enforceable obligation.

Upon approval of the property management plan, the properties of the Dissolved RDA are to be placed in a Community Redevelopment Property Trust Fund administered by the Successor Agency in accordance with the approved property management plan (Sections 34191.4(a) and 34191.5(a)). If the property management plan calls for use or liquidation (sale to obtain revenues) of a property for a project identified in an approved redevelopment plan, that property is to be transferred to the Sponsoring Community for that purpose. If the property management plan calls for the liquidation of the property or use of revenues from the property for purposes other than a project identified in a redevelopment plan or other than to fulfill an enforceable obligation, the proceeds from the sale are to be distributed as property taxes to the taxing entities (Section 34191.5(c)(2)(A) and (B)).

In short, use of property placed in the Community Redevelopment Property Trust Fund in accordance with an approved property management plan enables the Successor Agency and the Sponsoring Community to direct the use of specified properties and revenues generated from those properties for community development activities, including affordable housing, in a manner somewhat similar to the uses of property formerly implemented by the Dissolved RDA.

¹⁰ It is not clear if a Successor Agency can continue to follow the Dissolution Act path and dispose of property under Oversight Board direction to maximize value received for distribution to the affected taxing entities, or is instead compelled to follow the alternative path set out in AB 1484.

2. Sponsoring Community Loans. Under the Dissolution Act, the repayment of many loans made in good faith by a Sponsoring Community to its now Dissolved RDA became unenforceable as of February 1, 2012 and not subject to repayment by the Successor Agency. Under AB 1484, upon application by the Successor Agency and approval by the Oversight Board (which approval in turn creates the opportunity for DOF review and disapproval as further described in Part II.B.3.e), loan agreements between the Sponsoring Community and the Dissolved RDA that were previously deemed not to constitute enforceable obligations as of February 1, 2012, can once again be deemed to be enforceable obligations if the Oversight Board finds that the loan from the Sponsoring Community to the Dissolved RDA was for legitimate redevelopment purposes (Section 34191.4(b)).

However, AB 1484 places several conditions on the repayment by the Successor Agency to the Sponsoring Community of a loan that is reinstated, including:

- a. accumulated interest on the loan is recalculated from loan origination at the Local Agency Investment Fund ("LAIF") interest rate and supersedes any different interest calculation in the loan agreement;
- b. going forward, interest is also limited to the LAIF rate;
- c. loan repayments to the Sponsoring Community cannot begin until FY 2013-14 and are to be made according to a defined schedule over a "reasonable term of years", with the maximum annual repayment being strictly limited by statutory formula;
- d. repayments received by the Sponsoring Community must first be applied to retire any outstanding amounts that had been previously borrowed by the Dissolved RDA from its LMIHF (e.g., amounts borrowed to make SERAF payments); and
- e. 20% of any remaining repayments received by the Sponsoring Community are deducted and placed in the Housing Asset Fund maintained by the Housing Successor (see discussion of this fund in Part II.A.4) (Section 34191.4(b)).

Depending on circumstances, these conditions could significantly reduce the repayment amounts received by the Sponsoring Community under any loan that is reinstated under AB 1484 following Oversight Board approval (and lack of DOF disapproval) of such reinstated loan.

3. Bond Proceeds. The Dissolution Act was ambiguous about the authority for a Successor Agency to expend unencumbered bond proceeds. Under AB 1484, following receipt of a DOF Finding of Completion, a Successor Agency is clearly authorized to spend, in a manner consistent with the original bond covenants, excess bond proceeds (proceeds not already committed to satisfy approved enforceable obligations) from bonds issued prior to 2011. Such expenditures of excess pre-2011 bond proceeds are considered enforceable obligations to be separately listed on the ROPS submitted by the Successor Agency. If such excess bond proceeds cannot be spent in a manner consistent with the bond covenants, then those proceeds are to be used to defease or purchase bonds (Section 34191.4(c)). AB 1484 does not clarify the authority

to expend bond proceeds from bonds issued by a Dissolved RDA in 2011. AB 1484 contains additional provisions regarding expenditures of unencumbered bond proceeds of a bond issuance secured by deposits in the LMIHF (see discussion in Part II.A.3).

F. Other Provisions.

AB 1484 adds other provision, including the following:

1. Economic Development Corporations. AB 1484 adds Section 34167.10 to expand the definition of “city, county and city and county” to include independent entities that are reporting units, component units or controlled by the city, county or city and county. The expanded definition is declarative of existing law and thus applies retroactively to the adoption of the Dissolution Act.

For purposes of determining whether an independent entity is controlled by the Sponsoring Community, the statute list factors to be considered but does not indicate whether all factors must be met or how to weigh the factors. The fact that the independent entity is a separate legal entity is not relevant to the analysis. The factors to be considered include, whether:

- a. the Sponsoring Community exercises substantial municipal control over the independent entity's operations, revenues or expenditures;
- b. the Sponsoring Community has ownership or control over the independent entity's property;
- c. the Sponsoring Community and the independent entity share common or overlapping governing boards or conterminous boundaries;
- d. the Sponsoring Community was involved in the creation of the independent entity;
- e. the independent entity performs functions customarily performed by municipalities and financed through levies of property taxes; and
- f. the Sponsoring Community provides administrative support for the independent entity.

The expanded definition of city, county and city and county is an effort to subject asset transfers to economic development corporations and other types of corporations separate and distinct from the Sponsoring Community to the clawback provisions in the Dissolution Act (Section 34167.5), and make agreements between the Dissolved RDA and such corporations null and void, similar to Sponsoring Community/Dissolved RDA agreements (Section 34178(a)).

2. RDA Land Use Functions. AB 1484 authorizes the transfer of land use plans and land use functions of the Dissolved RDA to the Sponsoring Community at the request of the Sponsoring Community (Section 34173(i)).

3. Statute of Limitations. The Dissolution Act lengthened to two years the statute of limitations on bringing a challenge to a redevelopment plan adoption or amendment, a redevelopment bond issuance, and findings and determinations of a redevelopment agency or legislative body. AB 1484, in turn, completely tolls (suspends) the already lengthened statute of limitations on these matters until the DOF has issued a Finding of Completion (see further discussion in Part II.D.2) to the Successor Agency of the applicable Dissolved RDA. Once the DOF has issued a Finding of Completion, the statute of limitations reverts to the original pre-Dissolution Act 90-day period (which will have long expired at that point) (Sections 33500 and 33501).

Section 34177.5 provides that a Successor Agency may request that the DOF waive the two-year statute of limitations with regard to redevelopment plan adoptions and amendments and findings and determinations made by the Dissolved Agency or its legislative body for plan adoptions, plan amendment, findings and determinations made after January 1, 2011. The DOF may provide this waiver if it determines, in its discretion, that it is necessary for the Successor Agency to fulfill an enforceable obligation.

4. Validation Action Notices and Venue. The DOF and the SCO (and, for certain actions, the affected taxing entities) must be properly notified of any validation action with respect to any action of a Dissolved RDA or Successor Agency or with respect to any enforceable obligation or matter of title to an asset the belonged to a Dissolved RDA. Such notification is a condition to the proper filing of the action. All such actions must be filed in the County of Sacramento (Sections 34189.1 and 34189.2).

5. Post-Suspension Actions. AB 1484 declares that any action taken by a Dissolved RDA after June 27, 2011 does not create an enforceable obligation (Section 34177.3(d)). Serious questions remain as to when the Dissolution Act took effect in late June 2011 (at which time the power to enter into most new redevelopment agreements was suspended), and whether the Legislature can retroactively alter that point of effectiveness in a way that would impair contracts validly entered into at the time of entry (which could, in turn, constitute a constitutionally flawed retroactive impairment of such contract). Also, if a Dissolved RDA had entered into a valid enforceable obligation prior to June 28, 2011 (or whatever point the Dissolution Act actually became effective) that obligated it to enter into a subsequent agreement after the effectiveness of the Dissolution Act, this provision of AB 1484 would likewise seem to constitute a constitutionally flawed impairment of the initial valid enforceable obligation, by preventing the effectiveness of the subsequent contract.

AB 1484 also declares that redevelopment agencies that opted to participate in the Voluntary Alternative Redevelopment Program (ABx1 27, that was subsequently found unconstitutional by the Supreme Court) did not receive a grace period to undertake new activities after the suspension date in the Dissolution Act (Section 34177.3(d)).

6. DOF Budget and Consultants. AB 1484 appropriates \$22 million to the DOF (of which up to \$2 million may be allocated to the State court system) for work associated with applicable portions of the Dissolution Act (uncodified Section 38 of AB 1484). In addition, the DOF is authorized to hire auditors, lawyers, and other types of advisors and consultants to assist, advise and represent the DOF in matters related to the Dissolution Act, and in doing so may avoid certain State law procedures for hirings.

PART III.
AB 1484 MILESTONE ACTIONS

Following is a checklist of upcoming key milestone actions under the Dissolution Act as amended by AB 1484.

<u>Date</u>	<u>Action</u>
July 9, 2012	Successor Agency to receive from the CAC determination of amount owed, if any, for distributions pursuant to the Section 34183(a)(4) for the initial ROPS period (Section 34183.5(b)(2)(A)).
July 12, 2012	Successor Agency to pay to the CAC any amounts identified as owed to the taxing entities (Section 34183.5(b)(2)(A)).
July 16, 2012	The CAC distributes to the taxing entities amounts received from the Successor Agency on July 12, 2012 (Section 34183.5(b)(2)(A)).
July 18, 2012	The DOF can order offset of sales and use tax due to Sponsoring Community if the Successor Agency has failed to make payments due on July 12, 2012 (Section 34183.5(b)(2)(A)).
August 1, 2012	Housing Successor must submit to DOF list of all housing assets transferred to it by the Dissolved RDA, with explanation of how assets meet criteria set forth in law. DOF to prescribe format for list (Section 34176(a)(2)).
August 10, 2012	Housing Successor provides notice to the Successor Agency of any designations of use or commitments of funds specified in 34176(g)(1)(A) that the Housing Successor empowers the Successor Agency to retain (Section 34179.6(c)).
September 1, 2012	The Successor Agency submits the ROPS for January 1, 2013 through June 30, 2013 to the DOF after Oversight Board approval (Section 34177(m)). Note, the Successor Agency will be assessed a \$10,000 per day penalty for failure to timely submit the ROPS (Section 34177(m)(2)).

<u>Date</u>	<u>Action</u>
September 11, 2012	If the Successor Agency has not submitted a ROPS, the maximum administrative cost allowance for the fiscal year covered by the ROPS will be reduced 25% (Section 34177(m)).
October 1, 2012	The Successor Agency to provide to the Oversight Board, the CAC, the DOF, and the SCO results of the 34179.5 review for the LMIHF balances of a Dissolved RDA conducted by a licensed accountant. Accountant must be approved by the CAC (Section 34179.6(a)).
October 1, 2012	The CAC to complete agreed-upon procedures audit of each Dissolved RDA (Section 34182(a)(1)).
October 1, 2012	The CAC to provide notice to the Successor Agency of any objections to items included on the Third ROPS (Section 34182.5).
October 1, 2012	The CAC to prepare and provide estimates to the DOF and fund recipients of amounts to be allocated and distributed from RPTTF on January 2, 2013 for Third ROPS period (Section 34182(c)(3)).
October 1, 2012	The CAC to report to the SCO and the DOF specified information about property tax distributions (Section 34182(d)).
October 5, 2012	The CAC to provide to the SCO and the DOF results of agreed-upon procedures audit of each Dissolved RDA (Section 34182(b)).
October 15, 2012	The Oversight Board to review, approve and transmit the results of the 34179.5 Review for the LMIHF account balances of the Dissolved RDA and notify the CAC and the DOF (Section 34179.6(c)). Note, that the Oversight Board must hold a public session at least five business days in advance of the meeting to consider approval of the Review (Section 34179.6(b)).
No later than November 9, 2012	The DOF completes review of 34179.5 Review of LMIHF balances and reports findings, determinations, and decisions to overturn Oversight Board decision to allow retention of Successor Agency assets (Section 34179.6(d)).

<u>Date</u>	<u>Action</u>
Within 5 days of receipt of initial determination from the DOF	Successor Agency/Sponsoring Community deadline to request meet and confer with DOF over any dispute regarding amount of the LMIHF to be distributed to Taxing Entities under the 34179.5 Review process (Section 34179.6(e)). The DOF must meet and confer with the Successor Agency and confirm or modify findings within 30 days of request (Section 34179.6(e)).
Within 5 days of receipt of final determination from the DOF	The Successor Agency to transfer to the CAC the LMIHF balances determined to be available pursuant to Section 34179.5 Review of the LMIHF. Sponsoring Community sales and use tax may be offset if funds are not transferred (Section 34179.6(f)).
December 1, 2012	The Successor Agency reports to the CAC if total amount of available revenues (including RPTTF, other revenues, proceeds from sale of assets) will be insufficient to fund enforceable obligations (Section 34183(b)).
December 1, 2012	The CAC provides the DOF report specifying amount remitted by the Successor Agency pursuant to the 34179.5 Review of LMIHF balances (Section 34179.6(g)).
December 15, 2012	The Successor Agency submits to the Oversight Board, the CAC, the DOF, and the SCO results of review required under 34179.5 with respect to all other fund and account balances of a Dissolved RDA (Section 34179.6(a)).
January 2, 2013	The CAC to make distributions from the RPTTF for the Third ROPS period (January-June 2012) (Section 34183(a)(2)).
January 12, 2013	The CAC to provide a report to the DOF regarding most recent distributions from the RPTTF (Section 34283(e)).
January 15, 2013	The Oversight Board to review, approve and transmit the results of the 34179.5 Review for all other fund and account balances of a Dissolved RDA and notify the CAC and the DOF of determination (Section 34179.6(c)). Note, that the Oversight Board must hold a public session at least five business days in advance of the meeting to consider approval of the Review (Section 34179.6(b)).
March 3, 2013	Successor Agency submits ROPS for July 1, 2013 through December 31, 2013 to DOF after Oversight Board approval (Section 34177(m))

<u>Date</u>	<u>Action</u>
No later than April 1, 2013	The DOF completes reviews of 34179.5 Review of other fund balances and reports findings, determinations and decisions to overturn Oversight Board decision to allow retention of Successor Agency assets. (Section 34179.6(a)).
April 1, 2013	The CAC provides estimates to the DOF and all fund recipients of amounts to be allocated and distributed from the RPTTF on June 1 for the July 1, 2013 through December 31, 2013 ROPS period (Section 34182(c)(3)).
Within 5 days of receipt of initial determination from the DOF	Successor Agency/Sponsoring Community deadline to request meet and confer with the DOF over any dispute regarding amount of other fund balances to be distributed to the taxing entities under 34179.5 Review process. The DOF must meet and confer with Successor Agency and confirm or modify findings within 30 days of request (Section 34179.6(e)).
Within 5 days of receipt of final determination from the DOF	The Successor Agency to transfer to the CAC cash and other assets determined to be available pursuant to Section 34179.5 Review of other funds (if meet and confer process is complete). Sponsoring Community sales and use tax may be offset for unfunded amounts (Section 34179.6(f)).
April 20, 2013	The CAC provides the DOF a report specifying the amount remitted by Successor Agencies pursuant to the Section 34179.5 Review of other balances (Section 341796(g)).
May 1, 2013	The Successor Agency reports to the CAC if total amount of available revenues (including RPTTF, other revenues, proceeds from sale of assets) will be insufficient to fund enforceable obligations (Section 34183(b)).
June 1, 2013	The CAC to make distributions from the RPTTF for the ROPS period July-December 2013 (Section 34284(c)).

Important Dates within AB 1484

<u>Date</u>	<u>Successor Agency Obligations under AB 1484</u>
7/9/2012	Demands made by County Auditor-Controller's (CAC) for payment on residual revenue and pass through amounts for allocations made prior to February 1, 2012.
7/12/2012	Successor Agencies (SA) must make payments based on CAC demand letters or face fines and penalties. DOF relented on the requirement to make payment on pass through amounts.
7/16/2012	Cities and other taxing entities to receive their shares of residual revenue payments paid by SAs.
8/1/2012	Housing Successor Agencies to submit to DOF a list of all housing assets transferred to it by the former RDA with explanation of how these are housing assets based on definitions in the law.
8/10/2012	Housing Successor Agencies to notify SAs of any assets that will may be retained by the SAs.
9/1/2012	SA must submit Oversight Board (OB) approved ROPS for January 1, 2013 through June 30, 2013 cycle (ROPS 3). SA must have submitted draft ROPS to DOF, CAC, County CAO at the time it is submitted to the OB.
10/1/2012	SA must submit to the OB, CAC, DOF and State Controller (SCO) results of a review by licensed accountant outlining LMIHF unencumbered balances.
10/15/2012	OB must approve LMIHF review by this date but may not approve the review until it has held a public meeting and taken comments from the public at least 5 days prior to its approval action. <u>Approved report to be submitted to the DOF and CAC.</u>
	DOF must complete review of the LMIHF review no later than November 9. If necessary, SA must request a 'meet and confer' to discuss disputes with DOF within 5 days of receipt of the DOF initial determination on the LMIHF review. DOF must conduct the 'meet and confer' and <u>confirm or modify findings within 30 days.</u>
	SA must transfer amounts deemed to be unencumbered by the final DOF determination within 5 days.
12/1/2012	SA to report to CAC if RPTTF and other resources will be insufficient to cover all ROPS obligations for ROPS 3.
1/2/2013	CAC to make distributions from RPTTF for ROPS 3. Revenue from May through December, 2012 will comprise the pool from which ROPS 3 may be paid.
1/15/2013	OB must approve a review of fund balances in non-housing redevelopment funds conducted by a licensed accountant by this date but may not approve the review until it has held a public meeting and taken comments from the public at least 5 days prior to its approval action. <u>Approved report to be submitted to the DOF and CAC.</u>
3/3/2013	SA to submit OB approved ROPS to DOF for period of July 1 through December 31, 2013 (ROPS 4).
4/1/2013	Last date for DOF to complete initial reviews of non-housing fund balance reports
	If SA disputes DOF initial findings on non-housing fund balance report, SA must request a 'meet and confer' within 5 days of receiving the DOF initial determination.
	DOF must conduct requested 'meet and confer' on non-housing fund balance report items disputed by SA and issue a final determination within 30 days of SA request.
	Within 5 days of receiving the DOF final determination non-housing fund review, SA must transfer unencumbered amounts to CAC for distribution to taxing entities.
5/1/2013	SA to report to CAC if RPTTF and other resources will be insufficient to cover all ROPS obligations for ROPS 4.
6/1/2013	CAC to make distributions from RPTTF for ROPS 4. Revenue from January through May, 2013 will comprise the pool from which ROPS 4 may be paid.



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Major Provisions of AB 1484¹

1. **Three payments:** Successor agency must make three payments:

- July 12: Taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency
- November 9+/-: Low-Moderate Income Housing Fund
- April 10 +/-: Unencumbered cash

In addition to these three payments, if a successor agency did not make complete 2011-12 pass-through payments, amount of payment not made will be deducted from property tax distribution from auditor-controller.²

2. **New audit by October 1:** Successor agency must retain licensed accountant to audit books:³

- Audit of LMIHF
- Audit of cash assets
- Audit of cash transfers to public agencies and private parties⁴

3. **New penalties:**

- Failure to make July 12 payment: successor agency subject to civil penalty of 10% of the amount owed plus 1.5% of the amount owed for each month that payment is not made unless DOF finds that payment of penalty will jeopardize payment of enforceable obligations. Until payment is made,

¹ The League will continue to refine this analysis with the assistance of its RDA Attorney Working Group and other city officials.

² Additional information about these payments is found in the Appendix.

³ Agreed-upon procedures audit completed by auditor-controller can substitute for the licensed accountant audit if it includes all statutory requirements

⁴ Successor agency must attempt to recover cash transferred to public agency without an enforceable obligation.

July 2, 2012

successor agency may only pay bond debt. City subject to same civil penalty. City will not receive July 18 sales tax payment (up to amount owed).⁵

- Failure to transfer LMIHF funds: Offset of city sales tax or property tax of the amount required to be transferred⁶
- Failure to transfer cash assets: Offset of city sales tax or property tax of the amount required to be transferred⁷
- Failure to recover cash transferred to local agency without enforceable obligation: Offset of sales tax or property tax of the local agency to which the cash was transferred.⁸
- Failure to submit ROPS by September 1, 2012 and subsequent deadlines: City to pay civil penalty of \$10,000 per day for each day beyond deadline

4. Safe Harbor: Finding of Completion⁹

The Department of Finance will issue a finding of completion to a successor agency that pays the following amounts:

- ✓ The amount determined in the audit of the LMIHF¹⁰
- ✓ The amount determined in the audit of all other funds¹¹
- ✓ The amount (if any) owing to taxing entities from the December 2011 property tax payment¹²

The following applies to a successor agency that is issued a finding of completion:

- ✓ Loan agreements entered into between the redevelopment agency and the city are deemed to be enforceable obligations if oversight board makes a finding that loan was for legitimate redevelopment purposes. As enforceable obligations, payments are listed on ROPS¹³.

Repayments of loans may not begin prior to 2013-14 fiscal year at maximum amount described in statute. Repayment amounts received by city must first be used to retire outstanding amounts borrowed and owed to LMIHF of the

⁵ Section 34183.5(b)(2)

⁶ Section 34179.6(h)

⁷ Section 34179.6(h)

⁸ Section 34179.6(h); see, also 34179.8

⁹ Section 34191.1.

¹⁰ Section 34179.6

¹¹ Section 34179.6

¹² Section 34183.5

¹³ DOF continues to retain final authority to approve items listed on ROPS.

July 2, 2012

former redevelopment agency for purposes of the SERAF payment. 20% of loan repayment amount must be transferred to LMIH Asset Fund.¹⁴

- ✓ Bond proceeds derived from bonds issued on or before 12/31/10 shall be used for the purposes for which the bonds were sold. Proceeds which cannot be spent consistent with bond covenants shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.¹⁵ Use of bond proceeds listed on ROPS.¹⁶
- ✓ Real property assets: In lieu of the provisions of AB 26 which require disposal of real property assets at the direction of the oversight board, successor agency prepares a long-range property management plan and submits to oversight board and DOF for approval. Permissible uses of property include retention for governmental use; retention for future development; sale of property; use of the property to fulfill enforceable obligations. If plan directs use or liquidation of property for a project identified in an approved redevelopment plan, the property shall transfer to the city. No transfers until plan approved by oversight board and DOF.¹⁷
- ✓ Statute of Limitations: The longer statutes of limitations (2 years) to challenge actions of the former redevelopment agencies do not apply.¹⁸

5. New Power of State Controller¹⁹

AB 1484 directs the Controller to review the activities of successor agencies to determine whether an asset transfer occurred after January 31, 2012, between the successor agency and the city or county that created the redevelopment agency, or any other public agency that was not pursuant to an enforceable obligation on an approved ROPS. The Controller is directed to order the assets returned to the successor agency. "City" is defined very broadly to include any entity which is controlled by the city or for which the city is financially responsible or accountable.²⁰

6. Increase in authority for Department of Finance

- DOF may eliminate or modify any item on an oversight board-approved ROPS. The auditor-controller must distribute property tax in accordance with changes made to the ROPS by DOF. If successor agency disputes DOF

¹⁴ 34191.4(b)(2).

¹⁵ 34191.4(c)

¹⁶ DOF continues to retain final authority to approve items listed on ROPS.

¹⁷ Section 34191.5

¹⁸ Section 33500, 33501

¹⁹ Section 34178.8

²⁰ Section 34167.10. AB 26 directed the State Controller to review asset transfers from redevelopment agencies to the city or county that created the agency that occurred after January 1, 2011. If the city or county was not contractually committed to a third party for the expenditure or encumbrance of those assets, the Controller was directed to order the return the assets to the redevelopment agency or successor agency.

July 2, 2012

action, disputed item may be carried on ROPS. If dispute resolved in favor of successor agency in the future, the past allocation of property tax to the successor agency is not changed nor is a "liability" created for any affected taxing entity.²¹

- DOF may review and object to oversight board actions approving (1) establishment of new repayment terms for outstanding loans; and (2) setting aside amounts in reserves as required by bond indentures, and similar documents²²

7. New restrictions on authority of Successor agency

- No new enforceable obligations except (1) as specifically authorized by the statute; (2) in compliance with enforceable obligations that existed prior to June 28, 2011; or (3) to hire staff, acquire professional services and procure insurance.²³
- May not transfer revenues or powers to any other public or private party except pursuant to enforceable obligation on an approved ROPS. Any such transfer of authority or revenues are "void" and successor agency required to reverse transfers. Controller may audit and order return of transfers of authority or revenues.²⁴
- Actions taken by redevelopment agencies pursuant to VARP (Voluntary Alternative Redevelopment Program in AB 27) are "ultra vires" and do not create enforceable obligations.²⁵
- If successor agency exercised power to reenter into agreements with city (section 34178) and agreement was approved by oversight board but rejected by DOF, successor agency and oversight board may not act to restore funding for the reentered agreement.²⁶
- No reestablishment of loan agreements between successor agency and city except pursuant to safe harbor provisions.²⁷

8. Miscellaneous

- City loans to successor agency: City may loan or grant funds for administrative costs, enforceable obligations or project-related expenses. Receipt and use of these funds shall be reflected on the ROPS or in the

²¹ Section 34179(h)

²² Section 34181(f)

²³ Section 34177.3(a); 34177.3(b)

²⁴ Section 34177.3(c)

²⁵ Section 34177.3(d)

²⁶ Section 34178(a)

²⁷ Section 34180(a)

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administrative budget subject to oversight board approval. An enforceable obligation is created for repayment of loans.²⁸

- New Oversight Board Provisions²⁹
 - ✓ Auditor-controller may determine “largest special district”
 - ✓ Section 1090 does not apply to employee representative on oversight board
 - ✓ Oversight board members are protected by immunities applicable to public entities and public employees
 - ✓ Meetings at which oversight board will consider disposal of successor agency assets or allow set-aside of reserves required by bond indentures requires 10 days’ public notice.³⁰
 - ✓ Written notice and information about all oversight board actions must be provided to DOF by electronic means. DOF has 40 (instead of 10) days to review and approve, reject, or modify oversight board action.
 - ✓ Oversight board may direct successor agency to provide additional legal or financial advice.
 - ✓ Authorized to contract with the county or other public or private agencies for administrative support
 - ✓ On matters within its purview, decisions made by oversight board “supersede those made by the successor agency or the staff of the successor agency.”³¹
- New authority for auditor-controller³²: A county auditor-controller can object to an item on the ROPS or to the funding source listed for an item on the ROPS. Objections are sent to DOF to resolve.
- Polanco Act protection for successor agency: Cleanup plans and liability limits of redevelopment agency transferred to successor agency and to housing entity, upon entity’s request.³³
- Limited authority for successor agency to refinance existing debt.³⁴
- Successor agency is separate public entity.³⁵

²⁸ Section 34175(h)

²⁹ Section 34180

³⁰ Section 34181(f)

³¹ Section 34179

³² Section 34182.5

³³ Section 34173(f)

³⁴ Section 34177.5

³⁵ Section 34173(g)

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Appendix – Successor Agency Required Payments/Fund Transfers

✓ **Transfer of Unencumbered Balances³⁶**

AB 26 requires that a successor agency transfer unencumbered cash balances and low and moderate income housing funds to the county auditor-controller for distribution to the taxing entities. AB 1484 requires a successor agency to retain the services of a licensed accountant to audit (1) the balance in the LMIHF; (2) the balance in other cash funds; (3) cash payments that were made in compliance with an enforceable obligation; and (4) cash transfers that were made without an enforceable obligation. In addition to transferring the balances in the LMIHF and other cash funds, a successor agency must make efforts to recover the cash transferred without an enforceable obligation.

✓ **Payment of December 2011 Taxing Entity Property Tax³⁷**

AB 26 distributes property tax through a “waterfall” of payments which includes passthrough payments, payments to successor agencies for enforceable obligations, payments to successor agencies for administrative costs, and payments to taxing entities. The waterfall for the December 2011 property tax payment did not operate as intended because of the stay imposed by the Court in *Matosantos*. The property tax payment to taxing entities was not made. AB 1484 requires successor agencies to make those payments by July 12.

✓ **Payment of 2011-12 Passthrough Payments**

Some successor agencies made 2011-12 passthrough payments and some did not. AB 1484 requires the auditor-controller to reduce property tax payments to those successor agencies that did not make pass through payments in 2011-12.

³⁶ Section 34179.5; 34179.6

³⁷ Section 34183.5

July 2, 2012

DATE: August 23, 2012

TO: Chair and Members of Hayward Redevelopment Oversight Board

FROM: Assistant City Manager

SUBJECT: Approval of: 1) Modified Recognized Obligation Payment Schedule for the Period July 1 – December 31, 2012 and 2) Recognized Obligation Payment Schedule and Successor Agency Administrative Budget for the Period January 1 – June 30, 2013;

RECOMMENDATION

That the Oversight Board adopts the attached resolutions (Attachments I and II) that:

- (1) Approve a modified ROPS previously approved by the City Council and the Oversight Board for the period from July 1- December 31, 2012;
- (2) Approve the Recognized Obligation Payment Schedule (ROPS) for the period January 1 – June 30, 2013;
- (3) Approve the Successor Agency Administrative Budget for the same period; and
- (4) Authorize the City Manager to take other administrative actions and execute contracts and such other documents as are appropriate to effectuate the intent of the resolutions and all actions necessary to effectuate associated requirements of the Dissolution Act and AB 1484.

BACKGROUND

The California State Legislature enacted Assembly Bill x1 26 (the “Dissolution Act”) to dissolve redevelopment agencies formed under the Community Redevelopment Law in June of 2011. The California Supreme Court in its decision in *California Redevelopment Association v. Matosantos*, issued December 29, 2011, 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.

On June 27, 2012, as part of the state budget package, the California legislature passed AB 1484. As a budget trailer bill, AB 1484 became effective immediately upon signature by the Governor, which occurred that same day. The main objective of AB 1484 was to amend the 2011 Redevelopment Dissolution Act (AB1x 26) based on experience in implementing the Act at the state and local level during the past year. AB 1484 imposes some significant new obligations on the successor agencies and oversight boards of dissolving redevelopment agencies. Staff will present a more complete overview of AB 1484 at this meeting.

DISCUSSION

The intent of this report is to recommend some clean up actions related to the adopted and approved ROPS for the period July – December 2012 to comply with the provisions of AB 1484. Due to the Council recess in August and the upcoming early September deadlines in AB 1484, it is necessary to take these actions now.

The Council, acting as the Successor Agency Board, previously took action to approve the July – December 2012 ROPS and the Oversight Board has approved this document. On May 31, the City received an approval letter from the State Department of Finance (DOF) for this ROPS (see Attachment VI), and the County Auditor Controller disbursed property tax funds consistent with this approved ROPS on June 1, 2012. The amount of funds disbursed to the Successor Agency to pay enforceable obligations and to cover the Agency’s administrative allowance for this period was \$2,868,913.

Approval of Modified Second ROPS (July – December 2012): Although the DOF has previously approved this ROPS, some additional enforceable obligations have surfaced that need to be funded and paid during the July – December 2012 timeframe. Attachment III provides the modified Second ROPS with the changes highlighted in yellow. Since funds have already been distributed from the Real Property Tax Trust Fund (RPTTF) to fund the approved enforceable obligations on this schedule, staff is proposing to fund the new or modified items from the existing fund balance within the Successor Agency. For items that are ongoing in nature, future ROPS will identify the RPTTF as the funding source. There are sufficient funds available to cover these items, which include the following:

- 1) Line items 1a-d and 2a-d: Staff inadvertently left the administrative fees assessed annually in conjunction with the 2004 and 2006 tax allocation bond issuances off of prior ROPS. This Modified Second ROPS proposes to cover the FY2012 administrative fees from the reserves of the Successor Agency (totaling \$10,095) and the Third ROPS (discussed below) will cover the FY2013 administrative fees (also totaling \$10,095).
- 2) Line item 37: Pursuant to the agenda item considered by the Council on July 17, 2012, the contract amount for the residual Burbank School environmental remediation has been increased from approximately \$73,000 to \$328,000. The additional funds will come from future RPTTF distributions on subsequent ROPS. This line item has been modified to reflect the increased total obligation amount.
- 3) Line item 50: One of the new requirements of AB 1484 is completion of an audit of the Low and Moderate Income Housing fund of the former Redevelopment Agency. This audit must be completed by October 1 and staff estimates the work to cost approximately \$15,000. The Modified ROPS identifies reserves of the Successor Agency as the source of funds for this payment. Staff is waiting for further guidance from either DOF or the County Auditor Controller on the selection of the audit firm to complete this work.
- 4) Line item 51: As the Oversight Board has initiated its work related to the dissolution of the RDA, the members of the Board requested that staff procure outside legal counsel for the Board. The City Attorney’s Office is unable to represent the Oversight Board due to possible conflicts between the City/Successor Agency and the Oversight Board. Although the decision to go forward with outside legal counsel has not been finalized

and the selection process for the legal counsel is not complete yet, staff has estimated an annual budget of \$50,000 to fund these services should this move forward. The Modified ROPS identifies reserves of the Successor Agency as the source of funds for this payment.

- 5) Line items 52-54: These items relate to the ground lease for the Cinema Place parking structure and the requirements for the developer and the former Redevelopment Agency to share the funding obligations for ongoing maintenance (\$6,300 for FY2011 and 2012) and a maintenance reserve for small capital items (\$2,972 annually). The Modified ROPS identifies reserves of the Successor Agency as the source of funds for this payment for FY2011 and FY2012.
- 6) Line item 4: This line item reflects the SERAF loan repayment to the Hayward Housing Authority. As part of the RDA dissolution process outlined in ABx1 26, repayment of this money to the Housing Fund was guaranteed. However, the new provisions of AB1484 prohibit repayment of these funds until FY2014 (beginning July 1, 2013). As such, the Modified Second ROPS must be changed to delete any repayment of this loan in FY2012 or FY2013.

Through the accompanying resolution, staff recommends that the Oversight Board approve a modified Second ROPS incorporating staff's recommendations as described above. The modified Second ROPS will then be re-submitted to the Department of Finance.

Approval of Third ROPS and Administrative Budget for January – June 2013: The Oversight Board must approve a ROPS and administrative budget for each six month period during a fiscal year. The provisions of AB 1484 now require that the ROPS for the January – June time frame be submitted to DOF by September 1 each year to allow for adequate review time: this is a new deadline. Given the August Council recess, it is necessary to have the Successor Agency Board approve the Third ROPS and administrative budget at this time so it can be submitted to the Oversight Board for approval prior to the September 1 DOF deadline. Attachment IV provides the January – June 2013 ROPS and Attachment V provides the administrative budget for the same time period. It is highly likely that this ROPS will need to be modified again in the future given that it is being approved so far in advance.

Through the accompanying resolutions, staff recommends that the Oversight Board approve the Third ROPS and Administrative Budget for submittal to the Oversight Board.

Implementation Actions: The accompanying resolutions authorize and direct the City Manager to take all steps on behalf of the Successor Agency to implement upcoming requirements under the Dissolution Act and AB 1484, including providing necessary notices, transmittals, and postings regarding the ROPS and Successor Agency administrative budgets.

Environmental Review: The actions set forth in the recommended accompanying resolutions, as summarized above, are exempt under Guideline 15378(b)(4) of the California Environmental Quality Act (CEQA) in that the actions do not constitute a "project," but instead are required to continue a governmental funding mechanism for enforceable obligations of the former Redevelopment Agency and to perform the statutorily mandated unwinding of the assets, liabilities,

and functions of the former Redevelopment Agency pursuant to the Dissolution Act. Staff will file a notice of exemption with the County Clerk in accordance with the CEQA guidelines.

ECONOMIC AND FISCAL IMPACT

Approval of the modified Second ROPS and the Third ROPS will facilitate the ability of the City as Successor Agency to continue payment of the enforceable obligations of the former Redevelopment Agency and is among the measures required to be taken to avoid triggering an event of default under any enforceable obligations. Approval of the Successor Agency administrative budgets will facilitate the Successor Agency's receipt of the funds to which it is entitled under the Dissolution Act and AB 1484 to implement its responsibilities.

NEXT STEPS

Following approval of the modified Second ROPS, the Third ROPS, and the Administrative Budget by the Oversight Board, staff will submit these items to the Department of Finance with sufficient time to meet the deadlines of the Dissolution Act and AB 1484.

Prepared and Recommended by: Kelly McAdoo Morariu, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

- Attachment I: Resolution Regarding Modified Second ROPS
- Attachment II: Resolution Regarding Third ROPS and Approval of Related Administrative Budget
- Attachment III: Modified Second ROPS July – December 2012
- Attachment IV: Recognized Obligation Payment Schedule (ROPS) January 1 – June 30, 2013
- Attachment V: Successor Agency Administrative Budget January 1 – June 30, 2013
- Attachment VI: DOF Second ROPS Approval Letter

HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION. 2012-__

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD AMENDING SPECIFIED ITEMS ON THE APPROVED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY THROUGH DECEMBER 2012

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*); and

WHEREAS, on January 10, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Hayward (the "City Council") declared that the City of Hayward, a charter city (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Hayward (the "Dissolved RDA") effective February 1, 2012; and

WHEREAS, on February 1, 2012, the RDA was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, under the Dissolution Act, the Successor Agency must prepare a "Recognized Obligation Payment Schedule" ("ROPS") that enumerates the enforceable obligations and expenses of the Successor Agency for specified six-month periods; and

WHEREAS, on May 8, 2012, the City Council, acting as the Governing Board of the Successor Agency, approved the ROPS for the period July 1, 2012 through December 31, 2012 (the "Second ROPS"), and the Second ROPS was subsequently transmitted to and approved by the Oversight Board on May 21, 2012 (the "Approved Second ROPS"), all in accordance with the requirements of the Dissolution Act; and

WHEREAS, staff posted the Approved Second ROPS on the Successor Agency's website, and transmitted the Approved Second ROPS to the Auditor-Controller of the County of Alameda (the "Auditor-Controller"), to the California State Controller (the "State Controller"), and to the California Department of Finance (the "DOF") by notices dated May 21, 2012; and

WHEREAS, by letter dated May 31, 2012, the DOF confirmed receipt and approval of the Approved Second ROPS requesting reconsideration of listed exceptions as further described therein; and

WHEREAS, Successor Agency staff proposes to amend the Approved Second ROPS in the manner described below (collectively the “Modifications to the Approved Second ROPS”):

1. Amend/Add Line items 1a-d and 2a-d: Staff inadvertently left the administrative fees assessed annually in conjunction with the 2004 and 2006 tax allocation bond issuances off the previously approved ROPS. The Modified Second ROPS proposes to pay the FY2012 administrative fees from reserves of the Successor Agency;
2. Add Line item 37: Increase the contract amount for the residual Burbank School environmental remediation from \$73,000 to approximately \$328,000. As no additional distributions will be needed during the period covered by the Modified Second ROPS, the additional costs will be funded from future Redevelopment Property Tax Trust Fund distributions on subsequently adopted ROPS;
3. Add Line item 50: To fund completion of an audit of the Low and Moderate Income Housing fund of the former Redevelopment Agency pursuant to AB 1484. This audit must be completed by October 1 and staff estimates the work to cost approximately \$15,000. Staff is waiting for further guidance on the selection of the audit firm to complete this work. The Modified Second ROPS proposes to pay the costs for completing the audit from reserves of the Successor Agency;
4. Add Line item 51: To fund outside legal counsel for the Oversight Board. The City Attorney’s Office is unable to represent the Oversight Board due to possible conflicts between the City/Successor Agency and the Oversight Board. Although the selection process for the legal counsel is not complete yet, staff has estimated an annual budget of \$50,000 to fund these services. The Modified Second ROPS proposes to pay the costs for completing the audit from reserves of the Successor Agency; and
5. Add Line items 52-54: These items relate to the ground lease for the Cinema Place parking structure and the requirements for the developer and the former Redevelopment Agency to share the funding obligations for ongoing maintenance of the property and funding a maintenance reserve for small capital improvements that may be necessary. The Modified Second ROPS proposes to pay the costs for on going maintenance from reserves of the Successor Agency; and
6. Modify Line item 4: This line item reflects the SERAF loan repayment to the Hayward Housing Authority. As part of the RDA dissolution process outlined in ABx1 26, repayment of this money to the Housing Fund was guaranteed. However, the new provisions of AB1484 prohibit repayment of these funds until FY2014 (beginning July 1, 2013). As such, the Modified Second ROPS must be changed to delete any repayment of this loan in FY2012.

WHEREAS, the Modifications to the Approved Second ROPS are reflected in the “Modified Second ROPS” Attachment III of the accompanying staff report; and

WHEREAS, other than the amendments specified in this Resolution, and reflected on the Modified Second ROPS, the remainder of the enforceable obligations and recognized obligations listed on the Approved Second ROPS not challenged by the DOF in the May 31, 2012 approval letter each constitute the “Accepted Enforceable Obligations” and each and every of the Accepted Enforceable Obligations remain in full force and effect and unchanged by the adoption of this Resolution; and

WHEREAS, on July 17, 2012, the City Council, acting as the Governing Board of the Successor Agency, approved the Modified Second ROPS; and

WHEREAS, the Modified Second ROPS must be submitted to the Oversight Board for the Oversight Board’s approval in accordance with the Dissolution Act; and

WHEREAS, the Modified Second ROPS was submitted by the Successor Agency to the Alameda County Administrative Officer, the Auditor-Controller, and the DOF in accordance with Health and Safety Section 34179.6; and

WHEREAS, the accompanying staff report provides supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds, resolves, and determines that the foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

BE IT FURTHER RESOLVED that no further action of the Oversight Board is required in connection with the Accepted Enforceable Obligations contained on the Approved Second ROPS.

BE IT FURTHER RESOLVED that, under Health and Safety Code Section 34180(g), the Oversight Board must approve the establishment of the recognized obligation payment schedules of the Successor Agency.

BE IT FURTHER RESOLVED that the Oversight Board, in accordance with the Dissolution Act, hereby approves the Modified Second ROPS.

BE IT FURTHER RESOLVED that the Oversight Board hereby approves the Modifications to the Approved Second ROPS as reflected in the Modified Second ROPS in the form on file with the City Clerk (the “Approved Modified Second ROPS”) including the agreements and obligations described in the Approved Modified Second ROPS, and hereby determines that such agreements and obligations constitute “enforceable obligations” and “recognized obligations” for all purposes of the Dissolution Act. In connection with such

approval, the Oversight Board makes the specific findings set forth below. The Oversight Board hereby declares its intent that the Approved Modified Second ROPS shall amend, replace, and supersede the Approved Second ROPS only with respect only to the Modifications to the Approved Second ROPS.

BE IT FURTHER RESOLVED that the Oversight Board has examined the items on the Approved Modified Second ROPS and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition in accordance with the Dissolution Act, the continued administration of the ongoing agreements herein approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes the Successor Agency to, pursuant to Health and Safety Code Section 34177.3(b), enter into any agreements and amendments to agreements necessary to conduct the work of winding down the Dissolved RDA as contemplated in this Resolution, including a contract to complete the additional remediation work and a contract for legal counsel for the Oversight Board, as specified in this Resolution.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Approved Modified Second ROPS, and to take any other administrative actions necessary to ensure the validity of the Approved Modified Second ROPS and the validity of any enforceable obligation approved by the Oversight Board in this Resolution.

BE IT FURTHER RESOLVED that nothing in this Resolution shall abrogate, waive, impair or in any other manner affect the right or ability of the City, as a charter city, to initiate and prosecute any litigation with respect to any agreement or other arrangement of the Dissolved RDA, including, without limitation, any litigation contesting the purported invalidity of such agreement or arrangement pursuant to the Dissolution Act.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

HAYWARD, CALIFORNIA, August 23, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:

ABSENT:

BOARD MEMBERS:

ATTEST:

Secretary of the Oversight Board to
the Hayward Successor Agency

HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION 2012-__

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND AN ADMINSTRATIVE BUDGET FOR THE PERIOD JANUARY THROUGH JUNE 2013, MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*); and

WHEREAS, on January 10, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Hayward (the "City Council") declared that the City of Hayward, a charter city (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Hayward (the "Dissolved RDA") effective February 1, 2012; and

WHEREAS, on February 1, 2012, the RDA was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Successor Agency staff prepared and, on July 17, 2012, the City Council, acting as the governing board of the Successor Agency, approved the Recognized Obligation Payment Schedules for the period January 1, 2013 through June 30, 2013 (the "Proposed Third ROPS") and the administrative budget of the Successor Agency for the period January 1, 2013 and continuing through June 30, 2013 (the "Proposed Third Administrative Budget"), and by adoption of Resolution No. RSA2012-08, approved the Proposed Third ROPS and the Proposed Third Administrative Budget; and

WHEREAS, under the Dissolution Act, the Proposed Third ROPS and the Proposed Third Administrative Budget must be submitted to Oversight Board for the Oversight Board's approval; and

WHEREAS, in accordance with Health and Safety Code Section 34179.6, the Successor Agency submitted the Proposed Third ROPS and the Proposed Third Administrative Budget to the Alameda County Administrative Officer, the Alameda County Auditor-Controller, and the State Department of Finance; and

WHEREAS, the accompanying staff report provides supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds, resolves, and determines that the foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

BE IT FURTHER RESOLVED that, under Health and Safety Code Section 34180(g), the Oversight Board must approve the establishment of the recognized obligation payment schedules of the Successor Agency.

BE IT FURTHER RESOLVED that the Oversight Board hereby approves the Proposed Third ROPS in the form presented to the Oversight Board and attached hereto as Exhibit A (the "Approved Second ROPS"), including the agreements and obligations described in the Approved Third ROPS, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act. In connection with such approval, the Oversight Board makes the specific findings set forth below.

BE IT FURTHER RESOLVED that the Oversight Board has examined the items on the Approved Third ROPS and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition in accordance with the Dissolution Act, the continued administration of the ongoing agreements herein approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.

BE IT FURTHER RESOLVED that the Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in the Approved Third ROPS and herein approved by the Oversight Board.

BE IT FURTHER RESOLVED that under Health and Safety Code Section 34177(j), the Oversight Board must approve the Administrative Budget for the Successor Agency.

BE IT FURTHER RESOLVED in accordance with the Dissolution Act, the Oversight Board hereby approves the Proposed Third Administrative Budget in the form presented to the Oversight Board and attached hereto as Exhibit B (the "Third Administrative Budget"), and authorizes the Successor Agency to incur costs for the

general administrative activities and functions described in the Third Administrative Budget.

BE IT FURTHER RESOLVED that the Oversight Board finds that the Third Administrative Budget supports a FY 2012-13 Administrative Cost Allowance to the Successor Agency in the minimum authorized amount of \$250,000 for the six-month period of January through June 2013.

BE IT FURTHER RESOLVED that the Oversight Board finds that the Third Administrative Budget supports a partial distribution of the FY 2013 Administrative Cost Allowance to the Successor Agency in the minimum authorized amount of \$125,000.

BE IT FURTHER RESOLVED that the Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in the approved Third Administrative Budget herein approved by the Oversight Board.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Approved Third ROPS and the Approved Third Administrative Budget, and to take any other administrative actions necessary to ensure the validity of the Third ROPS and the validity of any enforceable obligation approved by the Oversight Board in this Resolution. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Approved Third ROPS as may be necessary to submit the Approved Third ROPS in any modified form required by the Department of Finance, and the Approved Third ROPS as modified shall thereupon constitute the Proposed Third ROPS as approved by the Oversight Board pursuant to this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

HAYWARD, CALIFORNIA, August 23, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:

ATTEST:

Secretary of the Oversight Board to
the Hayward Successor Agency

Exhibit A

[Insert Third ROPS]

Exhibit B

[Insert Third Administrative Budget]

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26/AB 1484 - Section 34169 for Period July - December 2012

Project Name / Debt Obligation	Payee	Description	Source of Funding	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month						
						Jul	Aug	Sep	Oct	Nov	Dec	Total ¹
1) 2004 Tax Allocation Bonds	Wells Fargo	Bond issue to fund non-housing projects	Real Property Tax Trust Fund (RPTTF)	36,910,000.00	3,368,981.50		921,990.75					\$ 921,990.75
1a) 2004 TAB Admin Fee FY2012	Wells Fargo	Annual administrative fee for bond issuance	TI Fund Balance	Varies every year - cannot estimate total amount	1,800.00		1,800.00					\$ 1,800.00
1b) 2004 TAB Admin Fee FY2013	Wells Fargo	Annual administrative fee for bond issuance	RPTTF	Varies every year - cannot estimate total amount	1,800.00							\$ -
1c) 2004 TAB Admin Fee FY2012	Willdan	Annual administrative fee for bond issuance	TI Fund Balance	Varies every year - cannot estimate total amount	5,175.00		5,175.00					\$ 5,175.00
1d) 2004 TAB Admin Fee FY2013	Willdan	Annual administrative fee for bond issuance	RPTTF	Varies every year - cannot estimate total amount	5,715.00							\$ -
2) 2006 Tax Allocation Bonds	Wells Fargo	Bond issue to fund non-housing projects	RPTTF	11,720,000.00	636,340.00		278,170.00					\$ 278,170.00
2a) 2006 TAB Admin Fee FY2012	Wells Fargo	Annual administrative fee for bond issuance	TI Fund Balance	Varies every year - cannot estimate total amount	2,000.00		2,000.00					\$ 2,000.00
2b) 2006 TAB Admin Fee FY2013	Wells Fargo	Annual administrative fee for bond issuance	RPTTF	Varies every year - cannot estimate total amount	2,000.00							\$ -
2c) 2006 TAB Admin Fee FY2012	Willdan	Annual administrative fee for bond issuance	TI Fund Balance	Varies every year - cannot estimate total amount	1,120.00		1,120.00					\$ 1,120.00
2d) 2006 TAB Admin Fee FY2013	Willdan	Annual administrative fee for bond issuance	RPTTF	Varies every year - cannot estimate total amount	1,120.00							\$ -
3) Repayment Agreement with City of Hayward	City of Hayward	To fund start-up costs of Hayward Redevelopment Project Area	RPTTF	7,016,422.00	800,000.00	800,000.00						\$ 800,000.00
4) SERAF	Hayward Housing Authority	Loan for SERAF FY10 and FY11 payments	RPTTF	3,876,516.00	2,684,344.00	215,362.00	215,362.00	215,362.00	215,362.00	215,362.00	215,362.00	\$ 1,292,172.00
6) Contract for Restaurant Consulting	Five Star Restaurant	One-on-one restaurant consulting/retail attraction	TI Fund Balance	14,287.50	3,787.50	3,787.50						\$ 3,787.50
8) Foothill Façade Loans	Multiple Property Owners	Matching loan funds for property owners along Foothill Blvd for façade improvement program	TI Fund Balance	1,108,000.00	1,108,000.00	369,333.00	369,333.00	369,334.00				\$ 1,108,000.00
8a) Foothill Façade Loan Project Delivery Costs (Staff Costs/Legal Fees)	Successor Agency	Project Delivery Costs to Implement Foothill Façade Loan Project	RPTTF	24,432.00	24,432.00	4,072.00	4,072.00	4,072.00	4,072.00	4,072.00	4,072.00	\$ 24,432.00
10) Employee Leave Liability	Employees of Agency/ Liability Fund	Leave balance payoffs/liability fund deposit for employee leave costs	RPTTF	49,175.00	49,175.00	49,175.00						\$ 49,175.00
11) PERS Liability (Note 2)	Liability Fund	Liability Fund deposit for Agency employee PERS costs	RPTTF	666,235.40	666,235.40	0.00						\$ -
12) OPEB Liability (Note 2)	Liability Fund	Liability Fund deposit for Agency employee OPEB costs	RPTTF	177,227.20	177,227.20	0.00						\$ -
13) Agency insurance costs	City of Hayward	Liability Insurance	RPTTF	54,042.00	54,042.00	4,503.50	4,503.50	4,503.50	4,503.50	4,503.50	4,503.50	\$ 27,021.00
16) Contract for Mission Blvd Specific Plan	Hall Almirana, Inc/Lamphier Gregory	Consultant to prepare specific plan for Mission Blvd corridor	TI Fund Balance	213,649.44	182,412.00	15,201.00	15,201.00	15,201.00	15,201.00	15,201.00	15,201.00	\$ 91,206.00
22) Successor Agency Admin Allowance	City of Hayward	Per ABx1 26, to cover administrative costs of Successor Agency	RPTTF	250,000.00	250,000.00	20,833.33	20,833.33	20,833.33	20,833.33	20,833.33	20,833.33	\$ 125,000.00
23) Contract for Security Services	ABC Security Services	Security Patrol Services for Cinema Place garage	RPTTF	68,000.00	68,000.00	5,666.67	5,666.67	5,666.67	5,666.67	5,666.67	5,666.67	\$ 34,000.00
24) Contract for Security Alarm	ADT Security Services	Alarm Service for Cinema Place garage	RPTTF	2,100.00	2,100.00	175.00	175.00	175.00	175.00	175.00	175.00	\$ 1,050.00
25) Contract for Elevator Maint and Repair	Mitsubishi Electric	Cinema Place Elevator	RPTTF	7,000.00	7,000.00	583.33	583.33	583.33	583.33	583.33	583.33	\$ 3,500.00
26) Contract for Sweeping	Montgomery Sweeping Service	Cinema Place Garage Sweeping	RPTTF	12,000.00	12,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	\$ 6,000.00
27) Utilities	PGE	Cinema Place Garage Utilities	RPTTF	28,000.00	28,000.00	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	\$ 14,000.00
28) Utilities	City of Hayward	Cinema Place Water Utilities	RPTTF	500.00	500.00	41.67	41.67	41.67	41.67	41.67	41.67	\$ 250.00
29) Contract for Env Remediation Work	AEDIS Architecture & Planning	Burbank School Env Remediation Work	TI Fund Balance	6,504.54	6,504.54		6,504.54					\$ 6,504.54
30) Contract for Env Remediation Work	TRC	Burbank School Env Remediation Work	TI Fund Balance	20,000.00	15,626.87	5,208.96	5,208.96	5,208.96				\$ 15,626.87
34) Contract for Mural (Note 3)	Andrew Kong Knight	Cinema Place Mural	TI Fund Balance	44,643.53	6,740.99	0.00						\$ -
37) Contract for Env Remediation	TRC	Residual Burbank Site - Removal Action Work	TI Fund Balance (\$72,882.77) RPTTF (\$255,728)	328,610.00	328,610.00		14,576.55	14,576.55	14,576.55	14,576.55	14,576.55	\$ 72,882.77
38) Project Delivery Costs - Burbank Residual Site	City of Hayward (Successor Agency)	Finalize negotiation and execution of Purchase and Sale Agreement - staff project mgmt costs/legal fees	RPTTF	18,863.00	18,863.00	4,643.83	4,643.83	4,643.83	4,643.83	4,643.83	4,643.83	\$ 27,863.00
39) Property Disposition Costs - former Agency-held properties	City of Hayward (Successor Agency)	Staff project mgmt costs; legal fees; property mgmt costs; appraisal costs; other associated costs for property disposition	RPTTF	128,580.00	128,580.00	10,715.00	10,715.00	10,715.00	10,715.00	10,715.00	10,715.00	\$ 64,290.00
40) Contract for Env Remediation	AMEC Geomatrix Inc	Env Remediation - Cinema Place	TI Fund Balance	195,070.82	103,625.06	8,635.42	8,635.42	8,635.42	8,635.42	8,635.42	8,635.42	\$ 51,812.53
42) Contract for Financial Analysis	Keyser Marston	Financial Analysis	TI Fund Balance	20,000.00	7,720.83	2,573.61	2,573.61	2,573.61				\$ 7,720.83
46) Contract for Water Testing	SWRCB	Water testing at Cinema Place - monitoring of site	TI Fund Balance	4,999.94	4,999.94	4,999.94						\$ 4,999.94

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26/AB 1484 - Section 34169 for Period July - December 2012

50)	AB 1484 Audit Expenses	TBD	Audit required by AB 1484 of Low Mod Housing Fund	TI Fund Balance	15,000.00	15,000.00		15,000.00					\$ 15,000.00
51)	Oversight Board Legal Counsel	TBD	Per Oversight Board request, funds to pay for outside legal counsel	TI Fund Balance	50,000.00	50,000.00		5,000.00	5,000.00	5,000.00	5,000.00		\$ 20,000.00
52)	Cinema Place Maintenance Expense Repayment	Blake Hunt Ventures	Reimbursement of overpaid funds on deposit for annual maintenance expenses to holder of Cinema Place ground lease	TI Fund Balance		6,300.00		6,300.00					\$ 6,300.00
53)	Cinema Place Maintenance Reserve FY 12 Payment	City of Hayward (Successor Agency)	Per requirements of ground lease, annual payment into capital maintenance reserve for Cinema Place pkgng structure	TI Fund Balance	92,132.00	2,972.00		2,972.00					\$ 2,972.00
53)	Cinema Place Maintenance Reserve FY 13 Payment	City of Hayward (Successor Agency)	Per requirements of ground lease, annual payment into capital maintenance reserve for Cinema Place pkgng structure	RPTTF	89,160.00	2,972.00							\$ -
													\$ -
Totals - This Page					\$ 63,178,150.37	\$ 8,157,447.83	\$ 1,313,482.10	\$ 1,711,128.50	\$ 475,097.21	\$ 97,980.64	\$ 97,980.64	\$ 97,980.64	\$ 3,793,649.73
Grand total - All Pages					\$ 63,178,150.37	\$ 8,157,447.83	\$ 1,313,482.10	\$ 1,711,128.50	\$ 475,097.21	\$ 97,980.64	\$ 97,980.64	\$ 97,980.64	\$ 3,793,649.73

Note 1: This total only reflects payments required between 7/1/2012 and 12/31/2012 and not the total outstanding obligation.
Note 2: Payment of these two line items deferred to future ROPS period.
Note 3: Contract finalized and final payment made in May 2012 - item removed from ROPS.

Updated: July 17, 2012 v 2

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26/AB 1484 - Section 34169 for Period January - June 2013

Project Name / Debt Obligation	Payee	Description	Source of Funding	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month						Total ¹	
						Jan	Feb	Mar	Apr	May	Jun		
1) 2004 Tax Allocation Bonds	Wells Fargo	Bond issue to fund non-housing projects	Real Property Tax Trust Fund (RPTTF)	36,910,000.00	3,368,981.50			2,446,990.75					\$ 2,446,990.75
1a) 2004 TAB Admin Fee FY2012	Wells Fargo	Annual administrative fee for bond issuance	TI Fund Balance	Varies every year - cannot estimate total amount	1,800.00								\$ -
1b) 2004 TAB Admin Fee FY2013	Wells Fargo	Annual administrative fee for bond issuance	RPTTF	Varies every year - cannot estimate total amount	1,800.00			1,800.00					\$ 1,800.00
1c) 2004 TAB Admin Fee FY2012	Willdan	Annual administrative fee for bond issuance	TI Fund Balance	Varies every year - cannot estimate total amount	5,175.00								\$ -
1d) 2004 TAB Admin Fee FY2013	Willdan	Annual administrative fee for bond issuance	RPTTF	Varies every year - cannot estimate total amount	5,175.00			5,175.00					\$ 5,175.00
2) 2006 Tax Allocation Bonds	Wells Fargo	Bond issue to fund non-housing projects	RPTTF	11,720,000.00	636,340.00			358,170.00					\$ 358,170.00
2a) 2006 TAB Admin Fee FY2012	Wells Fargo	Annual administrative fee for bond issuance	TI Fund Balance	Varies every year - cannot estimate total amount	2,000.00								\$ -
2b) 2006 TAB Admin Fee FY2013	Wells Fargo	Annual administrative fee for bond issuance	RPTTF	Varies every year - cannot estimate total amount	2,000.00			2,000.00					\$ 2,000.00
2c) 2006 TAB Admin Fee FY2012	Willdan	Annual administrative fee for bond issuance	TI Fund Balance	Varies every year - cannot estimate total amount	1,120.00								\$ -
2d) 2006 TAB Admin Fee FY2013	Willdan	Annual administrative fee for bond issuance	RPTTF	Varies every year - cannot estimate total amount	1,120.00			1,120.00					\$ 1,120.00
3) Repayment Agreement with City of Hayward	City of Hayward	To fund start-up costs of Hayward Redevelopment Project Area	RPTTF	7,016,422.00	800,000.00								\$ -
4) SERAF	Hayward Housing Authority	Loan for SERAF FY10 and FY11 payments	RPTTF	3,876,516.00	2,584,344.00	216,362.00	216,362.00	216,362.00	216,362.00	216,362.00	216,362.00	216,362.00	\$ -4,292,472.00
6) Contract for Restaurant Consulting	Five Star Restaurant	One-on-one restaurant consulting/retail attraction	TI Fund Balance	14,287.50	3,787.50								\$ -
8) Foothill Façade Loans	Multiple Property Owners	Matching loan funds for property owners along Foothill Blvd for façade improvement program	TI Fund Balance	1,108,000.00	1,108,000.00								\$ -
8a) Foothill Façade Loan Project Delivery Costs (Staff Costs/Legal Fees)	Successor Agency	Project Delivery Costs to Implement Foothill Façade Loan Project	RPTTF	24,432.00	24,432.00	4,072.00	4,072.00	4,072.00	4,072.00	4,072.00	4,072.00		\$ 24,432.00
10) Employee Leave Liability	Employees of Agency/ Liability Fund	Leave balance payoffs/liability fund deposit for employee leave costs	RPTTF	49,175.00	49,175.00								\$ -
11) PERS Liability	Liability Fund	Liability Fund deposit for Agency employee PERS costs	RPTTF	666,235.40	666,235.40	666,235.40							\$ 666,235.40
12) OPEB Liability	Liability Fund	Liability Fund deposit for Agency employee OPEB costs	RPTTF	177,227.20	177,227.20	177,227.20							\$ 177,227.20
13) Agency insurance costs	City of Hayward	Liability Insurance	RPTTF	54,042.00	54,042.00	4,503.50	4,503.50	4,503.50	4,503.50	4,503.50	4,503.50		\$ 27,021.00
16) Contract for Mission Blvd Specific Plan	Hall Alminana, Inc/Lamphier Gregory	Consultant to prepare specific plan for Mission Blvd corridor	TI Fund Balance	213,649.44	182,412.00	15,201.00	15,201.00	15,201.00	15,201.00	15,201.00	15,201.00		\$ 91,206.00
22) Successor Agency Admin Allowance	City of Hayward	Per ABx1 26, to cover administrative costs of Successor Agency	RPTTF	250,000.00	250,000.00	20,833.33	20,833.33	20,833.33	20,833.33	20,833.33	20,833.33		\$ 125,000.00
23) Contract for Security Services	ABC Security Services	Security Patrol Services for Cinema Place garage	RPTTF	68,000.00	68,000.00	5,666.67	5,666.67	5,666.67	5,666.67	5,666.67	5,666.67		\$ 34,000.00
24) Contract for Security Alarm	ADT Security Services	Alarm Service for Cinema Place garage	RPTTF	2,100.00	2,100.00	175.00	175.00	175.00	175.00	175.00	175.00		\$ 1,050.00
25) Contract for Elevator Maint and Repair	Mitsubishi Electric	Cinema Place Elevator	RPTTF	7,000.00	7,000.00	583.33	583.33	583.33	583.33	583.33	583.33		\$ 3,500.00
26) Contract for Sweeping	Montgomery Sweeping Service	Cinema Place Garage Sweeping	RPTTF	12,000.00	12,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00		\$ 6,000.00
27) Utilities	PGE	Cinema Place Garage Utilities	RPTTF	28,000.00	28,000.00	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33		\$ 14,000.00
28) Utilities	City of Hayward	Cinema Place Water Utilities	RPTTF	500.00	500.00	41.67	41.67	41.67	41.67	41.67	41.67		\$ 250.00
29) Contract for Env Remediation Work	AEDIS Architecture & Planning	Burbank School Env Remediation Work	TI Fund Balance	6,504.54	6,504.54								\$ -
30) Contract for Env Remediation Work	TRC	Burbank School Env Remediation Work	TI Fund Balance	20,000.00	15,626.87								\$ -
37) Contract for Env Remediation	TRC	Residual Burbank Site - Removal Action Work	TI Fund Balance (\$72,882.77) RPTTF (\$255,728)	328,610.00	328,610.00	85,242.67	85,242.67	85,242.67					\$ 255,728.00
38) Project Delivery Costs - Burbank Residual Site	City of Hayward (Successor Agency)	Finalize negotiation and execution of Purchase and Sale Agreement - staff project mgmt costs/legal fees	RPTTF	18,863.00	18,863.00	4,643.83	4,643.83	4,643.83	4,643.83	4,643.83	4,643.83		\$ 27,863.00
39) Property Disposition Costs - former Agency-held properties	City of Hayward (Successor Agency)	Staff project mgmt costs; legal fees; property mgmt costs; appraisal costs; other associated costs for property disposition	RPTTF	128,580.00	128,580.00	10,715.00	10,715.00	10,715.00	10,715.00	10,715.00	10,715.00		\$ 64,290.00
40) Contract for Env Remediation	AMEC Geomatrix Inc	Env Remediation - Cinema Place	TI Fund Balance	195,070.82	103,625.06	8,635.42	8,635.42	8,635.42	8,635.42	8,635.42	8,635.42		\$ 51,812.53
42) Contract for Financial Analysis	Keyser Marston	Financial Analysis	TI Fund Balance	20,000.00	7,720.83								\$ -
46) Contract for Water Testing	SWRCB	Water testing at Cinema Place - monitoring of site	TI Fund Balance	4,999.94	4,999.94								\$ -
50) AB1484 Audit Expenses	TBD	Audit required by AB1484	TI Fund Balance	15,000.00	15,000.00								\$ -
51) Oversight Board Legal Counsel	TBD	Per Oversight Board request, funds to pay for outside legal counsel	TI Fund Balance	50,000.00	50,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00		\$ 30,000.00
52) Cinema Place Maintenance Expense Repayment	Blake Hunt Ventures	Reimbursement of overpaid funds on deposit for annual maintenance expenses to holder of Cinema Place ground lease	TI Fund Balance	Varies every year depending on actual maintenance expenses - cannot estimate total amount	6,300.00								\$ -
53) Cinema Place Maintenance Reserve FY12 Payment	City of Hayward (Successor Agency)	Per requirements of Ground Lease, annual payment into capital maintenance reserve for Cinema Place pkg structure until 2042	TI Fund Balance	92,132.00	2,972.00								\$ -

Name of Redevelopment Agency: Hayward Successor Agency
 Project Area(s) All

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26/AB 1484 - Section 34169 for Period January - June 2013

54)	Cinema Place Maintenance Reserve FY13 Payment	City of Hayward (Successor Agency)	Per requirements of Ground Lease, annual payment into capital maintenance reserve for Cinema Place pkg structure until 2042	RPTTF	89,160.00	2,972.00	2,972.00									\$ 2,972.00
Totals - This Page					\$ 63,166,506.84	\$ 10,735,080.84	\$ 1,015,131.36	\$ 168,646.76	\$ 2,983,902.51	\$ 83,404.09	\$ 83,404.09	\$ 83,404.09	\$ 83,404.09	\$ 83,404.09	\$ 4,417,892.88	
Grand total - All Pages					\$ 63,166,506.84	\$ 10,735,080.84	\$ 1,015,131.36	\$ 168,646.76	\$ 2,983,902.51	\$ 83,404.09	\$ 83,404.09	\$ 83,404.09	\$ 83,404.09	\$ 4,417,892.88		

Note 1: This total only reflects payments required between 1/1/2013 and 6/30/2013 and not the total outstanding obligation.

Updated: July 17, 2012 v2

Attachment V: Administrative Allowance Budget
January - June 2013

Successor Agency Administrative Allowance January - June 2013 Budget
(Based on \$125,000 - 6 month allocation)

	\$125,000
Salaries and Benefits	(\$66,166)
Balance Remaining	\$58,834
Legal Expenses	(\$20,000)
Supplies and Services	(\$38,834)
Balance Remaining	\$0

**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 31, 2012

Kelly McAdoo Morariu, Assistant City Manager
City of Hayward
777 B Street
Hayward, CA 94541

Dear Ms. McAdoo Morariu:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Hayward Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 25, 2012 for the period January to June 2012 and July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

January through June 2012 ROPS: According to the Assistant City Manager the items below did not result in actual payment and agreed to delete from the ROPS.

- Page 1, line 1 and 2, duplicate bond payments in the amount of \$2.0 million.
- Page 1, line item 8, duplicate loan payments in the amount of \$1.1 million.

July through December 2012 ROPS: Page 1, line 3 in the amount of \$7 million. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.

Except for items disallowed in whole or in part as enforceable obligations noted above, Finance is approving the remaining items listed in your ROPS for both periods. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Ms. Carol S. Orth, Tax Analysis Division Chief, Alameda County Auditor Controller

DATE: August 23, 2012

TO: Chair and Members of Oversight Board

FROM: Assistant City Manager

SUBJECT: Approval by the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Hayward for the Transfer of the Residual Burbank Site from the Successor Agency to Urban Dynamic, LLC; and the Subsequent Assignment from Urban Dynamic to KB Home

RECOMMENDATION

That the Oversight Board:

1. Approve the transfer of the Residual Burbank Site (the “Property”) from the Successor Agency to Urban Dynamic, LLC.
2. Approve the subsequent assignment of the Property from Urban Dynamic, LLC to KB Home.

BACKGROUND

On March 2, 2011, the Redevelopment Agency of the City of Hayward (the “Redevelopment Agency”) conveyed the Property from the Redevelopment Agency to the City of Hayward in light of the proposed dissolution of California redevelopment agencies. Since that time, the City has been in negotiations with Urban Dynamic for the proposed sale of the Property for future residential development. The City Council, on June 28, 2011, approved the sale of the Residual Burbank School site to Urban Dynamic pursuant to the terms outlined in the staff report to the City Council entitled “Agreement for the Purchase and Sale of Real Property between the City of Hayward and Urban Dynamic, LLC for the Construction and Sale of Fifty-Seven Detached Single Family Homes – the Property is Located at 353 B Street”¹.

On March 20, 2012, the City Council approved the assignment of the Residual Burbank School site to KB Home, and also approved the reduction of the purchase price from \$4,000,000 to \$3,600,000, reflecting declining market values for new homes. The parties intended that the assignment would occur upon the close of escrow by Urban Dynamic, which is scheduled to occur when remediation of the site is complete. The terms of the assignment are outlined in the March 20, 2012 staff report to the City Council entitled “Request for Assignment of the Purchase and Sales Agreement between the City of Hayward and Urban Dynamic, LLC to KB Home South Bay, Inc. for the Construction

¹ June 28, 2011 Staff Report (page 340): <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2012/CCA11PDF/cca06281full.pdf>

and Sale of Fifty-Seven Detached Single-Family Homes on Property Located at 353 B Street². The parties anticipate that the assignment to KB Home will facilitate the proposed development of fifty-seven homes as approved by the Planning Commission and City Council.

DISCUSSION

The transfer of the Property from the Successor Agency to Urban Dynamic, LLC, and the ultimate assignment from Urban Dynamic to KB Home, will result in the expeditious disposal of the property in a manner aimed at maximizing the value and preventing further losses from declining market value, in a manner consistent with the Dissolution Act. Furthermore, the conveyance of the Property by the Successor Agency to Urban Dynamic and the subsequent assignment to KB Home allows for greater assurance that the site will be developed as residential housing. Therefore, staff recommends that the Oversight Board direct the Successor Agency to dispose of the Property to Urban Dynamic pursuant to a purchase and sale agreement incorporating the terms for the disposition of the Property specified in both the June 28, 2011 and March 20, 2012 staff reports and to take any action and execute any document as may be necessary to implement the disposition of the Property pursuant to the terms therein and subject to the completion of the remediation efforts.

ECONOMIC AND FISCAL IMPACT

The City Council previously approved the sale of the site for \$3,600,000. Staff recommends that the Oversight Board approve the Successor Agency's transfer of the Property to Urban Dynamic for the same sales price, as it reflects current market values and will provide for the most expeditious transfer of the Property. The proceeds of the sale of the Property will be distributed to taxing entities pursuant to the requirements of the Health and Safety Code Section 34177(e).

PUBLIC CONTACT

June 29, 2010: The Redevelopment Agency Board authorized the Executive Director to enter into an Exclusive Negotiating Agreement with Urban Dynamic, LLC for a Proposed Residential Development at the Residual Burbank School site.

January 18, 2011: The Redevelopment Agency Board authorized the Executive Director to grant a ninety-day extension to the Exclusive Negotiating Agreement with Urban Dynamic, LLC

January 24, 2011, and April 25, 2011: Neighborhood Partnership Meetings were held at the Burbank Elementary School; Urban Dynamic, LLC shared the plans for the proposed site informally after the public meeting.

May 26, 2011: Planning Commission Meeting; a notice of the public hearing was sent to all property owners within a 300-foot radius, as well as an expanded notification list that included all property owners along B Street.

June 28, 2011: City Council approved the rezoning and tentative map for the site and approved the sale of the site to Urban Dynamic for four million dollars.

² March 20, 2012 Staff Report (page 59): <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2012/CCA12PDF/cca032012full.pdf>

March 20, 2012: Approval of the assignment of the Purchase and Sale Agreement from Urban Dynamic to KB Home.

July 17, 2012: Approval of the conveyance of the Residual Burbank School Site from the City to the Successor Agency; Successor Agency approval and acceptance of the conveyance of the Residual Burbank School site from the City to the Successor Agency; and approval of the conveyance of the Residual Burbank School site to Urban Dynamic and subsequent assignment to KB Home.

NEXT STEPS

The City Manager, on behalf of the Successor Agency, will negotiate and execute a purchase and sale agreement incorporating the terms specified in the Purchase and Sale Staff Report.

Prepared by: Gloria Ortega, Redevelopment Project Manager

Recommended by: Kelly McAdoo Morariu, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

- I – Resolution Approving the Property Transfer to Urban Dynamic

HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION 2012-__

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD APPROVING THE TRANSFER OF THE PROPERTY BY THE SUCCESSOR AGENCY TO URBAN DYNAMIC

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the “Dissolution Act”) to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, on January 10, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Hayward (the “City Council”) declared that the City of Hayward, a charter city (the “City”), would act as successor agency (the “Successor Agency”) for the dissolved Redevelopment Agency of the City of Hayward (the “Dissolved RDA”) effective February 1, 2012; and

WHEREAS, on February 1, 2012, the RDA was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, pursuant to AB 1484 (“AB 1484”), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the “Oversight Board”) with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, on August 21, 2012, the City of Hayward (the “City”) transferred to the Successor Agency the property generally described as the “Residual Burbank Site” as more particularly described in Exhibit A to this Resolution, incorporated herein by this reference (the “Property”), which the City had acquired from the Dissolved RDA prior to its dissolution; and

WHEREAS, the City has been in negotiations with Urban Dynamic, and on June 28, 2011, the City Council approved the sale of the Property pursuant to the terms described in the staff report to the City Council entitled “Agreement for the Purchase and Sale of Real Property between the City of Hayward and Urban Dynamic, LLC for the Construction and Sale of Fifty-Seven Detached Single Family Homes – the Property is Located at 353 B Street” (the “Purchase and Sale Staff Report”), incorporated herein by this reference; and

WHEREAS, on March 20, 2012, the City Council approved the assignment of the right to purchase the property from Urban Dynamic to KB Home pursuant to the terms referenced in the staff report to the City Council entitled “Request for Assignment of the Purchase and Sales Agreement between the City of Hayward and Urban Dynamic, LLC to KB Home South Bay,

Inc. for the Construction and Sale of Fifty-Seven Detached Single-Family Homes on Property Located at 353 B Street” (the “Assignment Staff Report”), incorporated herein by this reference; and

WHEREAS, the sale of the Property to Urban Dynamic and subsequent assignment to KB Home will result in the expeditious disposal of the Property in a manner aimed at maximizing value and preventing further losses from declining market value for the benefit of taxing entities, in a manner consistent with the Dissolution Act; and

WHEREAS, the accompanying staff report provides supporting information upon which the action set forth in this Resolution is based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds, resolves, and determines that the foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

BE IT FURTHER RESOLVED that under Health and Safety Code Section 34177(e), the Successor Agency must dispose of assets and properties of the Dissolved RDA as directed by the Oversight Board.

BE IT FURTHER RESOLVED that, pursuant Health and Safety Code Section 34181(a), the Oversight Board directs the Successor Agency to dispose of the Property to Urban Dynamic pursuant to a purchase and sale agreement incorporating the terms for the disposition of the Property specified in the Purchase and Sale Staff Report and to take any action and execute any document as may be necessary to implement the disposition of the Property pursuant to the terms approved in this Resolution.

BE IT FURTHER RESOLVED that the Oversight Board hereby approves the future assignment and assumption by KB Home of the right to acquire the Property as specified in the Assignment Staff Report.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes and directs the City Manager, acting on behalf of the Successor Agency, to execute the documents and instruments as are appropriate, in consultation with the City Attorney, acting in the capacity of counsel to the Successor Agency, to effectuate and implement the terms of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h) and Section 34181(f).

HAYWARD, CALIFORNIA, August 23, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES:

BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:

Secretary of the Oversight Board to
the Hayward Successor Agency

EXHIBIT A

LEGAL DESCRIPTION

REAL property in the City of Hayward, County of Alameda, State of California, described as follows:

ALL of PARCEL 1, as said parcel is shown on Parcel Map 9659, filed July 7, 2008 in Map Book 308, Pages 29-34, inclusive, Alameda County Records.

CONTAINING 3.8480 acres, more or less as shown on said Parcel Map 9659.

July 9, 2008



NORMAN PAYNE
L.S. No. 4388
License Expires 09/30/09



APN: 431-0110-007-00

Professional Services Solicitation/Request for Qualifications (RFQ)

For

Legal Services to the Oversight Board for the City of Hayward as Successor Agency to the Hayward Redevelopment Agency

Must be received no later than:

Friday, September 14, 2012 @ 3:00 pm

Deliver or Email bids to the office of:
Jasmine R. Gacusan, Purchasing Manager

Jasmine.Gacusan@hayward-ca.gov

777 B Street (3rd Floor)
Hayward, CA 94541

Attachments to be completed and returned along with the proposal:

1. Acknowledgment of Addenda
2. Signature Affidavit for Non-Collusion
3. Contractor's Certificate Regarding Worker's Compensation
4. Non-Discriminatory Employment Provision

Department of Finance
Purchasing Division

777 B Street, Hayward, CA 94541-5007
Tel: 510-583-4800 Fax: 510-583-3600

PROFESSIONAL SERVICES SOLICITATION

FOR

Legal Services to the Oversight Board for the City of Hayward as Successor Agency to the Hayward Redevelopment Agency

INTRODUCTION

Pursuant to the provisions of ABx1 26, and further clarified through AB 1484, redevelopment agencies were dissolved as of February 1, 2012. The City of Hayward, a charter city, elected to serve as the Successor Agency to the Hayward Redevelopment Agency in January 2012, pursuant to HSC § 34177 et seq.

Additionally, pursuant to HSC § 34179, an Oversight Board has been appointed by the representative taxing entities outlined in the legislation to oversee and review the actions of the Successor Agency as the dissolution process unfolds as further described in HSC §§ 34177, 34179-34181. The Oversight Board is a local agency for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974. The Successor Agency provides staff support for the Oversight Board. The Oversight Board holds meetings as necessary to carry out the activities outlined in the Dissolution Act and has more explicitly defined these activities in adopting a set of bylaws attached as Exhibit A.

The City Attorney's Office and attorneys from Goldfarb Lipman served as counsel to the former redevelopment agency and currently serve as counsel to the Successor Agency. They provide day to day advice on routine matters such as compliance with the Brown Act, the Public Records Act, the Political Reform Act, and other matters where there is no actual or potential conflict.

The Oversight Board has requested, and are authorized by AB 1484, to choose legal counsel to represent the needs and interests of the Oversight Board as a body. The purpose of this RFQ is to solicit proposals to allow the Oversight Board to select such legal counsel. Interested parties are advised to carefully review and consider the requirements set forth in this RFQ. Written proposals containing the requested information will be the primary basis for selection of legal counsel. The Oversight Board has expressed its desire to interview possible candidates and may interview any number of respondents. Further, the Oversight Board reserves the right to accept or deny any or all proposals, and may withdraw this RFQ at any time without notice. Proposals will be ranked based upon the criteria set forth in this RFQ.

SERVICES REQUIRED

The Oversight Board is seeking proposals from qualified, licensed and insured attorneys to provide legal counsel. The successful proposer shall act as legal advisor to the Oversight Board and will be responsible for advising the Oversight Board on issues related to the California Community Redevelopment Law and the dissolution provisions set forth in HSC § 33500 et seq., particularly those functions of the Oversight Board set forth in HSC §§ 34179-24181, and where, in the opinion of the Successor Agency General Counsel, there is an actual or potential conflict of interest between the Successor Agency and the

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Oversight Board/taxing entities or as otherwise directed by a majority of the Oversight Board on an as-needed basis.

The Hayward Oversight Board members are:

- Mayor Michael Sweeney, City of Hayward
- Sean Brooks, Hayward Economic Development Manager and Employee Representative
- Supervisor Richard Valle, County of Alameda
- Olden Henson, member of the public appointed by the County of Alameda
- Mark Salinas, appointee of the Chabot-Las Positas Community College District
- Jesus Armas, appointee of the Alameda County Office of Education/Superintendent of Schools
- Vacant, appointee of the Hayward Area Recreation and Park District (HARD)

Legal counsel should be able to demonstrate experience and expertise in Redevelopment Law, complex real estate transactions including real property development and disposition, bond financing, and a strong understanding of ABx1 26 and AB 1484. Further, the selected attorney/law firm shall not be in an adversarial position with any of the representative taxing entities on the Oversight Board (City of Hayward, County of Alameda, HARD, Alameda County Office of Education, and Chabot/Las Positas Community College District).

Legal counsel will be expected to perform a broad range of legal duties, which may include, but are not limited to, the following:

- Provide legal advice regarding Oversight Board member duties, responsibilities and obligations;
- Attend Oversight Board meetings as requested by the Oversight Board;
- Review agenda packets for Oversight Board meetings and provide legal advice relating to matters coming before the Oversight Board;
- Provide legal advice to the Oversight Board on actions necessary to protect the assets of the dissolved agency from liability;
- Provide legal advice and consultation to the Oversight Board regarding its relationship to and role with the Successor Agency;
- Provide legal advice to the Oversight Board on recommendations from Successor Agency staff regarding contracting issues, refinancing matters, completion of redevelopment projects, and disposition of property and other assets;
- Provide legal advice to the Oversight Board in any litigation brought by and against or otherwise involving the Oversight Board, or assist the Oversight Board in contracting for specialized litigation counsel and overseeing outside counsel's work;
- Provide legal advice to the Oversight Board involving complex real property development and dispositions; and
- Engage in any other legal matter reasonably requested by the Oversight Board.

Additional information regarding the City of Hayward and the Successor Agency may be obtained at: <http://www.hayward-ca.gov/about.shtm>

PROPOSAL OUTLINE AND CONTENT

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Assemble and submit each proposal in the order below and address the required content/questions. The order in which items are presented is important, as proposal evaluators will follow this order.

IT IS HIGHLY RECOMMENDED THAT ALL INFORMATION IN THE PROPOSAL IS PRESENTED IN THE FOLLOWING SEQUENCE:

- a) Table of Contents.
- b) Cover Sheet. This sheet will serve as the cover of your proposal. **Signed by an officer authorized to bind the company.**
- c) One-Page Project Summary. Begin with a brief summary of the proposal. This summary should concisely describe the firm/attorney's approach to providing the services outlined in the RFQ and the capacity to service the contract or provide the service promptly, within the specified time, and without delay or interference.
- d) Firm Description/Capability (not to exceed 3 pages)
 - Outline the firm/attorney's legal experience, particularly with respect to representing public entities, including Brown Act boards and commissions.
 - Outline experience in particular areas of the law including California Community Redevelopment Law (CRL), ABx1 26, AB 1484, public contracts, affordable housing, public works contracting, complex real property transactions, including development and disposition, and bond financing.
 - Describe your experience with other clients similar in nature and scope to the City of Hayward and Hayward Redevelopment Agency.
- e) Informational content
 - Include a Firm/Attorney Resume. Include name and resume of the attorney(s) who will be performing the role of Oversight Board legal counsel. Identify any designations or delineation of roles which may apply.
 - Include a fee proposal (see further instructions below).
- f) Client/Reference List (minimum 3) specifically in local/municipal/county/state agencies
 - Provide names, titles, addresses, phone numbers and email addresses for three to five references in California with at least 50% of work performed having involved advising on the CRL and/or having represented redevelopment agencies; and
 - Briefly describe the nature of the work performed for the named references as well as the length of the working relationship.
- g) Conflict of Interest
 - Disclose any actual or potential conflicts of interest between any member of the Oversight Board or any entity that appointed a member of the Oversight Board and any other person or entity represented by counsel or firm responding to the RFQ.
 - Disclose any project-related work on behalf of any of the entities represented on the Oversight Board.

FEE PROPOSAL

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The proposal should detail how the proposer intends to bill their time, including minimum hourly billing increments. Unless otherwise stated, the proposed fees are inclusive of all related costs that the successful proposer will incur to provide the noted services, including, but not limited to: employee wages and benefits; clerical support; overhead; profit; licensing; insurance; materials; supplies; tools; equipment; long distance telephone calls; document copying not specifically agreed to by the Oversight Board; etc. Travel from the attorneys' office to the City offices and/or Oversight Board meeting location is not reimbursable. Notwithstanding the foregoing, any costs for travel required by the attorney (other than travel between the attorneys' office and City offices) will be reimbursed at reasonable cost, subject to prior approval of the Oversight Board.

SCHEDULE

Event	Date/Time
Issue Date of Solicitation	Monday, Aug 20, 2012
Deadline for Receipt of Proposal	Friday, Sep 14, 2012 @ 3 pm
Review Period of Proposals	Sep 14 – Sep 21, 2012
Interviews/Selection by Oversight Board	Week of Sept 24, 2012 (to be confirmed)

LAST DAY FOR QUESTIONS

The last day to submit questions to the Purchasing Department is **Tuesday, September 4, 2012 @ 11 am**. This will allow sufficient time for any addenda to be issued by the City to all bidders. All questions must be submitted in writing via email to the Purchasing Manager, Jasmine Gacusan - jasmine.gacusan@hayward-ca.gov.

CONTACTS

Any administrative questions regarding bidding procedures should be directed to:

Jasmine R. Gacusan, Purchasing Manager (510) 583-4802; Jasmine.Gacusan@Hayward-ca.gov

Questions relating to the Oversight Board/Successor Agency may be directed to:

Michael Lawson, City Attorney (510) 583-4400; Michael.lawson@hayward-ca.gov

Kelly McAdoo Morariu, Assistant City Manager (510) 583-4305; kelly.morariu@hayward-ca.gov

AWARD OF CONTRACT

The City reserves the right to reject any and all proposals, to contract work with whomever and in whatever manner the City decides, to abandon the work entirely and to waive any informality or non substantive irregularity as the interest of the City may require and to be the sole judge of selection process. The City also reserves the right to negotiate separately in any manner to serve the best interest of the City. The City retains the right at its sole discretion to select a successful vendor.

SELECTION PROCESS

A review committee will evaluate all responses to the RFP that meet the submittal requirements and deadline. Submittals that do not meet the requirement or deadline will not be considered. The review committee will rank the proposals and arrange interviews with the finalist prior to selection.

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The review committee will consider the following criteria equally when evaluating the proposals: quality and thoroughness of the proposal; quality and thoroughness of the interview; references (including at least 3 municipalities); and cost proposal.

UNAUTHORIZED SUB-CONTRACTING PROHIBITED

The successful proposer shall not assign any right, nor delegate any duty for the work performed pursuant to this RFQ (including, but not limited to, selling or transferring the contract) without the prior written consent of the Oversight Board. Any purported assignment of interest or delegation of duty, without the prior written consent of the Oversight Board, shall be void and may result in the cancellation of the contract with the Oversight Board, or may result in the full or partial forfeiture of funds paid to the successful proposer as a result of the proposed contract.

SPECIAL INSTRUCTIONS TO BIDDERS

I. Submission Requirements and Instructions

All bidder requirements in this section are **mandatory**. The City reserves the right to waive any non-material variation.

- a) Bidders may submit their proposal via electronic transmission/email to the Purchasing Manager ONLY: Jasmine.Gacusan@Hayward-ca.gov

OR

Submit one (1) original proposal package AND three (3) complete copies for each proposal, under sealed envelope, by mail or hand-delivery to the address shown on the front. Each submission must be marked on the outside with the Company's name and the name of the project. Postmarks are NOT acceptable.

Any bid received after the schedule closing time for receipt of bids will be returned to the bidder unopened.

- b) Proposals and required attachments shall be submitted as specified and must be signed by officials authorized to bind the bidder to the provisions. All costs incurred in the preparation of a proposal will be the responsibility of the bidder and will not be reimbursed by the City.
- c) All required submittals attached to this solicitation must accompany bid proposal (see cover).

REQUESTS FOR SUPPLEMENTAL INFORMATION

The City reserves the right to require the submittal of additional information that supplements or explains proposal materials.

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**DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: City of Hayward Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: Hayward Successor Agency to the Former Redevelopment Agency of the City of Hayward

Entity Assuming the Housing Functions of the former Redevelopment Agency: Housing Authority of the City of Hayward

Entity Assuming the Housing Functions Contact Name: Kelly M. Morariu Title Assistant City Manager Phone (510) 583 - 4305 E-Mail Address kelly.morariu@hayward-ca.gov

Entity Assuming the Housing Functions Contact Name: Omar Cortez Title Housing Development Specialist Phone (510) 583 - 4246 E-Mail Address omar.cortez@hayward-ca.gov

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	X
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	N/A
Exhibit F- Rents	N/A
Exhibit G - Deferrals	X

Prepared By: **Omar Cortez**

Date Prepared: **7/31/2012**

City of Hayward
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)
Housing Successor Owned Real Property (Section 34176(e)(1))

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Real Property	B & Grand Site	\$0	20,813	100%	Existing DDA requires recordation of affordability covenant	Inclusionary, CRL	7/27/2012	N/A	N/A	\$0	7/6/2010	Fee Title
2	Real Property	A & Walnut Site	\$707,539	30,492	100%	DDA under negotiation will require recordation of affordability covenant	CRL	7/27/2012	\$707,539	N/A	\$0	6/24/2009	Fee Title
3	Affordability Covenant	Glen Eden Apartments	\$0	45,302	100%	Yes	CRL, Federal HOME funding	2/1/2012	\$490,000	N/A	\$0	8/18/1992	Affordability Covenant
4	Resale Restriction	2681 Northern Cross Rd.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	4/28/2009	Option and Right of First Refusal
5	Resale Restriction	2785 Journey Ln.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	11/5/2010	Option and Right of First Refusal
6	Resale Restriction	29010 Caravan Ln.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	3/4/2008	Option and Right of First Refusal
7	Resale Restriction	29034 Tradewinds Ln.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	2/26/2010	Option and Right of First Refusal
8	Resale Restriction	29048 Caravan Ln.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	12/28/2007	Option and Right of First Refusal
9	Resale Restriction	29078 Caravan Ln.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	6/28/2011	Option and Right of First Refusal
10	Resale Restriction	29082 Caravan Ln.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	8/31/2011	Option and Right of First Refusal
11	Resale Restriction	29096 Caravan Ln.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	9/30/2011	Option and Right of First Refusal
12	Resale Restriction	29108 Caravan Ln.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	12/28/2011	Option and Right of First Refusal
13	Resale Restriction	25417 Huntwood Ave.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	3/24/2008	Option and Right of First Refusal
14	Resale Restriction	25441 Huntwood Ave.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	4/21/2009	Option and Right of First Refusal

15	Resale Restriction	25466 Huntwood Ave.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	5/22/2008	Option and Right of First Refusal
16	Resale Restriction	25473 Huntwood Ave.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	12/24/2008	Option and Right of First Refusal
17	Resale Restriction	25530 Huntwood Ave.	N/A	N/A	100%	Yes	Inclusionary, CRL	2/1/2012	N/A	N/A	\$0	9/30/2009	Option and Right of First Refusal
18	Resale Restriction	22704 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
19	Resale Restriction	22706 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
20	Resale Restriction	22716 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
21	Resale Restriction	22718 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
22	Resale Restriction	22730 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
23	Resale Restriction	22740 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
24	Resale Restriction	22742 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
25	Resale Restriction	22766 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
26	Resale Restriction	22768 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
27	Resale Restriction	22705 Watkins St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
28	Resale Restriction	22715 Watkins St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
29	Resale Restriction	22717 Watkins St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
30	Resale Restriction	22727 Watkins St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
31	Resale Restriction	22741 Watkins St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
32	Resale Restriction	22761 Watkins St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal
33	Resale Restriction	22771 Watkins St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005 *	Option and Right of First Refusal

34	Resale Restriction	22773 Watkins St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005*	Option and Right of First Refusal
35	Resale Restriction	22778 Atherton St.	N/A	N/A	100%	Yes	CRL	2/1/2012	N/A	N/A	\$0	6/16/2005*	Option and Right of First Refusal

* This date corresponds to the date of recordation of the affordability covenant against the site where units in row #18 to #35 are located.

a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

c/ Deeds of trust associated with Housing Assets listed on Exhibit D or Exhibit E are not separately listed in this Exhibit A; but are considered interest in real property of the Housing Successor incorporated herein by this reference.

d/ Affordability covenants associated with Housing Assets listed on Exhibit D or Exhibit E are not separately listed in this Exhibit A; but are considered interest in real property of the Housing Successor incorporated herein by this reference.

Exhibit B - Personal Property

City of Hayward
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)
Housing Successor Owned Personal Property (Section 34176(e)(1))

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	Housing Related Files	Housing Related Files	\$0	1-Feb-12	N/A	N/A	N/A	Varies
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a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

Exhibit C - Low-Mod Encumbrances

City of Hayward
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)
Encumbered Housing Funds for Enforceable Obligations (Section 34176(e)(2)) AND Excess Housing Bond Proceeds

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	Low Mod Housing (Tennyson Gardens Apartments)	10/1/2009	Tennyson Preservation Limited Partnership	\$ 300,000.00	Yes	CRL, HOME federal requirements, tax credits,	Tennyson Preservation Limited Partnership	\$1,500,000 (\$1.2 million has been disbursed)	\$0	N/A	10/1/2009 - Acquisition Date
2	Low Mod Housing (South Hayward BART Affordable Housing Development)	03/23/2010 and 06/14/2011	Eden Housing, Inc.	\$ 2,088,861.35	Yes	CRL, HOME, State and NSP2 federal requirements, tax credits, bond indentures, other	Eden Housing, Inc.	\$4,250,000 (\$2,161,138 has been disbursed to date to reimburse project developer for predevelopment and acquisition)	\$0	NSP2, HOME funds to pay acquisition costs and future construction and permanent financing	6/19/2012: Property Acquisition Date. Construction start date: April 2013; expected completion date: 18 months from 04/13
3	Low Mod Housing - First Time Homebuyer Downpayment Assistance Loans	12/11/2009	Parties to the Joint Stipulation of Class Settlement and Class Settlement Agreement and Release in connection with Hayward's 238 Corridor Civil Lawsuite; Income-Eligible First-time Homebuyers	\$ 900,000.00	Yes, will be	CRL and Joint Stipulation of Class Settlement and Class Settlement Agreement and Release in connection with Hayward's 238 Corridor Civil Lawsuit	Income-Eligible First-time Homebuyers	\$1,000,000 (\$100,000 already provided to income-eligible first-time homebuyers)	N/A	N/A	N/A
4	N/A, Annual Order for affordable housing legal services	N/A, Annual Order	Goldfarb and Lipman, LLP	\$ 29,622.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	N/A, Contract for homebuyer services to promote affordable homeownership opportunities	7/2/2010	First Home Inc./Bay Area Homebuyer Services	\$ 26,625.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A

6	N/A, contract to provide project management services related to the South Hayward BART Transit Oriented Affordable Housing Development	11/15/2011	John DeClercq	\$ 116,000.00	N/A						
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a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

c/ Asset constitutes excess housing bond proceeds which will be encumbered pursuant to the procedures in Health and Safety Code Section 34176(g).

Exhibit D - Loans/Grants Receivables

City of Hayward
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)
Assets generated from Housing Fund Expenditures on Property Owned by Third Parties (Section 34176(e)(3))

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant? See footnote a.	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	Loan	\$ 1,477,344.00		Loan made by the Housing Authority to the City of Hayward	Third party and project delivery expenses in connection with 238/ Opportunity to Purchase Home Program required pursuant to Joint Stipulation of Class Settlement and Class Settlement Agreement and Release in connection with Hayward's 238 Corridor Civil Lawsuit	Yes, they stem from Joint Stipulation of Class Settlement and Class Settlement Agreement and Release in connection with Hayward's 238 Corridor Civil Lawsuit		0%	\$ 1,477,344.00
2	Loan	\$ 288,000.00	7/1/1991	E.C. Magnolia Court, Inc.	To help fund the development of E.C. Magnolia Court, a 21-unit affordable housing development for low-income disabled households	Yes	6/1/2038	0%	\$ 288,000.00

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3	Loan*	\$ 275,000.00	11/1/1998	Harris Court Associates	To help fund the development of Harris Court, a 20-unit affordable housing development for low-income households	Yes	11/1/2053	4.762%	\$ 275,000.00
4	Loan	\$ 250,000.00	7/18/2007	Eden Housing, Inc.	To help fund the rehabilitation of Villa Springs, a 66-unit affordable rental housing development for low-income households	Yes	7/18/2065	0%	\$ 240,000.00
5	Loan	\$ 507,000.00	2/7/2007	Eden Housing, Inc.	To help fund the construction of a 60-unit affordable rental housing development for low-income seniors located at the C & Grand site.	Yes	Interest-only payments due the first day of every month throughout the term of the loan. Loan due in full on 02/07/2022	5.1%	\$ 417,832.74
6	Loan	\$ 750,000.00	12/7/2007	Hayward Pacific Associates	To help fund the rehabilitation and seismic retrofit of The Majestic, a 78-unit affordable rental housing development for low-income households	Yes	12/7/2062	3%	\$ 750,000.00

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7	Loan	\$ 2,028,681.00	8/13/2009	Sara Conner Court, L.P.	To help fund the construction of Sara Conner Court, a 57-unit affordable rental housing development for low-income households	Yes	9/15/2059	3%	\$ 2,028,681.00
8	Loan	\$ 1,500,000.00	10/1/2009	Tennyson Preservation Limited Partnership	To help fund the acquisition and rehabilitation of Tennyson Gardens, a 96-unit affordable rental housing development for low-income households	Yes	12/31/2049	3%	\$ 1,500,000.00
9	Loan	\$ 4,250,000.00	03/23/2010 and 06/14/2011	Eden Housing, Inc.	To help fund acquisition of site and construction of 151-unit South Hayward BART Affordable Rental Family and Senior Housing Development	Yes	5/15/2070	0%	\$ 2,161,138.65
10	Loan	\$ 7,480.00	8/28/1998	Gerrydine G. Grooney and Tami M. Grooney	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	9/1/2028	4.88%	\$ 5,324.86
11	Loan	\$ 6,080.00	2/26/1999	Linda Griffin	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	3/1/2029	4.65%	\$ 4,658.74

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12	Loan	\$ 7,783.00	9/8/1999	Sergio Martinez and Lucina Martinez	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	9/1/2029	4.50%	\$ 5,669.35
13	Loan	\$ 4,200.00	12/22/1999	Paula J. Whitaker and Georgia E. Whitaker	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2030	4.66%	\$ 3,131.90
14	Loan	\$ 10,872.00	11/15/2001	Denequia Macrina Antoine	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2031	3.97%	\$ 8,387.56
15	Loan	\$ 14,000.00	3/13/2002	Jaime Mondragon and Jose Mondragon	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2032	3.07%	\$ 13,932.33
16	Loan	\$ 19,000.00	3/22/2002	Nicole E. Sprague	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2032	2.82%	\$ 14,314.08
17	Loan	\$ 18,271.00	11/1/2002	Willard P. Pingree and Lynette G. Pingree	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2032	2.76%	\$ 14,024.98

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18	Loan	\$ 20,000.00	4/30/2003	Jose Camacho and Marilyn Camacho	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	5/1/2033	2.31%	\$ 15,328.46
19	Loan	\$ 20,000.00	5/2/2003	Joel Veyra and Maria Veyra	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2033	2.26%	\$ 15,351.47
20	Loan	\$ 20,000.00	7/18/2003	Clint C. Armbruster	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	8/1/2033	2.13%	\$ 15,370.88
21	Loan	\$ 20,000.00	9/3/2003	Taia L. Willis	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	9/1/2033	2.11%	\$ 15,448.05
22	Loan	\$ 20,000.00	10/23/2003	Kelly M. Cavagnuolo and Angela M. Uyeda	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2033	1.95%	\$ 15,416.03
23	Loan	\$ 17,413.00	2/11/2004	Lisette Nunez aznd Fatima J. Nunez	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2034	1.90%	\$ 12,502.44

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24	Loan	\$ 20,000.00	3/25/2004	Cheryl E. A. Roman	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2034	1.81%	\$ 15,581.20
25	Loan	\$ 18,000.00	4/22/2004	Stacy Hermosillo and Anthony Hermosillo	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	5/1/2034	1.84%	\$ 666.64
26	Loan	\$ 20,000.00	5/20/2004	Laura J. Munoz	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2034	1.82%	\$ 15,683.18
27	Loan	\$ 20,000.00	6/4/2004	Angelina Souza	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2034	1.80%	\$ 15,672.92
28	Loan	\$ 20,000.00	7/2/2004	Derrick Levingston	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	7/1/2034	1.80%	\$ 15,747.51
29	Loan	\$ 20,000.00	7/7/2004	Donna Lee Bell	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	7/1/2034	1.80%	\$ 15,721.29

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30	Loan	\$ 17,000.00	7/12/2004	Ivan Hoi Hung Lau and Candy Yuen Wah Ma	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	7/1/2034	1.80%	\$ 13,350.57
31	Loan	\$ 20,000.00	7/28/2004	Enrique V. Romero and Maria Del Carmen	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	8/1/2034	1.71%	\$ 18,720.33
32	Loan	\$ 20,000.00	12/9/2005	Shirley D. Mack	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2036	3.07%	\$ 17,117.77
33	Loan	\$ 17,400.00	12/16/2005	Michelle Morineau	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2036	3.07%	\$ 14,892.44
34	Loan	\$ 20,000.00	3/30/2006	Lorinda L. Pimentel	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2036	3.35%	\$ 17,348.54
35	Loan	\$ 20,000.00	6/2/2006	Jenee D. Williams	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2036	3.62%	\$ 17,525.95

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36	Loan	\$ 20,000.00	10/24/2006	Henry F. Chiu	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2036	4.18%	\$ 17,898.42
37	Loan	\$ 20,000.00	12/5/2006	Monique Morris	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	12/1/2036	4.28%	\$ 17,964.59
38	Loan	\$ 20,000.00	5/14/2007	Jozette J. Wilson	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2037	4.30%	\$ 19,395.80
39	Loan	\$ 20,000.00	7/6/2007	Roderick O. Donald	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	7/1/2037	4.22%	\$ 20,319.82
40	Loan	\$ 20,000.00	12/19/2007	Lance Ulrich Kutz and Jennifer Ann Kutz	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2038	4.23%	\$ 18,468.74
41	Loan	\$ 20,000.00	1/11/2008	Afrah Abdullah and Tyson Amir-Mustafa	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2038	4.38%	\$ 18,461.58

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42	Loan	\$ 20,000.00	1/15/2008	Gerald John Legaspi	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2038	4.17%	\$ 18,410.02
43	Loan	\$ 20,000.00	1/18/2008	Dennis C. Molina and Joy B. Molina	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2038	4.17%	\$ 18,410.02
44	Loan	\$ 20,000.00	2/1/2008	Ne Lin and Mya Thida Oo	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2038	4.17%	\$ 18,476.63
45	Loan	\$ 20,000.00	2/22/2008	Ajay Khosla and Parminder Kaur	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2038	4.17%	\$ 18,476.63
46	Loan	\$ 20,000.00	3/20/2008	Dinh Van Le and Amy Trinh	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2038	3.97%	\$ 18,427.45
47	Loan	\$ 20,000.00	3/20/2008	Vinodrai Modi and Haritakumari Modi	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2038	3.97%	\$ 18,427.44

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48	Loan	\$ 20,000.00	4/3/2008	Janett Hernandez	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2038	3.97%	\$ 18,495.47
49	Loan	\$ 20,000.00	5/13/2008	William D. Gorman	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2038	3.56%	\$ 18,395.82
50	Loan	\$ 20,000.00	7/25/2008	Jay Amini	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	9/1/2038	2.92%	\$ 18,355.73
51	Loan	\$ 20,000.00	9/29/2008	Duy Trinh Thi Huynh	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	10/1/2038	2.70%	\$ 18,331.36
52	Loan	\$ 20,000.00	10/17/2008	La Tresia Johnson and Majestees Aaron	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2038	2.70%	\$ 18,371.15
53	Loan	\$ 20,000.00	10/27/2008	Candice Rene Tayco	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2038	2.69%	\$ 18,368.94

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54	Loan	\$ 20,000.00	12/5/2008	Morgan Lignell and Gregory Trumbo	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	12/1/2038	2.77%	\$ 18,427.71
55	Loan	\$ 20,000.00	12/10/2008	Marlon Altan and Celia Atlan	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2039	2.77%	\$ 18,466.94
56	Loan	\$ 20,000.00	1/26/2009	Marina E. Berrios Castro	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2039	3.16%	\$ 18,686.70
57	Loan	\$ 20,000.00	4/1/2009	Andrea White	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2039	2.46%	\$ 18,596.32
58	Loan	\$ 20,000.00	4/24/2009	Kenya L. Brathwaite	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	5/1/2039	2%	\$ 18,452.48
59	Loan	\$ 20,000.00	6/16/2009	Kenney H. Ko and Anita Ko	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2039	1.63%	\$ 18,410.45

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60	Loan	\$ 20,000.00	6/16/2009	Diane Liang	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2039	1.38%	\$ 18,351.38
61	Loan	\$ 30,000.00	8/27/2009	Reynaldo B. Bondoc and Emelita S. Bondoc	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	10/1/2039	3.50%	\$ 30,000.00
62	Loan	\$ 30,000.00	8/27/2009	Yu Tun Wang and Bonnie A. Chen	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	10/1/2039	3.50%	\$ 30,000.00
63	Loan	\$ 30,000.00	9/23/2009	Yvette Black	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	10/1/2039	3.50%	\$ 30,000.00
64	Loan	\$ 30,000.00	10/1/2009	Marquis D. Barbour and Erica N. Barbour	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2039	3.50%	\$ 30,000.00
65	Loan	\$ 30,000.00	12/8/2009	Bukola L. Adesokan and Sharon A. Adesokan	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2040	3.50%	\$ 30,000.00

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66	Loan	\$ 40,000.00	12/30/2009	Eric Wegryn	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2040	3.50%	\$ 40,000.00
67	Loan	\$ 40,000.00	1/7/2010	Julio C. Zamora, Jr.	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2040	3.50%	\$ 40,000.00
68	Loan	\$ 30,000.00	2/24/2010	Faith Perkins	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2040	3.50%	\$ 30,000.00
69	Loan	\$ 30,000.00	2/24/2010	Jill M. Stapleton	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2040	3.50%	\$ 30,000.00
70	Loan	\$ 30,000.00	3/8/2010	Timothy P. Simanski	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2040	3.50%	\$ 30,000.00
71	Loan	\$ 30,000.00	3/11/2010	Valerie C. Rocchild	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2040	3.50%	\$ 30,000.00

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72	Loan	\$ 30,000.00	3/22/2010	d. Remington D L Greenwell	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	5/1/2040	3.50%	\$ 30,000.00
73	Loan	\$ 40,000.00	4/12/2010	Tanisha Higgins	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2040	3.50%	\$ 40,000.00
74	Loan	\$ 30,000.00	4/21/2010	Thomas Chiu and Jin Lu	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2040	3.50%	\$ 30,000.00
75	Loan	\$ 30,000.00	5/4/2010	Rahim Mohammad Gran and Naweena Gran	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2040	3.50%	\$ 30,000.00
76	Loan	\$ 30,000.00	5/11/2010	Tejpal S. Grewal and Sonia Grewal	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2040	3.50%	\$ 30,000.00
77	Loan	\$ 30,000.00	5/21/2010	Renuka Sippy and Kanwal H. Sippy	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2040	3.50%	\$ 30,000.00

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78	Loan	\$ 30,000.00	6/15/2010	Katy Kwong	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	8/1/2040	3.50%	\$ 30,000.00
79	Loan	\$ 30,000.00	6/22/2010	Zuoming Li	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	8/1/2040	3.50%	\$ 30,000.00
80	Loan	\$ 30,000.00	6/22/2010	Yamsuan, Jose Liwanag and Rosario Angela	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	8/1/2040	3.50%	\$ 30,000.00
81	Loan	\$ 30,000.00	7/26/2010	Jing Li and Bing Du	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	9/1/2040	3.50%	\$ 30,000.00
82	Loan	\$ 30,000.00	7/27/2010	Alicia Lim and Kelvin Taw	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	9/1/2040	3.50%	\$ 30,000.00
83	Loan	\$ 40,000.00	7/30/2010	Loreznztz De Gracia	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	9/1/2040	3.50%	\$ 40,000.00

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant? See footnote a.	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
84	Loan	\$ 30,000.00	8/30/2010	Xiang Ye	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	10/1/2040	3.50%	\$ 30,000.00
85	Loan	\$ 40,000.00	8/31/2010	Juan Miguel Zepeda-Camacho	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	10/1/2040	3.50%	\$ 40,000.00
86	Loan	\$ 30,000.00	9/14/2010	Jasmine J. Morra	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2040	3.50%	\$ 30,000.00
87	Loan	\$ 40,000.00	9/24/2010	Athena P. Butler	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2040	3.50%	\$ 40,000.00
88	Loan	\$ 30,000.00	9/29/2010	Wezlon Myles	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	11/1/2040	3.50%	\$ 30,000.00
89	Loan	\$ 30,000.00	10/20/2010	Timothy Mason	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	12/1/2040	3.50%	\$ 30,000.00

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant? See footnote a.	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
90	Loan	\$ 30,000.00	10/27/2010	Anthony Chan and Michelle Chan	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	12/1/2040	3.50%	\$ 30,000.00
91	Loan	\$ 30,000.00	12/3/2010	Mary E. Hobbs	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2041	3.50%	\$ 30,000.00
92	Loan	\$ 40,000.00	12/6/2010	Enrique Gomez	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2041	3.50%	\$ 40,000.00
93	Loan	\$ 30,000.00	12/10/2010	Quoc Bui and Xinh Lai	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2041	3.50%	\$ 30,000.00
94	Loan	\$ 30,000.00	12/10/2010	Joy Thi Kim La	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2041	3.50%	\$ 30,000.00
95	Loan	\$ 30,000.00	12/10/2010	Pamela Sison	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	1/1/2041	3.50%	\$ 30,000.00

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant? See footnote a.	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
96	Loan	\$ 30,000.00	1/10/2011	Sylvia Shannon	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2041	3.50%	\$ 30,000.00
97	Loan	\$ 15,000.00	1/12/2011	Maria Mann-Gagne	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2041	3.50%	\$ 15,000.00
98	Loan	\$ 30,000.00	1/19/2011	Chau Huynh	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	2/1/2041	3.50%	\$ 30,000.00
99	Loan per SR 238 Settlement Agreement	\$ 30,000.00	2/3/2011	John Price and Jessica Price	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	3/1/2041	3.50%	\$ 30,000.00
100	Loan per SR 238 Settlement Agreement	\$ 30,000.00	3/1/2011	Brian Matthew Bretz and Brandi Cheshala Bretz	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2041	3.50%	\$ 30,000.00
101	Loan	\$ 30,000.00	3/16/2011	Fabian A. Bazan Hanh P. Ngo	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2041	3.50%	\$ 30,000.00

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant? See footnote a.	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
102	Loan	\$ 35,000.00	3/18/2011	Jessica M. Harris	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	4/1/2041	3.50%	\$ 35,000.00
103	Loan	\$ 30,000.00	5/6/2011	Geronimo A. Flores and Michelle S. Dickson	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	6/1/2041	3.50%	\$ 30,000.00
104	Loan	\$ 30,000.00	6/7/2011	Joseph H. Metry and Amanda N. Eshak	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	7/1/2041	3.50%	\$ 30,000.00
105	Loan	\$ 30,000.00	6/7/2011	Harold J. Richard, Jr. and Beverly J. Richard	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	7/1/2041	3.50%	\$ 30,000.00
106	Loan	\$ 30,000.00	7/11/2011 - Pursuant to enforceable obligation listed as item 48 (i) on approved First ROPS	Georgina L. Amaya	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	8/1/2041	3.50%	\$ 29,600.00
107	Loan per SR 238 Settlement Agreement	\$ 40,000.00	2/7/2012	Matt James Engels and Amanda C. Engels	Loan for Downpayment and/or Closing cost for First Time Home Buyers	Yes	3/1/2042	3.50%	\$ 40,000.00

* This includes outstanding principal only for this and subsequent loans listed in this exhibit



Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant? See footnote a.	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
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a/ Includes any deed of trust and affordability covenants, as applicable, associated with Housing Assets listed in this Exhibit D; incorporated herein by this reference.

Exhibit E - Rents/Operations

City of Hayward

Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Assets generated from Non-Housing Fund Expenditures on Property Owned by Third Parties (Section 34176(e)(4)) see Footnote /d and /e

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
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a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

d/ All Housing Assets listed in Exhibit D also meet the definition under 34176(e)(3); but are listed in Exhibit D and not repeated herein.

Exhibit F - Rents

City of Hayward
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)
Income derived from Real Property Owned by Housing Successor (Section 34176(e)(5))

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
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a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit G - Deferrals

City of Hayward
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)
Loans or Deferrals owing to the LMIHF (Section 34176(e)(6))

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	SERAF Payment pursuant to CRL	2009/10 and 2010/11	\$ 3,876,516.00	0%	\$ 3,876,516.00	On or before June 30, 2015
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