

**HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD  
SPECIAL MEETING  
FEBRUARY 28, 2014  
777 B STREET  
CONFERENCE ROOM 1C  
4:00 PM**

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**CALL TO ORDER**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

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**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.)*

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1. Approval of Minutes from October 18, 2013 Meeting  
*Attachment*
2. Approval of Recognized Obligation Payment Schedule and Successor Agency Administrative Budget for the Period July Through December 2014 and Approval of Repayment Schedule for SERAF Loan  
*Staff Report and Attachments (Attachment III to be distributed on Thursday, February 27, 2014)*
3. Approval of an Amendment to a Professional Services Agreement with AMEC E&I for Environmental Remediation Efforts at the Cinema Place Property  
*Staff Report and Attachment*
4. Future Meeting Dates and Agenda Items

**BOARD MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS**

**ADJOURNMENT**

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**NEXT MEETING — TO BE DETERMINED**

*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  
October 18, 2013**

**SUMMARY NOTES**

**BOARD MEMBERS PRESENT:** Michael Sweeney, Paul Hodges, Olden Henson, Stacey Bristow, Mark Salinas

**BOARD MEMBERS ABSENT:** Richard Valle, Jesus Armas (tendered resignation at meeting)

**STAFF:** Kelly McAdoo, Assistant City Manager; Maureen Conneely, Assistant City Attorney; Cecilia Manzo; Administrative Clerk II

**PUBLIC:** Rafael Yaquian, Goldfarb Lipman Attorneys; Guy Warren, Lee Associates

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**Call Meeting to Order:** Meeting called to order at 3:04 P.M.

**Closed Session**

**Roll Call:** Board members signed in and those in attendance introduced themselves.

**Pledge of Allegiance:** Those in attendance cited the Pledge of Allegiance, led by Mark Salinas.

**Closed Session Announcement:** Ms. McAdoo stated there was no reportable action from closed session.

**Public Comments:** There were no Public Comments.

**1. Approval of Minutes from May 20, 2013 Meeting:**

Moved/ Seconded (Hodges/ Salinas) **APPROVED** by unanimous consensus.

**2. Approval of a Single Asset Long Range Property Management Plan for the Residual Burbank School Site Located at 353 B Street:**

Assistant City Manager Kelly McAdoo explained that the Successor Agency will be making its final payment for the two audits. A payment of 5.8 million dollars will be made to the County Auditor Controller for the second audit. Once the finding of completion is received following receipt by the County of these payments, then the Successor Agency is able to prepare the Long Range Property Management Plan, which governs how the Successor Agency and the Oversight Board want to dispose of all the real property assets that are contained within the Successor Agency.

Ms. McAdoo states the Finding of Completion is expected to be issued within the next week, she suggest the Oversight Board consider a Single Asset Long Range Property

Management plan for just for the Residual Burbank site. Ms. McAdoo explains the Residual Burbank School site will close escrow for 3.6 million dollars, which is above the 2010 appraisal of 3.3 million dollars.

Ms. McAdoo reviewed what was included in the packet along with Staff Report and Attachments.

Mayor Sweeney asked for confirmation that the money from the sale would be distributed to the taxing entities. Ms. McAdoo confirmed that was correct.

Board Member Henson agreed that it would be appropriate to create a single Long Range property Management Plan for the Residual Burbank site.

Ms. McAdoo recommends the Oversight Board consider a Single Asset Long Range Property Management plan for just the Residual Burbank site.

Resolution Moved/ Seconded (Henson/ Salinas) **APPROVED** by unanimous consensus.

**3. Future Meeting Dates and Agenda Items:**

Ms. McAdoo recommended a meeting in early-mid December. Mayor Sweeney concurred.

**Board Member/Staff Announcements and Referrals:**

Mayor Sweeney recommended that staff contacts the County Superintendent's Office to see who would be appointed to represent the School District.

**Adjournment:** The meeting adjourned at 3:34 P.M.

**DATE:** February 28, 2014

**TO:** Chair and Members of the Successor Agency Oversight Board

**FROM:** Assistant City Manager

**SUBJECT:** Approval of the Recognized Obligation Payment Schedule (ROPS 14-15A) and Administrative Budget for the Period July 1, 2014 through December 31, 2014 and Approval of Repayment Schedule for SERAF Loan

**RECOMMENDATION**

That the Oversight Board adopts the attached resolutions (Attachments I and II) approving the Recognized Obligation Payment Schedule (ROPS 14\_15A) and the Successor Agency Administrative Budget for the period July 1 – December 31, 2014 and a repayment schedule for the SERAF loan between the former Redevelopment Agency and the Housing Authority; and authorizes staff to take other administrative actions and execute contracts and such other documents as are appropriate to effectuate the intent of the resolution 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 significant new obligations on the successor agencies and oversight boards of dissolving redevelopment agencies, which staff has been implementing over the past two years.

**DISCUSSION**

The intent of this report is to recommend approval of the next Recognized Obligation Payment Schedule (ROPS 14\_15A) and Administrative Budget for the period July 2014 through June 2015 (Attachments III and IV). Every six months, the Successor Agency is required to prepare and

submit a ROPS that outlines the required payments the Successor Agency must make to meet required obligations and to wind down the affairs of the former Redevelopment Agency. Once the Oversight Board approves these items, staff will submit them to the Department of Finance by the March 1, 2014 deadline.

One of the few positive aspects of the passage of AB 1484 is the opportunity to seek repayment of interagency loans, such as the one Hayward’s General Fund provided to the former RDA in 1975 to cover a variety of start-up expenses. The current balance on this loan is approximately \$8 million. In addition, there is an outstanding loan due from the Successor Agency to the Housing Authority (the SERAF loan) totaling approximately \$3.8 million and outstanding loans due to the City’s Sewer and Water Enterprise Funds (totaling approximately \$2 million). Since the Successor Agency has received its Finding of Completion, staff can begin the process to request repayment of these loans. The SERAF loan receives first priority for payoff under AB1484, followed by the General Fund loan and then the Enterprise Fund loans. There are specific repayment formulas outlined in AB1484 and the amount of repayment requested on the ROPS 14\_15A is consistent with these formulas. Given the length of time needed to repay the SERAF loan, staff is only requesting approval of the repayment schedule for this loan at this time. Given these repayment schedules, staff does not anticipate receiving any repayment on the General Fund loan prior to FY2017.

Based on the repayment formula outlined in AB1484, staff anticipates the following repayment schedule for the SERAF loan:

ROPS14_15A	\$1,069,855
ROPS14_15B	\$1,069,855
ROPS15_16A	\$716,276
ROPS15_16B	\$716,276
ROPS16_17A	<u>\$304,253</u>
<i>Total</i>	<i>\$3,876,516</i>

There are several other relatively minor changes being proposed on the ROPS 14\_15A, which are explained on the Notes page of Attachment III. One of the most significant of these came with the signing of AB 471 by the Governor on February 18, 2014. This piece of legislation included a variety of RDA clean up items primarily focused on Infrastructure Financing Districts but also added a provision that allows agencies that assumed the former housing functions of the Redevelopment Agency (in Hayward’s case, the Hayward Housing Authority) to claim an administrative cost allowance for housing-related functions. For Hayward, this amounts to \$150,000 annually and will continue through July of 2018. This item has been added to the ROPS as line item 64.

Implementation Actions: The accompanying resolution authorizes and directs staff to take all administrative 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 budget.

Environmental Review: The actions set forth in the recommended accompanying resolution, 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.

### **ECONOMIC AND FISCAL IMPACT**

Approval of the ROPS 14\_15A 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 budget 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 administrative responsibilities.

### **NEXT STEPS**

Following approval of the ROPS 14\_15A and the Administrative Budget by the Oversight Board, staff will submit these to the Department of Finance (DOF) by March 1 for final approval. The DOF then has an opportunity to review and object to any items on the ROPS and/or request additional documentation. This review must be completed no later than April 15, 2014. The Successor Agency then has an opportunity to request a meet and confer session if staff disagrees with any of the DOF determinations. All DOF meet and confer determinations must be made prior to June 1, 2014, which is when the funds for the ROPS 14\_15A period will be disbursed to the Successor Agency.

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

Approved by:



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Fran David, City Manager

Attachment I: Resolution Approving ROPS 14\_15A and Administrative Budget

Attachment II: Resolution Approving Repayment of SERAF Loan

Attachment III: ROPS 14\_15A (to be distributed Thursday, February 27, 2014)

Attachment IV: Successor Agency Administrative Budget

HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. 2014-01

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE HAYWARD SUCCESSOR AGENCY, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY THROUGH DECEMBER 2014 (“ROPS 14-15A”) AND THE ADMINISTRATIVE BUDGET FOR THE 2014-15 FISCAL YEAR, AND DIRECTING THE CITY MANAGER TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE REQUIREMENTS ASSOCIATED WITH THIS APPROVAL

WHEREAS, pursuant to ABx1 26 (as amended by AB 1484, the “Dissolution Statutes”), the separate legal entity known as the Hayward Successor Agency (the “Successor Agency”) must prepare “Recognized Obligation Payment Schedules” (“ROPS”) that enumerate the enforceable obligations and expenses of the Successor Agency for each successive six-month fiscal period until the wind down and disposition of assets of the dissolved Redevelopment Agency of the City of Hayward (the “Dissolved RDA”) has been completed; and

WHEREAS, the Successor Agency staff has prepared a ROPS for the six-month fiscal period commencing on July 1, 2014 and continuing through December 31, 2014 (“ROPS 14-15A”); and

WHEREAS, the Successor Agency staff has prepared an administrative budget for the fiscal period commencing on July 1, 2014 and continuing through June 30, 2015 (“FY 14-15 Administrative Budget”); and

WHEREAS, the Successor Agency is entitled to an administrative cost allowance (the “Administrative Cost Allowance”) pursuant to Health and Safety Code Sections 34171(b) and 34183(a)(3) in the approximate amount of \$250,000 for the 2014-15 fiscal year of which approximately \$125,000 will be disbursed during the ROPS 14-15A period; and

WHEREAS, under the Dissolution Statutes, ROPS 14-15A and the FY 14-15 Administrative Budget must be approved by the Successor Agency's oversight board (the “Oversight Board”) to enable the Successor Agency to continue to make payments on enforceable obligations and to pay for administrative costs of the Successor Agency; and

WHEREAS, the Successor Agency staff prepared and on February 18, 2014 the City Council approved the following documents, copies of which are on file with the City Clerk (acting as the Secretary of the Successor Agency):

1. The ROPS 14-15A; and
2. The FY 14-15 Administrative Budget; and

WHEREAS, the Housing Authority of the City of Hayward (the “Housing Authority”) assumed the housing functions of the dissolved RDA pursuant to Health and Safety Code Section 34176(b)(2); and

WHEREAS, under recently enacted legislation which added Health and Safety Code Section 347171(p), the Housing Authority is entitled to receive a “housing entity administrative cost allowance” in an amount equal to the greater of \$150,000 or 1% of the Redevelopment Obligation Retirement Fund (or 1% of the RPTTF distribution to meet enforceable obligations) per fiscal year; and

WHEREAS, ROPS 14-15A includes a request for \$150,000 to fund the housing entity administrative cost allowance payable to the Hayward Housing Authority; and

WHEREAS, under the Dissolution Statutes, the ROPS 14-15A and the FY 14-15 Administrative Budget must be submitted by the Successor Agency to the Oversight Board for the Oversight Board's approval in accordance with Health and Safety Code Sections 34177 and 34180(g); and

WHEREAS, the ROPS 14-15A and the FY 14-15 Administrative Budget have been submitted by the Successor Agency to the Alameda County Administrative Officer, the Alameda County Auditor-Controller, and the State Department of Finance in accordance with Health and Safety Code 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 the Oversight Board, pursuant to Health and Safety Code Section 34180(g) and 34177(j), hereby approves the ROPS 14-15A and the FY 14-15 Administrative Budget, in the respective forms on file with the City Clerk, including the agreements and obligations described on the ROPS 14-15A and hereby determines that such agreements and obligations constitute “enforceable obligations” and “recognized obligations” for all purposes of the Dissolution Statutes. 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 ROPS 14-15A 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 terms of the Dissolution Statutes, the continued administration of the ongoing enforceable obligations 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 consistent with the Dissolution Statutes and necessary to memorialize and implement the agreements and obligations in ROPS 14-15A and the FY 14-15 Administrative Budget as herein approved by the Successor Agency.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes and directs Successor Agency staff, to take all administrative actions necessary under the Dissolution Statutes, 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 ROPS 14-15A and the FY 14-15 Administrative Budget, and to take any other actions necessary to ensure the validity of the ROPS 14-15A and the validity of any enforceable obligation listed thereon and the validity of the FY 14-15 Administrative Budget and corresponding Administrative Cost Allowance. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to ROPS 14-15A as may be necessary to submit ROPS 14-15A in any modified form required by the DOF, and ROPS 14-15A as so modified shall thereupon constitute ROPS 14-15A as approved by the Oversight Board pursuant to this Resolution.

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).

HAYWARD, CALIFORNIA, February 28, 2014

ADOPTED BY THE FOLLOWING VOTE:

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

ATTEST: \_\_\_\_\_  
Chair of the Oversight Board

RESOLUTION NO. 2014-02

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE HAYWARD SUCCESSOR AGENCY, APPROVING THE REPAYMENT SCHEDULE FOR THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (“SERAF”) LOAN, AND DIRECTING THE CITY MANAGER TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE REQUIREMENTS ASSOCIATED WITH THIS APPROVAL

WHEREAS, pursuant to ABx1 26 (as amended by AB 1484, the “Dissolution Statutes”), the separate legal entity known as the Hayward Successor Agency (the “Successor Agency”) must prepare “Recognized Obligation Payment Schedules” (“ROPSs”) that enumerate the enforceable obligations and expenses of the Successor Agency for each successive six-month fiscal period until the wind down and disposition of assets of the dissolved Redevelopment Agency of the City of Hayward (the “Dissolved RDA”) has been completed; and

WHEREAS, the Housing Authority of the City of Hayward (the “Housing Authority”) assumed the housing functions of the dissolved RDA pursuant to Health and Safety Code Section 34176(b)(2); and

WHEREAS, Assembly Bill x4 26, effective October 22, 2009, required all redevelopment agencies in the State of California to make proportionate payments of tax increment revenues totaling \$1,700,000,000 to county Supplemental Educational Revenue Augmentation Funds (“SERAF”) during the 2009-2010 fiscal year and an additional \$350,000,000 during the 2010-2011 fiscal year; and

WHEREAS, as allowed under Sections 33690 and 33690.5 of the Redevelopment Law, the Dissolved RDA borrowed Three Million Eight Hundred Seventy Six Thousand Five Hundred Sixteen Dollars (\$3,876,516) (the “SERAF Loan”) from the Dissolved RDA’s Low and Moderate Income Housing Fund to enable the Dissolved RDA to meet its proportionate SERAF obligations during the 2009/10 and 2010/11 fiscal years; and

WHEREAS, the SERAF Loan constitutes indebtedness of the Dissolved RDA and constitutes an enforceable obligation pursuant to Health and Safety Code Section 34171(d)(1)(G) as an amount borrowed from the Low and Moderate Income Housing Fund of the Dissolved RDA; and

WHEREAS, the Successor Agency is obligated to repay the full amount of the SERAF Loan pursuant to the terms of Health and Safety Code Sections 34171(d)(1)(G) and the full amount of the SERAF Loan must be deposited into the Low and Moderate Income Housing Asset Trust Fund of the Housing Authority of the City of Hayward pursuant to Health and Safety Code Sections 34176(d) and 34176(e)(3); and

WHEREAS, under Health and Safety Code Section 34171(d)(1)(G), the Oversight Board must approve the repayment schedule for the SERAF Loan; and

**ITEM 2 - ATTACHMENT II**

WHEREAS, the Successor Agency staff prepared a loan repayment schedule for the SERAF Loan which conforms with the statutory formula set forth in Health and Safety Code Section 34176(e)(6)(B) (the “SERAF Loan Repayment Schedule”) copies of which are attached to this Resolution and placed on file with the City Clerk (acting as the Secretary of the Successor Agency); and

WHEREAS, the ROPS 14-15A submitted by the Successor Agency to the Oversight Board for the Oversight Board's approval in accordance with Health and Safety Code Sections 34177 and 34180(g) includes a repayment of the SERAF Loan pursuant to the SERAF Loan Repayment Schedule; 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 the Oversight Board, pursuant to Health and Safety Code Section 34171(d)(1)(G), hereby approves the SERAF Loan Repayment Schedule, in the form on file with the City Clerk, and hereby determines that the SERAF Loan constitutes an “enforceable obligation” and a “recognized obligation” for all purposes of the Dissolution Statutes. 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 SERAF Loan Repayment Schedule and finds that repayments are consistent with the statutory formula set forth in Health and Safety Code Section 34176(e)(6)(B), as such may be modified based on actual distributions made to affected taxing entities pursuant to Health and Safety Code Section 34183(a)(4) each fiscal year.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes and directs Successor Agency staff, to take all administrative actions necessary under the Dissolution Statutes, 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 SERAF Loan Repayment Schedule, and to take any other actions necessary to ensure the validity of the SERAF Loan Repayment Schedule and the validity of any repayment listed thereon. In addition, the Oversight Board authorizes and directs the Successor Agency staff to list the SERAF Loan as an enforceable obligation on the Successor Agency ROPSs and orders the repayments of the SERAF Loan be paid to the Housing Authority upon approval of a ROPSs and receipt by the Successor Agency of distributions pursuant to Health and Safety Code Section 34183.

**ITEM 2 - ATTACHMENT II**

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).

HAYWARD, CALIFORNIA, February 28, 2014

ADOPTED BY THE FOLLOWING VOTE:

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

ATTEST: \_\_\_\_\_  
Chair of the Oversight Board

**SERAF LOAN REPAYMENT SCHEDULE**

**1. Summary of Statutory Formula:**

The maximum repayment amount authorized each fiscal year for repayments shall equal to one-half of the increase between residual distributions during a fiscal year and the amount of residual distributions to taxing entities during the FY 2012-13 base year.

FY 2012-13 Base Year §34183(a)(4) Residual Distribution: \$949,521

**Maximum Repayment= .5 x (FY\_\_ Distribution - FY 2012/13 Residual Distribution)**

	Outstanding Obligation	Actual/Estimated Residual Distribution	Maximum Repayment Amount	June 1 Distribution	January 2 Distribution
FY 2014/15	\$3,876,516	\$5,228,939	\$2,139,709	\$1,069,854	\$1,069,855
FY 2015/16	\$1,736,807	\$3,814,628	\$1,432,554	\$716,276	\$716,276
FY 2016/17	\$304,253	\$3,927,232	\$1,488,856	\$304,253	\$ -

**Attachment III to be distributed  
on Thursday, February 27, 2014**

**Successor Agency Administrative Allowance - FY2015 Budget  
July 2014 - June 2015 expenses**

<b>Starting FY2015 Budget Balance</b>	\$250,000
Employee Salaries & Benefits	(\$195,014)
<b>Balance Remaining</b>	\$54,987
Legal Costs	(\$5,000)
Supplies and Services	(\$49,987)
<b>Balance Remaining</b>	\$0

**DATE:** February 28, 2014

**TO:** Chair and Members of Successor Agency Oversight Board

**FROM:** Assistant City Manager

**SUBJECT:** Approval of an Amendment to a Professional Services Agreement with AMEC E&I, Inc. for Environmental Remediation Efforts at the Cinema Place Property

### **RECOMMENDATION**

That the Oversight Board adopts the attached resolution (Attachment I) authorizing the City Manager to negotiate and execute a contract amendment with AMEC E&I, Inc., for environmental remediation efforts at the Cinema Place Property required under the approved Risk Management Plan.

### **BACKGROUND**

In September 2006, staff identified to the former Redevelopment Agency Board that there were contaminated soil and groundwater issues associated with chlorinated solvents from historic on-site dry cleaning operations at the site of the Cinema Place project (the "Property"). Earlier in 2006, the Regional Water Quality Control Board (RWQCB) approved a Risk Management Plan (RMP) for the Property, which allowed construction to commence with specific procedures outlined for soil handling. Around that time, the RWQCB identified requirements for a more proactive approach to dealing with groundwater contamination issues in general on the Property. Of particular concern was a high level of contamination in the groundwater under the southern portion of the alley which runs from B Street to C Street between the complex and the adjacent existing buildings.

The RWQCB asked for further vertical and horizontal characterization of the extent of the groundwater contamination with borings up to 100 feet deep to obtain groundwater samples and borings up to 40 feet deep for soil samples. At the time, the RWQCB indicated that they would likely require remediation of contamination in the groundwater and the Agency Board amended an existing contract with AMEC Geomatrix to perform the additional investigation and develop remediation options. The RWQCB did in fact approve the Technical Report, Additional Investigation Results and Proposed Remedial Alternative in late 2008.

Between 2008 and 2010, AMEC Geomatrix worked with staff on a pilot program to test the proposed remediation and to determine how best to implement the final groundwater remediation. In December 2010, AMEC Geomatrix presented the draft *Results of Pilot Test and Proposed Final Remedial Action* for City review. Following submission of this draft report,

AMEC Geomatrix then submitted a scope of services and cost estimate to perform the activities necessary to implement the Final Remedial Action Plan. This consisted of the installation of zero-valent ion (ZVI) permeable filled borings (PEBs) to treat chlorinated volatile organic compound (COVC)-affected groundwater beneath Parcel 2 of the Property. In March of 2011, the City Council, acting as the Redevelopment Agency Board, approved an agreement with AMEC Geomatrix to perform this remediation work, including the semiannual required groundwater monitoring to assess the performance of the groundwater remedy and to satisfy the groundwater monitoring requirement of the June 2006 *Revised Risk Management Plan (RMP)* for the site.

## **DISCUSSION**

Since 2011, AMEC Geomatrix has been working with former Redevelopment Agency staff and the property owner to complete the remediation work on the Property. The Oversight Board has previously authorized the continuation of this work and payment of the contract through the Recognized Obligation Payment Schedules approved pursuant to the processes set forth in Health and Safety Code Section 34180(g) and 34177(j). Recently, AMEC Geomatrix underwent a corporate name change to AMEC E&I, Inc., requiring an amendment to their current agreement with the Successor Agency. In addition, there is additional time needed to complete the remediation work and staff is requesting authorization to amend the agreement to add an additional year to the term of the agreement. The amendment to the contract does not increase the liabilities of the Successor Agency or otherwise reduce the net revenues available to taxing entities. Moreover, the amendment to the contract is in the best interests of the taxing entities because the amendment will allow for the full completion of the remediation work at the Property as required under the RMP, thereby reducing the potential liability of the Successor Agency resulting from incomplete environmental remediation. It will also reduce the likelihood of future litigation associated with failure to adequately clean-up the Property to the standards required under the RMP.

## **ECONOMIC AND FISCAL IMPACT**

No additional funding is needed for this request – the amendment requires only a name change of the payee and contract time extension only. The Oversight Board had previously approved payment of this agreement on prior ROPSs. There is approximately \$90,000 remaining on this contract. If there are any unspent funds when the contract work is complete, these funds would ultimately be redistributed to the taxing entities in accordance with the provisions of the Dissolution Statutes.

## **NEXT STEPS**

The City Manager will execute a contract amendment with AMEC E&I, Inc., to complete the services outlined in the scope of work.

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

Approved by:

A handwritten signature in black ink, appearing to read 'Fran David', with a stylized flourish at the end.

Fran David, City Manager

Attachments:

Attachment I: Resolution

HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. 2014-03

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF  
HAYWARD APPROVING AN AMENDMENT TO A PROFESSIONAL  
SERVICES AGREEMENT WITH AMEC GEOMATRIX

WHEREAS, the Redevelopment Agency of the City of Hayward (the “Former Agency”) was required to remediate groundwater contamination under the Cinema Place property (the “Property”) pursuant to a Risk Management Plan approved in 2006 by the Regional Water Quality Control Board (the “Risk Management Plan”); and

WHEREAS, the Former Agency entered into a professional services agreement with AMEC Geomatrix in 2011 (the “Professional Services Agreement”) to perform the remediation work at the Property as required under the Risk Management Plan. Some of the remediation work at the Property is still underway; and

WHEREAS, AMEC Geomatrix has undergone a corporate name change and the new corporation is now called AMEC E&I, Inc.; and

WHEREAS, additional time is needed to complete the environmental remediation work at the Property required under the Risk Management Plan; and

WHEREAS, on February 1, 2012, the Former Agency was dissolved pursuant to Assembly Bill x1 26 (the “Dissolution Act”); and

WHEREAS, 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 Agency”) effective February 1, 2012; 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, pursuant to Health and Safety Code Section 34181, the Oversight Board must approve amendment to enforceable obligations; and

WHEREAS, the Professional Services Agreement will enable the Successor Agency to expeditiously wind down the affairs of the Former Agency by ensuring that the remediation work required at the Property be completed as required under the Risk Management Plan; and

WHEREAS, by the staff report accompanying this Resolution and incorporated into this Resolution by this reference (“Staff Report”), the Oversight Board has been provided supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and together with the following documents and information form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) the Staff Report; and (2) the information provided by the consultant, Successor Agency staff and the public.

BE IT FURTHER RESOLVED that Oversight Board hereby approves an amendment to the Professional Services Agreement to: (1) extend the term of the Professional Services Agreement by one (1) year from the date the Successor Agency receives approval of this Resolution from the Department of Finance; and (2) authorize AMEC E&I, Inc., as the successor entity to AMEC Geomatrix, to continue the environmental remediation work at the Property and hereby determines that the Professional Services Agreement, as amended by this Resolution, constitutes an “enforceable obligation” and a “recognized obligation” for all purposes of the Dissolution Statutes. In connection with such approval, the Oversight Board makes the specific findings set forth below.

BE IT FURTHER RESOLVED that the Oversight Board finds and determines that, in conformance with Health and Safety Code Section 34181(e), the amendments to the Professional Services Agreement adopted in this Resolution: (1) do not increase the liabilities of the Successor Agency or reduce the net revenues available to taxing entities; and (2) are in the best interests of the taxing entities because they will allow for the full completion of the remediation work at the Property as required under the Risk Management Plan, thereby reducing the potential liability of the Successor Agency resulting from incomplete environmental remediation and reducing the likelihood of future litigation associated with failure to adequately clean-up the Property to the standards required under the Risk Management Plan.

BE IT FURTHER RESOLVED that the Oversight Board authorizes and directs the City Manager to execute the amendment to the Professional Services Agreement on behalf of the Successor Agency to effectuate and implement the terms of this Resolution, in a form approved by the Successor Agency signatory and the Successor Agency Counsel, such approval to be evidenced by the execution of such agreement.

BE IT FURTHER RESOLVED that the Successor Agency is hereby directed to notify the California Department of Finance of the actions set forth in this Resolution in accordance with Health and Safety Code Sections 34179(h).

BE IT FURTHER RESOLVED that this Resolution shall take effect conditioned upon the formal approval of the Department of Finance at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

HAYWARD, CALIFORNIA, February 28, 2014

ADOPTED BY THE FOLLOWING VOTE:

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

ATTEST: \_\_\_\_\_  
 Chair of the Oversight Board