AGENDA
Oversight Board
February 14, 2017
4:00 p.m. – 4:30 p.m.
City Hall
1017 Middlefield Road
Redwood City, CA 94063
Conference Room 1A – First Floor

Members:
Mike Roberts, Chair
Alicia Aguirre, Vice Chair
Steve Abbors
Michael Callagy
Barbara Christensen
Deanna La Croix
Enrique Navas

City Staff as Successor Agency Attendees:
Aaron Aknin, Assistant City Manager of Community Development
Melissa Stevenson Diaz, City Manager
Carolyne Kerans, Senior Accountant
Veronica Ramirez, City Attorney
Derek Rampone, Financial Services Manager
Starla Jerome Robinson, Interim Assistant City Manager of Administrative Services
Steven Turner, Planning Manager
Silvia Vonderlinden, City Clerk

1. Call to Order
2. Roll Call
3. Public Comments
   NOTE: Speakers are limited to three minutes, unless modified by the Chairperson. The Board cannot take action on any matter raised under this item.
4. Approval of Minutes
   - January 19, 2017
5. Bond Expenditure Agreement between the Successor Agency and the City
   - Resolution and Agreement
6. Oral Communications from the Successor Agency Contact
   Starla Jerome Robinson
7. Set Date and Agenda for Next Board Meeting – May 2017
   Starla Jerome Robinson
8. Adjourn

Chair
Chair
Chair
Chair
Starla Jerome Robinson
Starla Jerome Robinson
Starla Jerome Robinson
Chair

Alternate Agenda Formats: The City Council will provide materials in appropriate alternative formats to comply with the Americans with Disabilities Act. Please send a written request to Silvia Vonderlinden, City Clerk, at 1017 Middlefield Road, Redwood City, CA 94063 or e-mail address svonderlinden@redwoodcity.org including your name, address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least seven calendar days before the meeting.
Members:
Mike Roberts, Chair – Present
Alicia Aguirre, Vice Chair - Present
Steve Abbors – Absent
Michael Callagy - Present
Barbara Christensen - Present
Deanna La Croix - Present
Enrique Navas - Present

City Staff as Successor Agency Attendees:
Aaron Aknin, Assistant City Manager of Community Development - Present
Melissa Stevenson Diaz, City Manager – Absent
Carolyne Kerans, Senior Accountant - Present
Veronica Ramirez, City Attorney - Present
Derek Rampone, Financial Services Manager - Present
Starla Jerome Robinson, Interim Assistant City Manager of Administrative Services - Present
Steven Turner, Planning Manager - Present
Silvia Vonderlinden, City Clerk - Present
Craig Labadie, Legal Counsel – Via teleconference

1. Call to Order - 4:01 p.m. by Chair Roberts

2. Roll Call – As noted above.

3. Public Comments – There was no public comment.
   NOTE: Speakers are limited to three minutes, unless modified by the Chairperson. The Board cannot take action on any matter raised under this item.

4. Approval of Minutes
   • September 22, 2016
   M/S Aguirre/Christensen to approve the minutes as submitted.
   Motion carried unanimously by voice vote by those present.

5. Bond Expenditure Agreement between the Successor Agency and the City
   • Resolution
   There was no action and no resolution for approval.

6. Approval of Administrative Budget for Annual ROPS FY 17-18
   • Resolution 07-01
   M/S Callagy/Aguirre to approve the resolution.
   Motion carried unanimously by voice vote by those present.

7. Approval of the Annual ROPS for FY 17-18
   • Resolution 07-02
   M/S Aguirre/Christensen to approve the resolution.
   Motion carried unanimously by voice vote by those present.

8. Property Disposition Update
   • Oral report
   Christopher Dacumos with Community Development presented the report. Some board members had questions and he provided detail. No action.

9. Oral Communications from the Successor Agency Contact - None

10. Set Date and Agenda for Next Board Meeting – A doodle calendar will be sent out.

11. Adjourn – M/S Aguirre/Callagy to adjourn at 4:16 p.m. Motion carried by voice vote.

Respectfully submitted for approval at the Oversight Board meeting of February 14, 2017

Silvia Vonderlinden, City Clerk
Agenda Report

To: Oversight Board Members  
From: Starla Jerome Robinson, Acting Assistant City Manager  
Date: February 14, 2017  
Re: Resolution approving an agreement regarding Expenditure of Excess Bond Proceeds and authorizing the transfer of excess bond proceeds to the City of Redwood City.

RECOMMENDATION
Approve, by resolution, authorization for the Successor Agency to enter into a Bond Expenditure Agreement with the City of Redwood City to release excess bond proceeds to be used in a manner consistent with the original RDA Tax Allocation Bonds, Series 2003, bond covenants.

BACKGROUND
Upon receiving the finding of completion, the Successor Agency is allowed to utilize proceeds derived from bonds issued prior to Jan. 1, 2011 in a manner consistent with the original bond covenants per HSC Section 34191.4 (c). The Successor Agency of the City of Redwood City holds $108,920 in unused bond proceeds from the 2003 RDA TAB’s bond issue and the Successor Agency is now able to determine how to dispose of these monies.

This expenditure agreement was first introduced to the Oversight Board at its January 19, 2017 meeting and added to the 17-18 ROPS that was submitted to the Department of Finance on January 23rd. The deadline for submission of the 17-18 ROPS was February 1, 2017.

Analysis
Staff believes the best use of these funds would be to add them to an existing project. The City has recently approved a streetscape design and staff would use the bond funds on the Broadway/Main Streetscape improvement planned in the near future. Using the funds on this project is consistent with the original bond financing plan in the bond’s official statement. Additionally, the funding will implement a specific project identified in the City Capital Improvement Plan.
The attached resolution establishes the excess bond proceeds as an enforceable obligation and authorizes the transfer of funds from the SA to the City. On February 13th the Successor Agency also authorized entering into a Bond Expenditure Agreement with the City. The transfer of the monies will occur during the 17-18 ROPS period but the monies would not necessarily have to be expended in that year.

Starla Jerome Robinson  
Acting Assistant City Manager, Successor Agency

**ATTACHMENTS**

1. Resolution and Bond Expenditure Agreement
RESOLUTION NO. OB-____

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDWOOD CITY REDEVELOPMENT AGENCY APPROVING A BOND PROCEEDS EXPENDITURE AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF REDWOOD CITY

WHEREAS, under AB X1 26, enacted by the California State Legislature and signed by the Governor as part of the 2011-2012 State budget, a new Part 1.85 was added to Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 et seq., as amended by AB 1484 enacted as part of the 2012-2013 State budget, the “Dissolution Act”) and, in accordance therewith, all redevelopment agencies in the State of California, including the Redwood City Redevelopment Agency (“Redevelopment Agency”), were dissolved as of February 1, 2012; and

WHEREAS, in compliance with the Dissolution Act, the City of Redwood City (“City”) determined it would serve as the Successor Agency to the Redwood City Redevelopment Agency (“Successor Agency”) effective February 1, 2012; and

WHEREAS, pursuant to the Second Supplemental Indenture of Trust dated August 1, 2003 and executed by and between the Redwood City Redevelopment Agency and U.S. Bank, National Association, as trustee (the “indenture”) the Redevelopment Agency issued Tax Allocation Bonds in the original principal amount of $33,997,447.85 (the “bonds”); and

WHEREAS, the Oversight Board of the Successor Agency to the Redwood City Redevelopment Agency (“Oversight Board”) has been established pursuant to Section 34179 of the Dissolution Act to oversee the Successor Agency’s actions in winding down the affairs of the Redevelopment Agency in accordance with the Dissolution Act; and

WHEREAS, pursuant to the Dissolution Law, on December 10, 2015 the Successor Agency was granted a finding of Completion from the California State Department of Finance (the “DOF”); and

WHEREAS, Health and Safety Code Section 34191.4 (c) further provides that the expenditure of Excess Bond Proceeds must be listed separately on the Recognized Obligation Payment Schedule (“ROPS”); and

WHEREAS, the Oversight Board reviewed the addition of the Excess Bond Proceeds to be added to the 17-18 ROPS at their January 19, 2017 meeting; and
WHEREAS, the Oversight Board approved the final Bond Expenditure Agreement that provides for the transfer of $108,920 in Excess Bond Proceeds to the City and commits the City to use the Excess Bond Proceeds for the purposes set forth in the Agreement and consistent with the Bond Covenants at the February 14, 2017 meeting; and

WHEREAS, the execution of the Agreement and the transfer of Excess Bond Proceeds to the City was approved by the governing board of the Successor Agency on February 13, 2017; and

WHEREAS, the execution of the Agreement and the acceptance of Excess Bond Proceeds was approved by City Council on February 13, 2017.

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

Section 1. The recitals set forth above are true and correct and incorporated herein.

Section 2. The Oversight Board hereby approves the Bond Expenditure Agreement attached hereto as Exhibit A and incorporated herein by this reference.

Section 3. The Oversight Board hereby approves the transfer of Excess Bond Proceeds to the City to use for purposes consistent with the Agreement, Bond covenants, and the applicable provisions of the Dissolution Law.

Section 4. This resolution takes effect upon adoption.

*     *     *
AGREEMENT REGARDING
EXPENDITURE OF EXCESS BOND PROCEEDS

This Agreement Regarding Expenditure of Excess Bond Proceeds ("Agreement") is entered into this ____ day of February, 2017, by and between the Successor Agency to the former Redwood City Redevelopment Agency ("Successor Agency") and the City of Redwood City, a charter city and municipal corporation ("City"). The Successor Agency and the City are hereinafter collectively referred to as the “Parties.”

RECITALS

A. Pursuant to the Second Supplemental Indenture of Trust Agreement, dated as of August 1, 2003, and executed by and between the former Redevelopment Agency of the City of Redwood City ("Redevelopment Agency") and U.S. Bank National Association, as Trustee, (the "Trust Agreement"), the Redevelopment Agency issued its "Redevelopment Agency of the City of Redwood City, Redevelopment Project Area No. 2, Tax Allocation Bonds, Series 2003A" in the aggregate principal amount of $33,997,447.85 (the "2003 Bonds"). The 2003 Bonds were used to (i) pay the costs of certain redevelopment activities for the Redevelopment Project Area, (ii) fund capitalized interest for the 2003 Bonds; and (iii) pay issuance costs of the 2003 Bonds.

B. Following dissolution of the Redevelopment Agency on February 1, 2012, pursuant to Assembly Bill 1X 26, the City elected to serve as the Successor Agency to the Redevelopment Agency. Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is a separate public entity from the City.

C. Health and Safety Code Section 34191.4(c) provides that once the Successor Agency has been issued a Finding of Completion by the California Department of Finance ("DOF") the Successor Agency is authorized to use bond proceeds from bonds issued prior to December 31, 2010, for the purposes for which the bonds were sold. Further, the Successor Agency may designate the use of and commit indebtedness obligation proceeds that were derived from indebtedness issued for redevelopment purposes on or before December 31, 2010, and that remain available after the satisfaction of enforceable obligations that have been approved on a Recognized Obligation Payment Schedule ("ROPS") and that are consistent with the indebtedness obligation covenants (hereafter “Excess Bond Proceeds”).

D. The DOF issued a Finding of Completion to the Successor Agency on December 10, 2015.

E. Health and Safety Code Section 34191.4(c) further provides that the expenditure of Excess Bond Proceeds must be listed separately on the applicable ROPS.

F. The Parties desire to enter into this Agreement to use the Excess Bond Proceeds for the purposes identified in and consistent with the covenants contained in the Trust Agreement and related documents (the “Bond Covenants”) and the requirements of the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) (“CRL”), and to provide for

Exhibit A
5. Bond Expenditure Agreement Resolution
the Successor Agency to transfer the Excess Bond Proceeds to the City to be used for such purposes.

G. As of December 31, 2016, the Successor Agency had $108,920 in Excess Bond Proceeds available from the 2003 Bonds.

H. The Oversight Board, on January 19, 2017, authorized the Successor Agency to enter into a Bond Expenditure Agreement to release the Excess Bond Proceeds to the City, and to add this item to the 17-18 ROPS, and on February 14, 2017, approved this Agreement.

I. The Oversight Board’s action to approve this Agreement was submitted to DOF pursuant to Health and Safety Code Section 34179(h), and DOF approved this Agreement on ______________, 2017.

J. The execution of this Agreement was approved in a public meeting of the City Council and the Successor Agency on February 13, 2017.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises herein contained, the Parties hereby agree as follows:

1. Recitals. The Recitals above are true and correct and are incorporated herein by reference.

2. Term. The term of this Agreement shall commence on the Effective Date, and shall continue in effect until the date that all Excess Bond Proceeds are expended in accordance with the requirement of this Agreement.

3. Use of Excess Bond Proceeds. The City agrees that it shall use the Excess Bond Proceeds solely for the purposes identified in Recital F., above, or for other projects consistent with the 2003 Bond covenants and the provisions of the CRL that apply to the expenditure of redevelopment funds.

4. Transmittal of Excess Bond Proceeds. Upon the Effective Date, the Successor Agency shall transfer the Excess Bond Proceeds (including any interest accrued thereon as of the Effective Date) to the City, and the City shall deposit such funds into a separate 2003 Excess Bond Proceeds Account for the City’s use in accordance with the terms, conditions and purposes set forth in this Agreement.

5. Project Approvals; Environmental Review. This Agreement is not intended to limit in any manner the discretion of the City in connection with the issuance of approvals and entitlements for the projects described in this Agreement, nor to avoid legally required processes attendant to project approval, including, without limitation, the undertaking and completion of any required environmental review pursuant to the California Environmental Quality Act and the National Environmental Protection Act, as applicable, and the review and approval of plans and specifications.
6. **Severability.** If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant or condition can be accomplished to the maximum extent legally permissible.

7. **No Third-Party Beneficiaries; Assignments.** Nothing in this Agreement is intended to create any third-party beneficiaries to this Agreement, and no person or entity other than the Successor Agency and the City, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

8. **Further Assurances.** Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of the transactions contemplated by this Agreement.

9. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

10. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

11. **Amendment.** This Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed by the Parties.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement as of the date first written above.

[Signatures on following page]
CITY OF REDWOOD CITY

By: ____________________________
John D. Seybert, Mayor

Attest:

By: ____________________________
Silvia Vonderlinden, City Clerk

Approved as to Form:

By: ____________________________
Veronica Ramirez, City Attorney

SUCCESSOR AGENCY TO THE FORMER REDWOOD CITY REDEVELOPMENT AGENCY

By: ____________________________
Melissa Stevenson Diaz, Executive Director

Attest:

By: ____________________________
Silvia Vonderlinden, Agency Secretary

Approved as to Form:

By: ____________________________
Veronica Ramirez, Agency Counsel