



**ALBANY OVERSIGHT BOARD SPECIAL MEETING FOR THE  
SUCCESSOR AGENCY TO THE  
ALBANY COMMUNITY REINVESTMENT AGENCY**

Albany City Hall, Council Chambers  
1000 San Pablo Avenue, Albany CA 94706  
SEPTEMBER 21, 2015  
TIME 4:30 p.m.

**1. CALL TO ORDER/ROLL CALL**

**2. APPROVAL OF MINUTES: MARCH 2, 2015**

**3. PUBLIC COMMENT**

For persons desiring to address the Board on an item that is not on the agenda please note that each speaker is limited to three (3) minutes. The Brown Act limits the Board's ability to take and/or discuss items that are not on the agenda; therefore, such items are normally referred to staff for comment or to a future agenda.

**4. BUSINESS ITEMS**

- a. Action Item: Adoption of Oversight Board Resolution No. OB 2015-2, approving Recognized Obligation Payment Schedule (ROPS) No. 15-16B and the Administrative Budget of the Successor Agency to the Albany Community Reinvestment Agency
- b. Action Item: Adoption of Oversight Board Resolution Nos. OB 2015-3, OB 2015-4 and OB 2015-4, approving Settlement Agreement with the California Department of Finance, finding that the Successor Agency to the Albany Community Reinvestment Agency has no real property assets requiring disposal, and dissolving the Successor Agency effective December 31, 2016

**5. ADJOURNMENT**

In compliance with the Americans with Disabilities Act (ADA), and State Law, if you need special assistance to participate in this meeting, please contact the City Administration Office 510-528-5710. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102.104 ADA Title II)". Upon request, we will provide written agenda materials in appropriate alternate formats, of disability related modification or accommodation, including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. Please deliver a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least two (2) days before the meeting. Request should be sent to: City Clerk, 1000 San Pablo Avenue, Albany, CA 94706.



**MINUTES OF THE  
ALBANY OVERSIGHT BOARD SPECIAL MEETING FOR THE  
SUCCESSOR AGENCY TO THE  
ALBANY COMMUNITY REINVESTMENT AGENCY**

Albany City Hall, Council Chambers  
1000 San Pablo Avenue, Albany CA 94706  
MARCH 2, 2015  
TIME 3:00 p.m.

**1. CALL TO ORDER/ROLL CALL**

Present: Board Members Leach, McQuaid, Peeples, Williams, Chair Lieber  
Absent: Board Members Brown, Gerhard

- 2. ADJOURN TO CLOSED SESSION:** Conference with legal counsel to discuss existing litigation pursuant to Government Code Section 54956.9(d)(1): Successor Agency to the Albany Community Reinvestment Agency and City of Albany v. California Department of Finance et al., Sacramento County Superior Court Case No. 34-2013-800001660

**3. REPORT FROM CLOSED SESSION**

**4. APPROVAL OF MINUTES: SEPTEMBER 9, 2014**

Moved by Peeples, seconded by McQuaid to approve minutes. The minutes were approved unanimously.

**5. PUBLIC COMMENT**

None.

**6. BUSINESS ITEMS**

- a. Action Item: Adoption of Oversight Board Resolution No. OB 2015-1, approving Recognized Obligation Payment Schedule (ROPS) No. 15-16A and the Administrative Budget of the Successor Agency to the Albany Community Reinvestment Agency

Moved by Peeples, seconded by Leach to adopt Oversight Board Resolution No. OB 2015-01. Unanimously Approved.

**7. ADJOURNMENT**

The meeting was adjourned at 3:22 p.m.

**ALBANY OVERSIGHT BOARD  
BOARD AGENDA STAFF REPORT**

Agenda Date: September 21, 2015

**SUBJECT:** Adoption of Oversight Board Resolution No. OB 2015-2, approving Recognized Obligation Payment Schedule (ROPS) No. 15-16B and the Administrative Budget of the Successor Agency

**REPORT BY:** Paul Rankin, Finance Advisor – Regional Government Services

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**STAFF RECOMMENDATION**

Staff recommends that the Albany Oversight Board adopt Resolution No. OB 2015-2.

**BACKGROUND**

State law dissolved all redevelopment agencies effective February 1, 2012. The Albany City Council determined that the City would serve as the Successor Agency. Successor Agencies are required to prepare and submit to the Department of Finance (DOF), a Recognized Obligation Payment Schedule (ROPS) for the period January 1, 2016 through June 30, 2016. The Successor Agency is required to prepare a proposed administrative budget and submit it to the Oversight Board for approval.

**DISCUSSION & ANALYSIS**

The ROPS process uses a rolling six month analysis, whereby funds distributed that were not required are reflected as adjustments to the next six month disbursement cycle. It is typical for a Successor Agency to have two types of expenses: 1) Enforceable Obligations; and 2) Administrative Expenses. Successor Agencies are prohibited from making any expenditures except for items approved on a ROPS.

As explained below, the Successor Agency, the City and the State have been engaged in litigation over various issues related to dissolution of the former Redevelopment Agency. As part of a proposed settlement of that litigation, the Successor Agency would no longer be eligible for distributions of RPTTF for either enforceable obligations or administrative expenses once the settlement is in effect. The City and the Successor Agency expect the Settlement to be effective before the beginning of the ROPS 15-16B period. Although the Settlement Agreement provides that the Successor Agency will no longer be eligible for distributions of RPTTF, the Settlement Agreement acknowledges that the Successor Agency currently holds in reserves RPTTF funds from prior ROPS that can be used to pay administrative expense. In order to expend these funds, the expenditures must be approved in advance on a ROPS.

**Enforceable Obligations**

The Department of Finance determined as part of the Other Funds Due Diligence Review that the Successor Agency was holding \$1,050,000 in funds available for distribution to the taxing entities despite the fact that these funds were committed prior to dissolution to the acquisition of the Caltrans property designated for the Pierce Street Park. The Successor Agency filed suit regarding the OFA DDR. The Sacramento Superior Court rejected the Successor Agency's petition and the Successor Agency appealed. While the appeal is pending the Successor Agency and the City have been negotiating a settlement of the issues related to the litigation. That settlement includes the Successor Agency and the City waiving any claims they may have to repayments owed to the City pursuant to loan agreements between the City and the former Redevelopment Agency in the amount of \$1,506,203. Upon execution of the Settlement and as a result of the City's waiver of its rights to collect the loan repayments, the Successor Agency will no longer have any enforceable obligations requiring payment from the RPTTF. Based on this, the

Settlement Agreement contemplates that the Successor Agency will no longer be eligible for distribution for RPTTF from the County and that the Successor Agency will fully dissolve no later than December 31, 2016.

Until the dissolution of the Successor Agency, the Successor Agency will be limited to the expenditure of the funds it is currently holding in reserves for administrative expenses as set forth in the ROPS to be approved by the Oversight Board.

#### Administrative Costs

California Health & Safety Code section 34171(b) established a provision for the Successor Agency to recover Administrative costs. The law basically states that the administrative allowance shall not be less than \$250,000 per fiscal year, except as approved by the Oversight Board. As part of past DOF reviews they have commented on administrative budgets which although less than \$250,000, they observed may be excessive given the level of activity.

Albany has been requesting less than the maximum allowed administrative allowance based on the estimated costs. The following table shows the Authorized ROPS and Actual amounts incurred for the past Fiscal Year (FY 2014/2015).

<b>ROPS PERIOD</b>	<b>AUTHORIZED ROPS \$</b>	<b>ACTUAL EXPENDITURE (ROPS B Preliminary)</b>
2014-15A (July – Dec 2014)	\$ 53,000	\$ 28,667
2014-15B (Jan – June 2015)	46,000	16,560
<b>TOTAL</b>	<b>\$ 99,000</b>	<b>\$ 45,228</b>

By claiming lower administrative costs this allows for more funds to be available to be distributed among all taxing entities, (including the City of Albany) as residual funds.

Staff estimates that expenses of the Albany Successor Agency for the period January - June 2016 will be \$20,500. A breakdown of the Budget is presented in Exhibit B, of the Resolution (See Attachment 1). The final expense will be impacted by the amount of legal services required to conclude the Settlement Agreement negotiations. The budget includes what is considered to be an adequate contingency.

The Agency Trust Fund has unspent administrative funds available and therefore no additional RPTTF funds are needed and these expenses will be paid from reserves as contemplated in the Settlement Agreement.

#### **FINANCIAL IMPACT**

The adoption of the ROPS 15-16B will provide for payment of administrative expenses for the period January 1, 2016 through June 30, 2016.

#### **Attachment**

1. Resolution No. OB 2015-1  
EXHIBIT A - Recognized Obligation Payment Schedule (5 pages)  
EXHIBIT B - Administrative Budget

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ALBANY  
COMMUNITY REINVESTMENT AGENCY

RESOLUTION. OB2015-2

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR  
THE ALBANY COMMUNITY REINVESTMENT AGENCY APPROVING THE  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE  
ADMINISTRATIVE BUDGET FOR THE PERIOD JANUARY THROUGH JUNE  
2016, 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 17, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Albany (the “City Council”) declared that the City of Albany (the “City”), would act as successor agency (the “Successor Agency”) for the dissolved Albany Community Reinvestment Agency (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 the Recognized Obligation Payment Schedules for the period January 1, 2016 through June 30, 2016 (ROPS 15-16B); and

WHEREAS, under the Dissolution Act, the ROPS 15-16B 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 will submit the approved ROPS 16-16B 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 ROPS 15-16B substantially in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in the ROPS15-16B, 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 ROPS 15-16B and finds that each of them is necessary for the 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 ROPS 15-16B 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 Administrative Budget in the form presented to the Oversight Board and attached hereto as Exhibit B (the “Administrative Budget”), and authorizes the Successor Agency to incur costs for the general administrative activities and functions described in the Administrative Budget.

BE IT FURTHER RESOLVED that the Oversight Board finds that the Administrative Budget supports an FY 2015-16 Administrative Cost Allowance to the Successor Agency in the amount of \$20,500 for the six-month period of January through June 2016, and as estimated in Exhibit B of this Resolution.

BE IT FURTHER RESOLVED that the Oversight Board finds that the Administrative Budget shall be distributed subject to any lawful adjustments based on amounts previously distributed under the program.

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 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 ROPS 15-16B and the Approved Administrative Budget, and to take any other administrative actions necessary to ensure the validity of the ROPS 15-16B 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 ROPS 15-16B as may be necessary to submit the Approved ROPS in any modified form required by the Department of Finance, and the ROPS 15-16B as modified shall thereupon constitute the ROPS 15-16B 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).

ALBANY, CALIFORNIA, SEPTEMBER 21, 2015

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 Albany Successor Agency

**Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary**

Filed for the January 1, 2016 through June 30, 2016 Period

**Name of Successor Agency:** Albany  
**Name of County:** Alameda

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):</b>		<b>\$ 20,500</b>
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	20,500
D	Other Funding (ROPS Detail)	-
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>		<b>\$ -</b>
F	Non-Administrative Costs (ROPS Detail)	-
G	Administrative Costs (ROPS Detail)	-
<b>H Total Current Period Enforceable Obligations (A+E):</b>		<b>\$ 20,500</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I	Enforceable Obligations funded with RPTTF (E):	-
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>		<b>\$ -</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L	Enforceable Obligations funded with RPTTF (E):	-
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>		<b>-</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

<u>Penelope Leach</u>	<u>Vice - Chair</u>
Name	Title
/s/ _____	9/21/2015
Signature	Date



Albany Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail  
 January 1, 2016 through June 30, 2016  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
								\$ 20,500		\$ -	\$ 20,500	\$ -	\$ -	\$ -	\$ 20,500
1	Administrative and operating	Admin Costs	2/1/2012	6/30/2039	City of Albany	Termination of operations of the Albany	Cleveland Avenue/	20,500	N		20,500				\$ 20,500
2	Cash Advances 1996	City/County Loans On or Before 6/27/11	6/30/1999	6/30/2039	City of Albany	Organization expenses	Cleveland Avenue/ Eastshore Highway Project		N						\$ -
3	Investment Loan	City/County Loans On or Before 6/27/11	6/30/2000	6/30/2039	City of Albany	Improvements in redevelopment area	Cleveland Avenue/ Eastshore Highway Project		N						\$ -
4	Cash Advances 2001	City/County Loans On or Before 6/27/11	6/30/2001	6/30/2039	City of Albany	Working capital	Cleveland Avenue/ Eastshore Highway Project		N						\$ -
5	Investment Loan 2003	City/County Loans On or Before 6/27/11	6/30/2004	6/30/2039	City of Albany	Freeway ramp construction	Cleveland Avenue/ Eastshore Highway Project		N						\$ -
6	Investment Loan 2011	City/County Loans On or Before 6/27/11	6/20/2011	6/20/2020	City of Albany	Purchase of property	Cleveland Avenue/ Eastshore Highway Project		N						\$ -
7	Interest On Investment Loans	City/County Loans On or Before 6/27/11	2/1/2012	6/20/2020	City of Albany	Interest Owed On Loans post 2/1/2012 to be determined following Notice of Completion	Cleveland Avenue/ Eastshore Highway Project		N						\$ -
8									N						\$ -
9									N						\$ -
10									N						\$ -
11									N						\$ -
12									N						\$ -
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**EXHIBIT B  
RESOLUTION 2015-02  
ALBANY SUCCESSOR AGENCY**

**EXHIBIT B**

**Name of Redevelopment Agency: Albany Community Reinvestment Agency  
Project Area: Cleveland Avenue/Eastshore Highway Project**

**SUCCESSOR AGENCY  
ADMINISTRATIVE BUDGET  
January 1, 2016 through June 30, 2016  
ROPS 15-16B**

<b>Staff Support Costs (Salaries &amp; Benefits)</b>	<b>\$0</b>
<b>Contract Management Services</b>	<b>3,500</b>
<b>Contract Agency Counsel Services</b>	<b>7,000</b>
<b>Professional Services - Audit</b>	<b>0</b>
<b>Professional Services Litigation</b>	<b>10,000</b>
<b>Total expense</b>	<b>\$20,500</b>

**ALBANY OVERSIGHT BOARD  
BOARD AGENDA STAFF REPORT**

Agenda Date: September 21, 2015

**SUBJECT:** Adoption of Oversight Board Resolution Nos. OB 2015-3, OB 2015-4 and OB 2015-4, approving Settlement Agreement with the California Department of Finance, finding that the Successor Agency to the Albany Community Reinvestment Agency has no real property assets requiring disposal, and dissolving the Successor Agency effective December 31, 2016

**REPORT BY:** Craig Labadie, City Attorney and Legal Counsel to Successor Agency

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**STAFF RECOMMENDATION**

Staff recommends that the Albany Oversight Board adopt Resolution Nos. OB 2015-3, OB 2015-4 and OB 2015-5 to approve and begin implementing a settlement agreement between Albany and the State of California arising out of the redevelopment dissolution process.

**BACKGROUND AND DISCUSSION**

In January 2011, the City of Albany and the Successor Agency to the Albany Community Reinvestment Agency ("Former RDA") entered into an agreement whereby the Former RDA advanced the sum of \$1,050,000 in tax increment funds to the City toward the purchase price for certain property owned by CalTrans and located on Pierce Street within the City. The intended use of the property was for construction of a City maintenance facility and public park. Also in January 2011, after many years of negotiation, the City entered into a Purchase and Sale Agreement ("PSA") with CalTrans for the property. The PSA specified an acquisition price of \$1,900,000. In June 2011, the City and Former RDA entered into a loan agreement whereby the City advanced the remainder of the purchase price from its general fund. The City and CalTrans met the conditions precedent to conveyance of the property under the PSA; and in June 2011 CalTrans deposited into escrow a director's deed conveying the property to the City. The purchase funds were deposited into escrow June 27, 2011. Escrow closed on June 29, 2011; and the funds were disbursed to CalTrans.

As part of the Due Diligence Review of the Former RDA, DOF found that the \$1,050,000 payment from the Former RDA was an invalid transfer; and therefore the funds were available for disbursement to the taxing agencies. After an unsuccessful attempt to resolve the matter through the meet and confer process, the City and Successor Agency filed a petition for a writ of mandate contending that DOF's determination was contrary to the Dissolution Act. The Sacramento Superior Court ruled in favor of DOF, reasoning that the transfer of funds from the Former RDA to the City was not supported by an enforceable obligation within the meaning of the Dissolution Act. The City filed a notice of appeal from the ensuing judgment.

The City and Successor Agency also had a potential disagreement with DOF arising out of its decision to disallow loan repayments from the First and Second Recognized Obligation Payment Schedules covering calendar year 2012. During the existence of the Former RDA, the City advanced funds to pay costs associated with RDA formation, construction of public infrastructure improvements within the project area, and the \$850,000 toward the purchase price of the Caltrans property. The amounts advanced by the City under these loan agreements totaled \$1,536,203, not including accrued interest. On May 22, 2012, the Oversight Board approved reinstatement of these loan agreements; however DOF did not approve these obligations as enforceable obligations.

In order to minimize ongoing litigation and administrative expenses and to facilitate a prompt completion of the dissolution process, the City and Successor Agency have reached agreement with DOF on a Settlement Agreement with the following basic terms and conditions:

- DOF agrees that the City is not required to pay the disputed \$1,050,000 sum which is the subject of the pending lawsuit.
- The City waives its right to receive repayment of any amounts due pursuant to the three reinstated loan agreements, including both principal (\$1,536,203) and accrued interest thereon.
- The Successor Agency agrees to efficiently conclude its operations with funds already distributed to it for administrative costs and dissolve by December 31, 2016.
- The City and Successor Agency will dismiss the pending appeal.
- The parties mutually agree to waive and release any and all claims against each other arising out of the redevelopment dissolution process.

The final Settlement Agreement is attached as an exhibit to proposed Resolution OB 2015-3. It has been approved by the City Council and DOF, but is awaiting signatures from DOF and Alameda County. In order to avoid the inconvenience and expense of an additional Oversight Board meeting, these items are being brought forward to the Oversight Board in conjunction with the required approval of ROPS 15-16B, in advance of full execution of the Settlement Agreement. Pursuant to the Settlement Agreement, there will be a need for one more Oversight Board meeting, prior to December 1, 2016, in order to approve a final resolution dissolving the Successor Agency.

### **FINANCIAL IMPACT**

Approval and implementation of the Settlement Agreement will allow the City to avoid making a \$1,050,000 payment to the State in return for waiving potential repayment of \$1,536,203 in loans from the City to the Former RDA. Due to the limited amount of property tax increment being generated in the redevelopment project area, it is estimated that it would have taken more than 30 years for such repayment to occur. The Settlement Agreement avoids further expenditures for administrative costs and litigation fees, to the benefit of the local public entities who receive a share of property tax revenues.

### **Attachments**

Resolution Nos. OB 2015-3, OB 2015-4 and OB 2015-5

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE ALBANY COMMUNITY  
REINVESTMENT AGENCY  
RESOLUTION NO. OB 2015-3

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
ALBANY COMMUNITY REINVESTMENT AGENCY APPROVING A SETTLEMENT  
AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FINANCE

WHEREAS, pursuant to ABx1 26 enacted in June 2011 (as amended by AB 1484 enacted in June 2012, the "Dissolution Law"), the Albany Community Reinvestment Agency (the "Dissolved RDA") was dissolved as of February 1, 2012, and the City of Albany, acting in a separate limited capacity and known as the Successor Agency of the Albany Community Reinvestment Agency, has elected to serve as the successor agency (the "Successor Agency") of the Dissolved RDA; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), as added by the Dissolution Law, the Successor Agency is a separate legal entity from the City of Albany (the "City"); and

WHEREAS, the City Council (the "City Council") of the City serves in a separate capacity as the governing board of the Successor Agency; and

WHEREAS, an oversight board for the Successor Agency (the "Oversight Board") has been formed and is functioning in accordance with Health and Safety Code Section 34179; and

WHEREAS, the Successor Agency to the Albany Community Reinvestment Agency ("Successor Agency") filed litigation (the "Lawsuit") naming the California Department of Finance ("DOF"), Michael Cohen in his capacity as Director of the California Department of Finance ("Director Finance") and Steve Manning, in his official capacity as the Auditor-Controller of the County of Alameda ("Auditor-Controller") challenging the DOF's final determination of the amounts available for distribution to the taxing entities pursuant to the Other Funds Due Diligence Review; and

WHEREAS, the Successor Agency, the DOF, the Director of Finance and the Auditor-Controller have reached agreement on the terms of a settlement of the Lawsuit in accordance with the Settlement Agreement on file with the Secretary of the Successor Agency; and

WHEREAS, pursuant to the terms of the Settlement Agreement, the DOF has agreed to reduce the amount owed on the Other Funds Due Diligence Review to zero in return for the Successor Agency and the City of Albany agreeing to waive any rights they may have to repayment for certain Re-instated Loan Agreements; and

WHEREAS, the Oversight Board has determined, based on the information provided to it, that the Settlement Agreement is in the best interest of the taxing entities.



NOW, THEREFORE, BE IT RESOLVED, the Oversight Board hereby finds that the above Recitals are true and correct, and together with the Staff Report and other information provided by the Successor Agency staff and the public, form the basis for the findings and actions set forth in this Resolution.

BE IT FURTHER RESOLVED, that the Oversight Board hereby approves the Settlement Agreement substantially in the form on file with the Secretary to the Successor Agency.

BE IT FURTHER RESOLVED, the Oversight Board hereby directs its Designated Contact Official, or the Designated Contact Official's designee, to provide written notice and information about this Resolution to the California Department of Finance in accordance with Health and Safety Code Section 34179(h). The actions set forth in this Resolution shall be subject to effectiveness in accordance with Health and Safety Code 34179(h).

ALBANY, CALIFORNIA, \_\_\_\_\_, 2015

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 Albany Successor Agency

## SETTLEMENT AGREEMENT

*Successor Agency to the Albany Community Reinvestment Agency, et al. v. Michael Cohen, et al.,*  
Sacramento Superior Court, Case No. 34-2013-80001660  
Third District Court of Appeal, Case No. C078065

### PARTIES

This Settlement Agreement (“**Agreement**”) is entered into by the following parties: (1) the City of Albany (“**City**”); (2) the Successor Agency to the Albany Community Reinvestment Agency, a public entity (“**Successor Agency**”); (4) the California Department of Finance (“**Finance**”); (5) Michael Cohen, in his official capacity as Director of the California Department of Finance (“**Director of Finance**”); and (6) Steve Manning, in his official capacity as the Auditor-Controller of the County of Alameda (“**Auditor-Controller**”) (collectively, the “**Parties**”).

### RECITALS

A. The litigation resolved by this Agreement relates to the dissolution of the Redevelopment Agency for the City of Albany, known as the Albany Community Reinvestment Agency (“**RDA**”), pursuant to Assembly Bill 26 of the 2011-12 First Extraordinary Session of the California Legislature (“**AB x1 26**”) and Assembly Bill 1484 of the 2011-12 Regular Session of the California Legislature (“**AB 1484**”) (AB x1 26 and AB 1484, collectively the “**Dissolution Law**”).

B. Pursuant to the Dissolution Law, the Successor Agency has submitted Recognized Obligation Payment Schedules (“**ROPS**”) to Finance. The Successor Agency identified three loan agreements as the basis for certain items listed on the ROPS. The City and the RDA entered into these agreements prior to the RDA’s dissolution on February 1, 2012, and the City and the Successor Agency re-entered into the agreements on May 7, 2012. The Oversight Board approved the reinstatement of these agreements on or about May 22, 2012. These agreements are referred to as the “**Reinstated Loan Agreements.**” The ROPS items that were based on the Reinstated Loan Agreements are Items 1 through 5 on ROPS I and ROPS II; items 2 through 6 on ROPS III, ROPS 13-14A, and ROPS 13-14B; and items 2 through 7 on ROPS 14-15A, 14-15B, and 15-16A. The outstanding obligations for the Reinstated Loan Agreements, excluding accrued interest, total \$1,536,203. Finance has not approved any of these items as enforceable obligations as defined in the Dissolution Law.

C. On May 14, 2013, Finance issued its final determination on the Other Funds and Accounts Due Diligence Review (“**OFA DDR**”) submitted by the Successor Agency pursuant to Health & Safety Code section 34179.5. Finance determined, among other things, that a transfer of \$1,050,000 from the RDA to the City in accordance with a cooperation agreement between the RDA and the City was not made pursuant to an enforceable obligation as defined in the Dissolution Law and ordered the City to return the funds to the Successor Agency for distribution to the County Auditor-Controller.

D. On October 4, 2013, the City and the Successor Agency filed a Petition for Writs of

Mandate and Prohibition and Complaint for Declaratory and Injunctive Relief, in an action entitled *Successor Agency to the Albany Community Reinvestment Agency, et al. v. Michael Cohen, et al.*, Sacramento County Superior Court Case No. 34-2013-80001660 (“**Action**”). The Action named Finance, the Director of Finance, and the Auditor-Controller as defendants and respondents. The Action challenged Finance’s OFA DDR determination that the transfer of \$1,050,000 from the RDA to the City was not made pursuant to an enforceable obligation as defined in the Dissolution Law.

E. Finance and the Director of Finance opposed the Action. The Auditor-Controller did not take a position on the merits of the Action. The Court issued its ruling in the Action in a Ruling on Submitted Matter dated October 3, 2014. The Court denied the petition for peremptory writ and dismissed the remaining causes of action. Finance filed a notice of entry of judgment on November 3, 2014.

F. The City and Successor Agency filed a timely notice of appeal with respect to the judgment in the Action on December 16, 2014. The appeal is entitled *Successor Agency to the Albany Community Reinvestment Agency et al. v. Cohen et al.*, Third Appellate District, Court of Appeal, Case No. C078065 (“**Appeal**”).

G. Notwithstanding the Court’s decision in the Action, and without admission of fault or wrongdoing, the Parties have agreed to completely resolve any and all disputes between the Parties pertaining to, or in any way relating to the Reinstated Loan Agreements, the Action and the Appeal by entering into this Agreement.

### **AGREEMENT**

Accordingly, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. **Principal Terms:** The Parties agree to the following resolution of the litigation:
  - (a) The City and the Successor Agency waive any and all rights to, and release each other and the other parties to this Agreement, from all claims to repayment of any amounts due pursuant to the Reinstated Loan Agreements, including the principal amount of \$1,536,203 and accrued interest thereon. The waiver and release of all claims for repayment pursuant to the Reinstated Loan Agreements terminates the Reinstated Loan Agreements and will result in the Successor Agency having no enforceable obligations as defined in the Dissolution Law.
  - (b) The City and the Successor Agency waive any and all rights to, and release each other and the other parties to this Agreement, from all claims for any money for administrative costs incurred after December 31, 2015. This subparagraph shall not affect the Successor Agency’s right to retain the amounts approved as administrative costs in ROPS 14-15B (\$46,000) and ROPS 15-16A (\$32,500) pursuant to Paragraph 1(f)(4) of this Agreement.
  - (c) Finance and the Auditor-Controller will not enforce the OFA DDR determination

that the transfer of \$1,050,000 from the RDA to the City was not made pursuant to an enforceable obligation as defined in the Dissolution Law as long as the City and Successor Agency are in compliance with this Agreement and the Oversight Board does not take actions or direct the Successor Agency to take actions contrary to the terms and goals of this Agreement. Upon the Oversight Board's approval of the resolution described in Paragraph 1(f)(5), the remittance amount for the OFA DDR shall be deemed reduced to \$0.00.

- (d) No later than five business days after the effective date of this Agreement, the City and Successor Agency will file either (1) an abandonment of the Appeal under California Rules of Court, Rule 8.244, subdivision (b), if the record for the Appeal has not yet been filed, or (2) a request to dismiss the Appeal under California Rules of Court, Rule 8.244, subdivision (c), if the record has already been filed.
- (e) The Auditor-Controller shall not allocate property tax to the Redevelopment Property Tax Trust Fund for the Successor Agency (as defined in Health and Safety Code section 34170.5, subdivision (b)) after the effective date of this Agreement. Any property tax revenues in the Redevelopment Property Tax Trust Fund for the Successor Agency as of the effective date of this Agreement shall be distributed to the taxing entities pursuant to Health and Safety Code section 34188.
- (f) The Successor Agency will formally dissolve no later than December 31, 2016 as follows:
  - (1) No later than five business days after the effective date of this Agreement, the Successor Agency will submit to the Oversight Board for approval:
    - a. A proposed resolution approving this Agreement;
    - b. A proposed resolution stating that the Successor Agency has no assets of the former RDA to report on a long-range property management plan and approving a letter from the Successor Agency to Finance indicating this; and
    - c. A proposed resolution stating that the Successor Agency will formally dissolve by no later than December 31, 2016, and including statements that (1) the Successor Agency has no outstanding amounts owed for any "enforceable obligations" as defined by Health and Safety Code section 34171, (2) all of the debt of the Successor Agency has been retired or paid off, and (3) the Successor Agency has no assets or if the Successor Agency has any assets, such assets shall be disposed of and the proceeds of the disposition of such assets shall be transferred to the Auditor-Controller for distribution to the affected taxing entities pursuant to Health and Safety Code Section 34183.

- (2) The Successor Agency shall schedule an Oversight Board meeting to consider approval of the resolutions described in Paragraph 1(f)(1) no later than 30 business days after submitting the resolutions to the Oversight Board, or as soon thereafter as a quorum of the Oversight Board can be assembled. Immediately upon approval of the resolutions, the Successor Agency shall submit the approved resolutions to Finance.
  - (3) Finance shall approve the Oversight Board actions approving the resolutions described in Paragraph 1(f)(1) no later than 30 business days after receiving the resolutions.
  - (4) The Successor Agency shall dispose of all remaining assets as directed by the Oversight Board no later than October 23, 2016. However, in order to efficiently conclude the operations of the Successor Agency, the Successor Agency may retain the estimated amount of its reasonable and necessary administrative costs, including attorneys' fees, incurred up to the date the Successor Agency is dissolved. The amount retained shall not exceed the amounts approved as administrative costs in ROPS 14-15B (\$46,000) and ROPS 15-16A (\$32,500). Any proceeds from the disposition of remaining assets shall be transferred to the Auditor-Controller for distribution to the affected taxing entities pursuant to Health and Safety Code section 34188.
  - (5) The Successor Agency shall submit for approval a final resolution of dissolution to the Oversight Board that states that it has complied with Paragraph 1(f)(4) of this Agreement no later than 5 business days after compliance. The Successor Agency shall schedule an Oversight Board meeting to consider approval of this resolution no later than December 1, 2016. Upon approval by the Oversight Board, the attorney for the Successor Agency shall provide notice of the final resolution of dissolution to Finance, and the Auditor-Controller.
- (g) In the event that the Oversight Board does not approve the resolutions described in Paragraphs 1(f)(1) and 1(f)(5), or the Oversight Board directs the Successor Agency to take actions contrary to the terms of this Agreement or seeks to prevent any of the Parties from fulfilling their obligations under this Agreement, including, but not limited to, preventing the dissolution of the Successor Agency or directing the Successor Agency to place the Reinstated Loan Agreements for payment on a ROPS, the City shall transfer, within 10 days of such Oversight Board action, \$1,050,000 to the Auditor-Controller for distribution to the affected taxing entities pursuant to Health and Safety Code section 34188. This transfer will constitute full payment of amounts required to be paid pursuant to Finance's determination on the Successor Agency's OFA DDR under Health and Safety Code section 34179.6. If the City transfers \$1,050,000 to the Auditor-Controller pursuant to this Paragraph 1(g), then this Agreement shall have no further force and effect and the Successor Agency and the City shall retain their rights to place the Reinstated Loan Agreements on a subsequent ROPS and continue in existence

until payment of such Reinstated Loan Agreements

- (h) Legal counsel for the City, the Successor Agency and Finance are authorized to agree in writing to reasonable extensions of time to complete the tasks set forth in this Paragraph 1. Notwithstanding Paragraph 9, such extensions of time, if any, shall constitute and be incorporated as amendments to this Agreement without execution by the Parties.

2. Claims Disputed: The Agreement does not constitute, nor shall it be construed as, an admission or concession by any of the Parties for any purpose. This Agreement is a compromise settlement of all issues arising out of the Reinstated Loan Agreements, the Action and Appeal, and by executing this Agreement, none of the Parties admits wrongdoing, liability, or fault in connection with the Reinstated Loan Agreements, the Action or Appeal, or the allegations asserted in the Action or Appeal.

3. Mutual Release: The Parties specifically and mutually release and discharge each other, including their respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, insurers, departments, divisions, sections, successors and assigns from all obligations, damages, costs, expenses, liens, attorney fees of any nature whatsoever, whether known or unknown, suspected or not suspected to exist, claimed or not claimed, disputed or undisputed, pertaining to the Reinstated Loan Agreements, the Action and Appeal, the dissolution of the Albany Community Reinvestment Agency, and the OFA DDR.

4. Successors and Assigns: This Agreement shall be binding upon the Parties' respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, departments, divisions, sections, successors and assigns.

5. Assumption of Risk: The Parties each represent that they fully understand that if the facts pertaining in any way to the Action and Appeal are later found to be different from the facts now believed to be true by any Party, each of them expressly accepts and assumes the risk of such possible differences in facts and agrees that this Agreement shall remain effective notwithstanding such differences in facts. The Parties also each represent that this Agreement was entered into under the laws current as of the effective date, and agree that this Agreement shall remain effective notwithstanding any future changes in the law.

6. Independent Advice of Counsel: The Parties each represent that they know and understand the contents of the Agreement and that this Agreement has been executed voluntarily. The Parties each further represent that they have had an opportunity to consult with an attorney of their choosing and that they have been fully advised by the attorney with respect to their rights and obligations and with respect to the execution of this Agreement.

7. Entire Agreement: No promise, inducement, understanding, or agreement not expressed has been made by or on behalf of the Parties, and this Agreement contain the entire agreement between the Parties related to the Action and Appeal.

8. Assignment: Each Party represents that it has not assigned, transferred, or purported to

assign or transfer to any person or entity any matter released herein.

9. Amendments in Writing: This Agreement may not be altered, amended, modified, or otherwise changed in any respect except by a writing duly executed by the Parties. The Parties agree that they will make no claim at any time or place that this Agreement has been orally altered or modified or otherwise changed by oral communication of any kind or character.

10. Construction: The Parties agree that this Agreement is to be construed and interpreted without regard to the identity of the party drafting this Agreement.

11. Additional Acts: The Parties agree to take such actions and to execute such documents as are necessary to carry out the terms and purposes of this Agreement.

12. Attorneys Fees: The Parties shall each bear their respective attorney fees and costs incurred in the litigation.

13. Enforcement: If any Party to this Agreement files a lawsuit to enforce or interpret this Agreement, the prevailing Party in any such suit shall be entitled to reimbursement for reasonable attorney fees and costs.

14. Choice of Law and Jurisdiction: This Agreement shall be governed by the laws of the State of California. If any Party to this Agreement brings a lawsuit to enforce or interpret this Agreement, the lawsuit shall be filed in the Superior Court for the County of Sacramento, California.

15. Counterparts: This Agreement may be executed by facsimile and in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one single original this Agreement.

16. Effective Date: The date on which the last counterpart of this Agreement is executed shall be the effective date of this Agreement.

17. Authority to Execute: Each Party represents that they have the authority to enter into and perform the obligations necessary to provide the consideration described in this Agreement. Each person signing this Agreement represents and warrants that they have the authority to sign on behalf of the Party for which they sign.

This Agreement consists of Recital Paragraphs A - G and Paragraphs 1 – 17.

DATED: \_\_\_\_\_

CITY OF ALBANY

By \_\_\_\_\_  
Peter Maass, Mayor

DATED: \_\_\_\_\_

SUCCESSOR AGENCY TO THE ALBANY  
COMMUNITY REINVESTMENT AGENCY

By \_\_\_\_\_  
Peter Maass, Chair

DATED: \_\_\_\_\_

MICHAEL COHEN & CALIFORNIA  
DEPARTMENT OF FINANCE

By \_\_\_\_\_  
Kari Krogseng  
Its Chief Counsel

DATED: \_\_\_\_\_

COUNTY OF ALAMEDA AUDITOR-  
CONTROLLER AGENCY

By \_\_\_\_\_  
Steve Manning  
County of Alameda Auditor-Controller

Approved as to Form and Content:  
GOLDFARB & LIPMAN LLP

By: \_\_\_\_\_  
Karen Tiedemann  
*Attorneys for Petitioners/Plaintiffs City of Albany;  
Successor Agency to the Albany Community  
Reinvestment Agency*

Approved as to Form and Content:  
KAMALA D. HARRIS  
Attorney General of California

By: \_\_\_\_\_  
P. Patty Li  
*Attorneys for Respondents and Defendants Michael  
Cohen and California Department of Finance*



OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE ALBANY COMMUNITY  
REINVESTMENT AGENCY  
RESOLUTION NO.OB 2015-4

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY OF THE ALBANY COMMUNITY REINVESTMENT AGENCY  
FINDING THAT THE SUCCESSOR AGENCY HAS NO REAL PROPERTY  
ASSETS TO INCLUDE IN A LONG-RANGE PROPERTY MANAGEMENT  
PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5  
AND APPROVING A LETTER FROM THE SUCCESSOR AGENCY TO THE  
DEPARTMENT OF FINANCE TO THAT EFFECT

WHEREAS, pursuant to ABx1 26 enacted in June 2011 (as amended by AB 1484 enacted in June 2012, the "Dissolution Law"), the Albany Community Reinvestment Agency (the "Dissolved RDA") was dissolved as of February 1, 2012, and the City of Albany, acting in a separate limited capacity and known as the Successor Agency of the Albany Community Reinvestment Agency, has elected to serve as the successor agency (the "Successor Agency") of the Dissolved RDA; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), as added by the Dissolution Law, the Successor Agency is a separate legal entity from the City of Albany (the "City"); and

WHEREAS, the City Council (the "City Council") of the City serves in a separate capacity as the governing board of the Successor Agency; and

WHEREAS, an oversight board for the Successor Agency (the "Oversight Board") has been formed and is functioning in accordance with Health and Safety Code Section 34179; and

WHEREAS, at the time of dissolution the Dissolved RDA did not own any real property; and

WHEREAS, the Successor Agency expects to receive "Finding of Completion" from the California Department of Finance (the "DOF") pursuant to Health and Safety Code Section 34179.7, confirming that the Successor Agency had made specified required payments under the Dissolution Law upon full approval of a Settlement Agreement settling litigation between the Successor Agency and the DOF; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), upon receipt of the Finding of Completion the Successor Agency will be entitled to prepare and submit a Long-Range Property Management Plan (the "PMP") to the Oversight Board and the DOF; and

WHEREAS, the Successor Agency has informed the Oversight Board that the Dissolved RDA did not own any real property assets at the time of dissolution and therefore the Successor Agency is not holding any Dissolved RDA real property assets that would be the subject of a long range property management plan; and

WHEREAS, the Successor Agency has prepared a letter to the DOF stating that the Successor Agency does not have any real property assets that would be the subject of a long range property management plan.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency hereby finds that the above Recitals are true and correct, and together with the Staff Report and other information provided by the Successor Agency staff and the public, form the basis for the findings and actions set forth in this Resolution.

BE IT FURTHER RESOLVED that the Oversight Board hereby finds that the Dissolved RDA was not holding any real property assets at the time of dissolution and therefore the Successor Agency did not receive any real property assets from the Dissolved RDA to be considered in a long range property management plan.

BE IT FURTHER RESOLVED, that the Oversight Board hereby approves the letter to the DOF stating that the Successor Agency does not have any real property assets that would be the subject of long range property management plan or in the alternative, if required by the DOF, the submission of a long range property management plan in a form to be determined by the Successor Agency that indicates that the Successor Agency does not have any real property assets.

BE IT FURTHER RESOLVED, the Oversight Board hereby directs its Designated Contact Official, or the Designated Contact Official's designee, to provide written notice and information about this Resolution to the California Department of Finance in accordance with Health and Safety Code Section 34179(h). The actions set forth in this Resolution shall be subject to effectiveness in accordance with Health and Safety Code 34179(h).

ALBANY, CALIFORNIA, \_\_\_\_\_, 2015

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 Albany Successor Agency

Department of Finance  
915 L Street  
Sacramento, CA 95814

Re: Successor Agency to the Albany Community Reinvestment Agency Long Range Property Management Plan

Dear Sir or Madam:

The Successor Agency to the Albany Community Reinvestment Agency ("Successor Agency") received a Finding of Completion from the Department of Finance ("DOF") on \_\_\_\_\_, 2015. Pursuant to Health and Safety Code Section 34191.5, the Successor Agency is required to submit a long range property management plan to the DOF after receipt of a Finding of Completion. However, the Successor Agency has no real property assets to report on the long range property management plan. As a result, this letter serves as the Successor Agency's notice to the DOF that the Successor Agency will not be filing a long range property management plan. Please note that this letter was approved by the Oversight Board to the Successor Agency as evidenced by the attached resolution.

[Closing](#)

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE ALBANY COMMUNITY  
REINVESTMENT AGENCY  
RESOLUTION NO. OB 2015-5

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
ALBANY COMMUNITY REINVESTMENT AGENCY APPROVING DISSOLUTION OF  
THE SUCCESSOR AGENCY NO LATER THAN DECEMBER 31, 2016

WHEREAS, pursuant to ABx1 26 enacted in June 2011 (as amended by AB 1484 enacted in June 2012, the "Dissolution Law"), the Albany Community Reinvestment Agency (the "Dissolved RDA") was dissolved as of February 1, 2012, and the City of Albany, acting in a separate limited capacity and known as the Successor Agency of the Albany Community Reinvestment Agency, has elected to serve as the successor agency (the "Successor Agency") of the Dissolved RDA; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), as added by the Dissolution Law, the Successor Agency is a separate legal entity from the City of Albany (the "City"); and

WHEREAS, the City Council (the "City Council") of the City serves in a separate capacity as the governing board of the Successor Agency; and

WHEREAS, an oversight board for the Successor Agency (the "Oversight Board") has been formed and is functioning in accordance with Health and Safety Code Section 34179; and

WHEREAS, the Successor Agency intends to enter into a Settlement Agreement with the Department of Finance ("DOF") resolving litigation between the Successor Agency and the DOF regarding the Other Funds Due Diligence Review; and

WHEREAS, upon execution of the Settlement Agreement, the Successor Agency intends, no later than December 31, 2016, to dissolve by taking the following actions in accordance with the Dissolution Law (with particular reference to Health and Safety Code Section 34187(b)) , including, without limitation:

1. fully repaying and retiring all debt of the Dissolved RDA;
2. fully performing, assigning or terminating all contracts and other obligations of the Dissolved RDA;
3. fully disposing of all remaining assets of the Dissolved RDA;
4. remitting to the Alameda County Auditor-Controller, for distribution to the affected taxing entities, all remaining funds in the possession of the Successor Agency; and

5. submitting to the California Department of Finance (the "DOF") all documentation required by the DOF evidencing the Successor Agency's eligibility and intent to terminate its existence;

WHEREAS, the Oversight Board has determined that dissolution of the Successor Agency is in the best interest of the taxing entities.

NOW, THEREFORE BE IT RESOLVED, that the Oversight Board of the Successor Agency hereby finds that the above Recitals are true and correct, and together with the Staff Report and other information provided by the Successor Agency staff and the public, form the basis for the findings and actions set forth in this Resolution.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes the Successor Agency to take any and all actions necessary to dissolve the Successor Agency no later than December 31, 2016, including disposition of all remaining assets of the Dissolved Redevelopment Agency and the distribution to the Alameda County-Auditor Controller of all remaining funds for distribution to the taxing entities.

BE IT FURTHER RESOLVED, the Oversight Board hereby directs its Designated Contact Official, or the Designated Contact Official's designee, to provide written notice and information about this Resolution to the California Department of Finance in accordance with Health and Safety Code Section 34179(h). The actions set forth in this Resolution shall be subject to effectiveness in accordance with Health and Safety Code 34179(h).

ALBANY, CALIFORNIA, \_\_\_\_\_, 2015

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 Albany Successor Agency