

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/26/2010 by the following vote:

AYES: ☐
NOES: ☐
ABSENT: ☐
ABSTAIN: ☐
RECUSE: ☐



Resolution No. 2010/78

IN THE MATTER OF:

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF CONTRA COSTA AUTHORIZING THE CREATION OF A
RECOVERY ZONE UNDER THE PROVISIONS THE AMERICAN
RECOVERY AND REINVESTMENT ACT OF 2009 FOR THE PURPOSE
OF ISSUING RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS;
DESIGNATION OF THE PROJECTS TO BE FINANCED WITH THE
RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS AND
RELATED MATTERS**

WHEREAS, Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) ("ARRA"), added §§ 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986 (the "Code"), authorizing state and local governments to issue recovery zone economic development bonds ("Recovery Zone Economic Development Bonds"); and

WHEREAS, Recovery Zone Economic Development Bonds may be issued by each state and counties and large municipalities within each state before January 1, 2011 under §§ 1400U-2 of the Internal Revenue Code ("Code"), as provided in § 1400U-1 of the Code to finance certain "qualified economic development purposes" for use within designated "recovery zones," as described; and

WHEREAS, for purposes of §§ 1400U-1 and 1400U-2 of the Code, the term "recovery zone" means: (1) any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosures, or general distress; (2) any area designated by the issuer as economically distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990; and (3) any area for which a designation as an empowerment zone or renewal community is in effect as of the effective date of ARRA, which effective date is February 17, 2009; and

WHEREAS, Section 1400U-2(c) of the Code defines the term "qualified economic development purpose" for purposes of § 1400U-2 of the Code to mean any expenditures for purposes of promoting development or other economic activity in a recovery zone, including (1) capital expenditures paid or incurred with respect to property located in the recovery zone, (2) expenditures for public infrastructure and construction of public facilities, and (3) expenditures for job training and educational programs; and

WHEREAS, eligible issuers of Recovery Zone Economic Development Bonds include States and political subdivisions as defined for purposes of § 103 of the Code; and

WHEREAS, §1400U-1(b) of the Code requires, in part, that issuers "designate" eligible recovery zones based on certain specified criteria; and

WHEREAS, I.R.S. Notice 2009-50 ("Notice 2009-50") provides that for this purpose, any state, county, or large municipality that receives a volume cap allocation for Recovery Zone Economic Development Bonds may make these designations of recovery zones in any reasonable manner as it shall determine in good faith in its discretion; and

WHEREAS, due to a significant decline in assessed valuation and residential and commercial building, the western

portion of the County of Contra Costa, California within the geographical jurisdiction of the cities of Richmond, San Pablo, El Cerrito and Hercules (the "West County") has suffered significant general economic distress; and

WHEREAS, Section 1400U-1(a)(1)(A) of the Code provides that, subject to § 1400U-1(a)(1)(B) of the Code (relating to minimum allocations), generally, the Secretary of the Treasury (the "Secretary") shall allocate the \$10 billion national volume cap for Recovery Zone Economic Development Bonds among the states in the proportion that each state's 2008 state employment decline bears to the aggregate of the 2008 State employment declines for all of the States; and

WHEREAS, Section 1400U-1(a)(3)(A) of the Code provides generally that each state with respect to which an allocation is made under 1400U-1(a)(1) of the Code is required, without discretion, to reallocate such allocation among the counties and large municipalities in such state in the proportion that each county's or municipality's 2008 employment decline bears to the aggregate of the 2008 employment declines for all the counties and municipalities in such state (the "Volume Cap"); and

WHEREAS, for purposes of § 1400U-1(a)(3)(A) of the Code, the term "large municipality" means a municipality with a population of more than 100,000; and

WHEREAS, pursuant to Notice 2009-50, the Department of Treasury ("Treasury") and the Internal Revenue Service undertook to determine these required local suballocations of Volume Cap; and

WHEREAS, pursuant to Notice 2009-50, the local suballocation of volume cap determined by the Treasury to apply to the County of Contra Costa, California (the "County") is \$10,700,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Contra Costa, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board of Supervisors of the County (the "Board") so finds.

Section 2. The Board hereby finds that the entire geographic area of the West County is experiencing significant poverty, unemployment, rate of home foreclosures, or general distress for purposes of §1400U-1(b) of the Code.

Section 3. The entire geographic area of West County is hereby designated as a recovery zone for purposes of §1400U-1(b) of the Code.

Section 4. The Board hereby approves the use of the County's local suballocation of volume cap determined by the Treasury in the amount of \$10,700,000 for the purposes of issuing recovery zone economic development bonds (the "Bonds") to finance a portion of the project costs of rebuilding a County-run health clinic in West County and/or other qualifying capital projects located within West County (the "Project").

Section 5. The Board hereby finds that the Project will promote development or other economic activity in such recovery zone.

Section 6. This Resolution shall take effect immediately upon its adoption.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Lisa Driscoll, County Finance Director (925) 335-1023

ATTESTED: January 26, 2010

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Lisa Driscoll, County Finance Director, Patrick Godley, Chief Financial Officer/Health Services, Steve Ybarra, County Auditor-Controller, William Pollacek, Treasurer-Tax Collector, Jean Buckley, Financial Advisor