



**Office of the Executive Director
65 Civic Avenue
Pittsburg, California 94565**

MEMO: September 23, 2019

TO: Countywide Oversight Board

FROM: Garrett Evans, Executive Director

RE: Adoption of a Countywide Oversight Board Resolution Approving a Cooperative Funding Agreement Between the East Bay Regional Park District and the Successor Agency for the Redevelopment Agency of the City of Pittsburg

EXECUTIVE SUMMARY

The East Bay Regional Park District (the “District”) and the Successor Agency for the Redevelopment Agency of the City of Pittsburg (the “Successor Agency”) propose to enter into a Cooperative Funding Agreement (the “Agreement”) to ensure the completion of specific projects that the District and the City have collectively identified (the “Projects”), as listed in Exhibit A of the Agreement. The District and Successor Agency find mutual benefit in completing the Projects.

FISCAL IMPACT

The total funding for the Projects is approximately \$577,943.73; consisting of \$500,000 of Successor Agency funds (the “Funding Obligation”) and \$77,943.73 in earned interest. The total funding may slightly increase by the time the California State Department of Finance (“DOF”) completes its consideration of the Agreement. The Funding Obligation and earned interest at that time will be submitted to the Contra Costa County Auditor Controller (“CAC”) for disbursement to the District.

RECOMMENDATION

Contra Costa County Oversight Board (the “Countywide Oversight Board”) adopt the Resolution approving the Agreement.

BACKGROUND

The District and former Redevelopment Agency of the City of Pittsburg (the “Agency”) entered into a Fiscal Agreement dated September 7, 1993, in connection with an amendment to the Los Medanos Community Development Project (the “1993 Fiscal Agreement”). Pursuant to Section 2.4 of the 1993 Fiscal Agreement, the Agency agreed to provide financial assistance to the District in the amount of \$500,000.00, the Funding Obligation, for improvements of regional facilities within Pittsburg or within the vicinity of Pittsburg. Under the terms of the 1993 Fiscal Agreement, the Agency and the District were required to enter into a separate agreement related to the improvements of regional facilities and funding for such improvements. However, pursuant to Section 2.4 of the 1993 Fiscal Agreement, if an agreement was not executed by the District and Agency by June 30, 2004, the Agency was required to deposit the Funding Obligation into an account where it will accrue interest. The total amount of interest accrued to date on the Funding Obligation is \$77,943.73 and will continue to accrue interest quarterly at the Local Agency Investment Fund rate until paid.

The California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld, Assembly Bill x1 26 (“AB 26”). Pursuant to AB 26, all California redevelopment agencies were dissolved effective February 1, 2012. As added by AB 26, California Health and Safety Code Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies. Assembly Bill 1484, enacted June 27, 2012, modified AB 26 (“AB 1484” and together with AB 26 the “Dissolution Law”). Pursuant to Section 34177.3(a) the Successor Agency may not create new Enforceable Obligations (as defined in Section 34171(d)(1) of the Dissolution Law) except in compliance with an Enforceable Obligation that existed prior to June 28, 2011.

The 1993 Fiscal Agreement is an Enforceable Obligation that existed prior to June 28, 2011. The District and the Successor Agency intend that the Agreement will constitute the separate agreement regarding the improvements to regional facilities and funding for such improvements pursuant to Section 2.4 of the 1993 Fiscal Agreement.

On January 28, 2019, by Resolution 2019/37, the Countywide Oversight Board considered and approved the Agreement. Resolution 2019/37 was submitted to the DOF for consideration. In a letter dated June 5, 2019, the DOF denied approval Resolution 2019/I37.

SUBCOMMITTEE FINDINGS

This Agreement was not discussed in a subcommittee.

STAFF ANALYSIS

After much discussion and careful consideration by the DOF, DOF has instructed the Successor Agency to remove the following language from the Agreement and resubmit to the Countywide Oversight Board and DOF for consideration.

SECTION III. Successor Agency's Obligations

A. In no event shall the Successor Agency's total payments due to the District under this Agreement exceed \$500,000, plus interest.

Upon receiving DOF approval of the Agreement, the Successor Agency will submit the Funding Obligation and accrued interest at that time to the CAC for disbursement to the District.

ATTACHMENTS: Resolution
 Cooperative Funding Agreement
 2019/37 Countywide Oversight Board Action
 1993 Fiscal Agreement

Garrett D. Evans, Executive Director

Report Prepared By:

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