

**Meeting Date:** 3/3/2015

**Report Type:** Review

**Report ID:** 2015-00227

**Title: (Agreement/Contract for Review and Information) (City Council/Redevelopment Agency Successor Agency) 14th Avenue Extension and Lowell Street Sidewalk Projects**

**Location:** District 6

**Recommendation:** Review a report with: 1) a City Council Resolution authorizing the City Manager or City Manager's designee to a) accept the transfer of \$1,566,856 in Army Depot Redevelopment bond funds for the 14th Avenue Extension Project (T15098600) and \$220,000 in Army Depot Redevelopment bond funds for the Lowell Street Sidewalk Project (T15036300); b) execute the Excess Bond Expenditure Agreements for the projects; 2) a Redevelopment Agency Successor Agency Resolution authorizing the City Manager or City Manager's designee to execute the Excess Bond Expenditure Agreements for the projects; and 3) continue for March 10, 2015.

**Contact:** Leslie Fritzsche, Senior Project Manager, (916) 808-7223, Economic Development Department

**Presenter:** Leslie Fritzsche, Senior Project Manager, (916) 808-7223, Economic Development Department

**Department:** Economic Development Dept / Public Works

**Division:** Administration

**Dept ID:** 18001011

**Attachments:**

- 1-Description/Analysis
- 2-Lowell Street Location Map
- 3-14th Avenue Extension Location Map
- 4-Council Resolution
- 5-RASA Resolution

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**City Attorney Review**

Approved as to Form  
Sheryl Patterson  
2/25/2015 1:11:02 PM

**Approvals/Acknowledgements**

Department Director or Designee: Howard Chan - 2/25/2015 9:26:13 AM

## Description/Analysis

**Issue Detail:** Although the Redevelopment Agency had appropriated funding for two projects in the Army Depot redevelopment area, the Lowell Street Sidewalk Project and the 14<sup>th</sup> Avenue Extension Project, due to the dissolution of the Agency, the funding commitments need to be reauthorized and the execution of Excess Bond Expenditure Agreements need to be executed for each project.

The City, in its capacity as the Redevelopment Agency Successor Agency (RASA), has received its Finding of Completion and AB 1484 allows successor agencies to expend agency bond funds for projects if the expenditure is approved by the Oversight Board for RASA and the State Department of Finance. The expenditures for both of these projects have been approved by those entities and the final step is to enter into an Excess Bond Expenditure Agreement for each project to allow the funds to be transferred to the City for use on the projects.

**Policy Considerations:** The action requested supports the City's General Plan goals and policies of enhancing livability and promoting projects to stimulate economic development opportunities.

### **Economic Impacts:**

The investment outlined in this report will result in the creation of seven jobs of which four are direct jobs and three are through indirect and induced activities. In addition it will result in \$1,102,739 in output including \$695,065 of direct output and another \$407,674 of output through indirect and induced activities. These figures do not take into consideration the economic development opportunities created by extending 14<sup>th</sup> Avenue and providing access to the significant tracts of undeveloped property.

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

**Environmental Considerations:** The recommendations are administrative and fiscal matters that do not constitute "project" under the California Environmental Quality Act (CEQA) Guidelines section 15061(b)(3).

**Sustainability:** The Lowell Street Sidewalk Project is consistent with the Sustainability Master Plan goal to enhance pedestrian facilities and the 14<sup>th</sup> Avenue Extension Project will aid in the development of infill sites.

**Commission/Committee Action:** On December 15, 2014, the Oversight Board for the Redevelopment Agency Successor Agency approved the expenditure of \$220,000 for the Lowell Street Sidewalks project and the \$1,566,861 for the 14<sup>th</sup> Avenue Extension Project. These actions were approved by the state Department of Finance on January 22, 2015.

## **Rationale for Recommendation:**

### Lowell Street Sidewalk

In 2008, the Redevelopment Agency approved an allocation of \$220,000 for the Lowell Street Sidewalk Project (“Sidewalk Project”). The Sidewalk Project would replace approximately 750 linear feet of existing deteriorating substandard sidewalks with new sidewalks, curb, and gutter to create a safe route to Earl Warren Elementary School which is located at 5420 Lowell Street just off Fruitridge Road. Though the Redevelopment Agency approved a contract with the City in the form of an Individual Project Agreement, a construction contract for the work was not secured before the dissolution of redevelopment in June 2011.

The Sidewalk Project remains a priority for the City and the community in order to ensure safe passage for children to the elementary school. The original \$220,000 in bond funding from the Army Depot Redevelopment Area is still available and use of these funds for the Sidewalk Project is an eligible use under the bond covenants.

### 14<sup>th</sup> Avenue Extension

14<sup>th</sup> Avenue is a major east-west collector with an incomplete one mile segment between Power Inn Road and Florin Perkins Road (see Attachment 2 – Map). The eastern half is a substandard two lane roadway and the other is an open field. The partially developed segment provides access to large vacant parcels, several vacant commercial buildings, and a few residential homes. The street lacks basic curb, gutter, and sidewalk and the pavement is in need of repair. This inadequate infrastructure has limited development and commercial rents are lower than in other areas of Power Inn/Folsom Boulevard. Many properties in the area are poorly maintained and the lack of access results in higher traffic volumes on other streets, both of which negatively impact industrial, retail, and commercial businesses.

Currently 14<sup>th</sup> Avenue dead ends. Extending 14<sup>th</sup> Avenue through the area would open up a large amount of property for development and is supported strongly by the local community and the Power Inn Alliance. The Alliance has identified this project as critical to transforming the area and ensuring the commercial viability of the district.

In 2009, the Agency entered into an Individual Project Agreement and provided funds to the City to analyze the feasibility of extending 14<sup>th</sup> Avenue from Power Inn Road to Florin-Perkins Road. The study quantified right-of way impacts, utility coordination needs traffic/circulation impacts and total project delivery. The study was complete in December 2010 and determined a City standard two-lane or four-lane road was feasible at a cost of \$7 million to \$9.2 million.

In June 2011, the Agency allocated \$3.5 million for design, environmental review, acquisition of right-of-way, and project construction. These funds were provided as match for a Sacramento Area Council of Government grant which was awarded to the project in 2011. The grant amount was \$4,008,000.

Unfortunately with the dissolution of redevelopment and the process required to access the redevelopment bond funds and tax increment funds that had been allocated to the project, the project has been stalled and \$2,209,150 of redevelopment funds previously allocated to the project and held as Reserve funds have been disallowed by DOF. DOF’s view relies on the fact that the application for the federal funds through SACOG was not made until September 2011, thus after the statutory end of redevelopment in June 2011.

This project remains a priority for the City and the Power Inn Alliance because it will open up a wide area of currently underdeveloped land for more intense use and employment. Therefore, in order to ensure the bond funds previously allocated to the 14<sup>th</sup> Avenue Extension Project can continue to be used for the project and to move forward with implementation of the project, even if it is more limited in scope than earlier envisioned, staff is recommending the reallocation of the \$1,566,861 in bond funds for the project and approval of the Excess Bond Expenditure Agreement. The City has been completing environmental review on the project and will be seeking additional funding through SACOG and federal sources to make up for the redevelopment Reserve Funds lost to fully implement and complete the project.

**Financial Considerations:** The Sidewalk Project is a sub-project of the larger Fruitridge Streetscape Project (T15036300). The total estimated cost of the Sidewalk Project is \$220,000. Through the previous Individual Project Agreement between the City and the Agency \$220,000 in Army Depot redevelopment bond funds were allocated to the Sidewalk Project as part of the larger Fruitridge Streetscape Project. The funds need to be reauthorized through an Excess Bond Expenditure Agreement (Exhibit 1 to the Resolution). These funds will be sufficient to proceed with advertising and construction of the project.

Similarly, the 14<sup>th</sup> Avenue Extension Project (T15098600) was allocated funds from the Army Depot redevelopment project funds through a previous Individual Project Agreement entered into with the Agency. Unfortunately \$2,209,150 of these funds were tax increment funds and have been disallowed for use on this project by the state Department of Finance. The action requested in this report is the reauthorization of \$1,566,861 through the execution of an Excess Bond Expenditure Agreement (Exhibit 2 to the Resolution). These funds alone are not sufficient to complete the project and Public Works staff will be seeking additional funding through SACOG and federal sources for the project.

**Local Business Enterprise (LBE):** None, since no goods or services are being procured with this action. LBE participation requirements will be included in the invitation for construction bids.

Location Map For:  
**LOWELL STREET SIDEWALK PROJECT**  
(PN:T15036300)





Proposed  
14th Avenue  
Widening

Proposed  
14th Avenue  
Extension

- Widening
- - - Extension

### 14th Avenue Extension Project

**RESOLUTION NO. 2014-**  
Adopted by

Sacramento City Council

**APPROVING EXECUTION OF EXCESS BOND EXPENDITURE AGREEMENTS FOR  
BOND PROCEEDS FROM THE ARMY DEPOT REDEVELOPMENT PROJECT AREA  
IN THE AMOUNT OF \$220,000 FOR THE LOWELL STREET SIDEWALK PROJECT  
AND \$1,566,861 FOR THE 14<sup>TH</sup> AVENUE EXTENSION PROJECT**

**BACKGROUND**

- A. In 2008, the Redevelopment Agency of the City of Sacramento (Agency) allocated \$220,000 of Army Depot Project Area bond funds and approved an Individual Project Agreement with the City of Sacramento (City) for the replacement of deteriorating curb, gutter and sidewalks that provide access to the Earl Warren Elementary School at 5420 Lowell Street.
- B. The Lowell Street Sidewalk Project (the “Lowell Street Project”) did not progress to the point of execution of a construction contract before the June 29, 2011 legislation that dissolved redevelopment agencies and limited continuation of planned projects, so the project stalled.
- C. In 2008, the Agency allocated \$400,000 for the City to prepare a Master Plan to examine the feasibility of an extension of 14<sup>th</sup> Avenue from Power Inn Road to Florin Perkins Road (the “14<sup>th</sup> Avenue Project”).
- D. On June 23, 2011, the Agency allocated an additional \$3.5 million from Army Depot Redevelopment Project Area Tax Increment Funds and Army Depot Redevelopment Bond Funds to prepare design plans, conduct environmental review, acquire right of way, and construct the 14<sup>th</sup> Avenue Project. An Individual Project Agreement was executed for the funding.
- E. The Agency’s funding commitment was used by the City to apply for a \$4 million federal grant as the source for the required local match through the Sacramento Area Council of Government for the 14<sup>th</sup> Avenue Project.
- F. The set-aside of \$2,209,150 in tax increment funds as Reserves for the 14<sup>th</sup> Avenue Project was disapproved by the State Department of Finance (DOF) because the application for the federal grant occurred after the June 2011 legislation was enacted. However, \$1,566,861 in bond funds remains available for this project.

- G. Since the Redevelopment Agency Successor Agency (RASA) received its Finding of Completion in September 2013, unencumbered bond funds are available to allocate to projects.
- H. The Lowell Street Project and the 14<sup>th</sup> Avenue Project remain priorities of the City and the community.
- I. Expenditure of the Army Depot Redevelopment Bond Funds for the Lowell Street Project and 14<sup>th</sup> Avenue Project were listed on the Recognized Obligation Payment Schedule (ROPS) 14-15B, for the period January to June 2015, which ROPS has been approved by DOF.
- J. On December 14, 2014, the Oversight Board approved the allocation of funding and the Excess Bond Expenditure Agreements for the Lowell Street Project in the amount of \$220,000 and \$1,566,861 for the 14<sup>th</sup> Avenue Project.
- K. On January 22, 2015, DOF approved the funding and the Excess Bond Expenditure Agreements for these projects.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. In accordance with Health and Safety Code Section 33445, the City Council determines that:
  - (a) The Lowell Street and 14<sup>th</sup> Avenue Projects will benefit the Army Depot Redevelopment Project Area by eliminate blighting conditions by improving Lowell Street and 14<sup>th</sup> Avenue a and enhancing public infrastructure and amenities in the Project Area.
  - (b) No other reasonable means of financing the Projects is available to the community.
  - (c) The payment of the costs for the Projects with Army Depot Redevelopment Bond funds is consistent with the bond covenants and Army Depot Redevelopment Plan and Implementation Plan.
- Section 2. The City Manager or his designee is authorized to execute an Excess Bond Expenditure Agreement (attached as Exhibit 1) with RASA for the Lowell Street Sidewalk Project (T15036300) in the amount of \$220,000.
- Section 3. The City Manager or his designee is authorized to execute an Excess Bond Expenditure Agreement (attached as Exhibit 2) with RASA for the 14<sup>th</sup> Avenue Extension Project (T15098600) in the amount of \$1,566,861.
- Section 4. Revenue and expenditure budgets will be established in the Economic Development Fund (Fund 2031). Revenue will be budgeted in the

Economic Development Department (18001031) and expenditures will be budgeted in each project: T15036300, \$220,000; T15098600, \$1,566,861.

Table of Contents:

Exhibit 1. Excess Bond Expenditure Agreement for the Lowell Street Sidewalk Project

Exhibit 2. Excess Bond Expenditure Agreement for the 14<sup>th</sup> Avenue Extension Project

**EXCESS BOND PROCEED EXPENDITURE AGREEMENT**

**Regarding Allocation of Agency Bond Funds**

**Lowell Street Sidewalk Project**

**Background**

- A. On January 31, 2012, the City of Sacramento (“City”) elected to serve as the successor to the Redevelopment Agency of the City of Sacramento (“Agency”) for the Agency’s non-housing assets and liabilities pursuant to the provisions of AB 1x 26 (Chapter 5, Statutes of 2011). The Agency was dissolved as of February 1, 2012, and all of its non-housing assets were transferred to the City in its capacity as the Redevelopment Agency Successor Agency (RASA).
- B. Under AB 1484 (Chapter 16, Statutes of 2012; Health and Safety Code section 34173, subd. (g)), the dissolution law was clarified to provide that RASA is a separate legal entity from the City. Also, AB 1484 provided that the Agency’s bond fund assets can be expended in a manner consistent with the bonds covenants after compliance with certain requirements. On September 20, 2013, RASA received its Finding of Completion from the State Department of Finance (DOF) and is now able to spend the Agency’s unencumbered bond funds in a manner consistent with the original bond covenants.
- C. AB 1484 (Health and Safety Code section 34180, subd. (b)) requires approval of the Oversight Board for RASA to allocate the Agency bond funds in a manner consistent with the original bond covenants and the payment of these bond funds must be included on a Recognized Obligations Payment Schedule (ROPS) as an excess bond proceeds obligation that is subject to approval by both the Oversight Board and DOF.
- D. On December 15, 2014, the Oversight Board for RASA approved an allocation of the Agency non-housing bonds funds pursuant to Health and Safety Code section 34191.4, subdivision (c) on the ROPS, and on January 22, 2015, DOF approved that funding allocation. Prior to the Effective Date (defined below), the City Council, acting as the board of directors for RASA, and the City approved the transfer of the Agency non-housing bonds for the Project and authorized RASA and the City to enter into this Excess Bond Expenditure Agreement (“Agreement”).

## Agreement

**NOW, THEREFORE**, RASA and the City agree as follows:

1. The “Effective Date” of this Agreement is as follows:

Effective Date:	_____, 2015
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2. RASA and City hereby agree that RASA will pay City the Agency bond funds in the amount as set out below, and City will use the funds to provide a loan for construction of the Project, consistent with the bond indenture pursuant to Health and Safety Code section 34191.4, subdivision (c), and subject to the terms and conditions set out in this Agreement:

Source of Funds:	Army Depot Redevelopment Bond Funds
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Amount of Funds:	\$220,000
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Project Description:	Provide funding for the Lowell Street Sidewalk Project which will include but not be limited to replacement of sidewalk, curb and adjacent to Earl Warren Elementary School
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Project Location:	5400 block of Lowell Street
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Project Area:	Army Depot Redevelopment Project Area
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RASA shall transfer to the City the Agency bond funds as defined in Section 2, above, in the amount and in accordance with the ROPS 14-15B, by no later than June 30, 2015.

3. Neither RASA, nor any of its officers or employees, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by City under this Agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, City shall fully indemnify, defend and hold RASA harmless from any liability imposed for injury to persons or property occurring

by reason of anything done or omitted to be done by City under or in connection with RASA's funding of work undertaken by City pursuant to this Agreement.

4. This Agreement shall terminate upon the completion of all obligations of the Parties.

The Parties have entered into this Agreement as of the Effective Date.

**CITY OF SACRAMENTO**

**REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

By:

By:

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John S. Shirey, City Manager

John S. Shirey, City Manager

Approved as to Form:

Approved as to Form:

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Senior Deputy City Attorney

Senior Deputy City Attorney

Attest:

Attest:

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Assistant City Clerk

Assistant City Clerk

**EXCESS BOND PROCEED EXPENDITURE AGREEMENT**

**Regarding Allocation of Agency Bond Funds**

**14<sup>th</sup> Avenue Extension Project**

**Background**

- A. On January 31, 2012, the City of Sacramento (“City”) elected to serve as the successor to the Redevelopment Agency of the City of Sacramento (“Agency”) for the Agency’s non-housing assets and liabilities pursuant to the provisions of AB 1x 26 (Chapter 5, Statutes of 2011). The Agency was dissolved as of February 1, 2012, and all of its non-housing assets were transferred to the City in its capacity as the Redevelopment Agency Successor Agency (RASA).
- B. Under AB 1484 (Chapter 16, Statutes of 2012; Health and Safety Code section 34173, subd. (g)), the dissolution law was clarified to provide that RASA is a separate legal entity from the City. Also, AB 1484 provided that the Agency’s bond fund assets can be expended in a manner consistent with the bonds covenants after compliance with certain requirements. On September 20, 2013, RASA received its Finding of Completion from the State Department of Finance (DOF) and is now able to spend the Agency’s unencumbered bond funds in a manner consistent with the original bond covenants.
- C. AB 1484 (Health and Safety Code section 34180, subd. (b)) requires approval of the Oversight Board for RASA to allocate the Agency bond funds in a manner consistent with the original bond covenants and the payment of these bond funds must be included on a Recognized Obligations Payment Schedule (ROPS) as an excess bond proceeds obligation that is subject to approval by both the Oversight Board and DOF.
- D. On December 15, 2014, the Oversight Board for RASA approved an allocation of the Agency non-housing bonds funds pursuant to Health and Safety Code section 34191.4, subdivision (c) on the ROPS, and on January 22, 2015, DOF approved that funding allocation. Prior to the Effective Date (defined below), the City Council, acting as the board of directors for RASA, and the City approved the transfer of the Agency non-housing bonds for the Project and authorized RASA and the City to enter into this Excess Bond Expenditure Agreement (“Agreement”).

## Agreement

**NOW, THEREFORE**, RASA and the City agree as follows:

1. The “Effective Date” of this Agreement is as follows:

Effective Date:	_____, 2015
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2. RASA and City hereby agree that RASA will pay City the Agency bond funds in the amount as set out below, and City will use the funds to provide a loan for construction of the Project, consistent with the bond indenture pursuant to Health and Safety Code section 34191.4, subdivision (c), and subject to the terms and conditions set out in this Agreement:

Source of Funds:	Army Depot Redevelopment Bond Funds
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Amount of Funds:	\$1,566,861
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Project Description:	Provide funding for the 14 <sup>th</sup> Avenue Extension Project which will extend 14 <sup>th</sup> Avenue from Power Inn Road to Florin Perkins Road
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Project Location:	14 <sup>th</sup> Avenue at Power Inn Road
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Project Area:	Army Depot Redevelopment Project Area
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3. RASA shall transfer to the City the Agency bond funds as defined in Section 2, above, in the amount and in accordance with the ROPS 14-15B, by no later than June 30, 2015.
4. Neither RASA, nor any of its officers or employees, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by City under this Agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, City shall fully indemnify, defend and hold RASA harmless from any liability imposed for injury to persons or property occurring by reason of anything done or omitted to be done by City under or in connection with RASA’s funding of work undertaken by City pursuant to this Agreement.

5. This Agreement shall terminate upon the completion of all obligations of the Parties.

The Parties have entered into this Agreement as of the Effective Date.

**CITY OF SACRAMENTO**

**REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

By:

By:

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John F. Shirey, City Manager

John F. Shirey, City Manager

Approved as to Form:

Approved as to Form:

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Senior Deputy City Attorney

Senior Deputy City Attorney

Attest:

Attest:

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\_\_\_\_\_

Assistant City Clerk

Assistant City Clerk

**RESOLUTION NO. 2014-**  
Adopted by

Redevelopment Agency Successor Agency

**APPROVING THE ALLOCATION OF BOND PROCEEDS FROM THE ARMY DEPOT REDEVELOPMENT PROJECT AREA IN THE AMOUNT OF \$220,000 FOR THE LOWELL STREET SIDEWALK PROJECT AND \$1,566,861 FOR THE 14<sup>TH</sup> AVENUE EXTENSION PROJECT AND EXECUTION OF EXCESS BOND EXPENDITURE AGREEMENTS**

**BACKGROUND**

- A. In 2008, the Redevelopment Agency of the City of Sacramento (Agency) allocated \$220,000 of Army Depot Project Area bond funds and approved an Individual Project Agreement with the City of Sacramento (City) for the replacement of deteriorating curb, gutter and sidewalks that provide access to the Earl Warren Elementary School at 5420 Lowell Street.
- B. The Lowell Street Sidewalk Project (the “Lowell Street Project”) did not progress to the point of execution of a construction contract before the June 29, 2011 legislation that dissolved redevelopment agencies and limited continuation of planned projects, so the project stalled.
- C. In 2008, the Agency allocated \$400,000 for the City to prepare a Master Plan to examine the feasibility of an extension of 14<sup>th</sup> Avenue from Power Inn Road to Florin Perkins Road (the “14<sup>th</sup> Avenue Extension Project”).
- D. On June 23, 2011, the Agency allocated an additional \$3.5 million from Army Depot Redevelopment Project Area Tax Increment Funds and Army Depot Redevelopment Bond Funds to prepare design plans, conduct environmental review, acquire right of way, and construct the 14<sup>th</sup> Avenue Project. An Individual Project Agreement was executed for the funding.
- E. The Agency’s funding commitment was used by the City to apply for a \$4 million federal grant as the source for the required local match through the Sacramento Area Council of Government for the 14<sup>th</sup> Avenue Project.
- F. The set-aside of \$2,209,150 in tax increment funds as Reserves for the 14<sup>th</sup> Avenue Project was disapproved by the State Department of Finance (DOF) because the application for the federal grant occurred after the June 2011 legislation was enacted. However, \$1,566,861 in bond funds remain available for the project.

- G. Since the Redevelopment Agency Successor Agency (RASA) received its Finding of Completion in September 2013, unencumbered bond funds are available to allocate to projects.
- H. The Lowell Street Project and the 14<sup>th</sup> Avenue Project remain priorities of the City and the community.
- I. Expenditure of the Army Depot Redevelopment Bond Funds for the Lowell Street Project and 14<sup>th</sup> Avenue Project were listed on the Recognized Obligation Payment Schedule (ROPS) 14-15B, for the period January to June 2015, which ROPS has been approved by DOF.
- J. On December 14, 2014 the Oversight Board approved the allocation of funding and the Excess Bond Expenditure Agreements for the Lowell Street Project in the amount of \$220,000 and \$1,566,861 for the 14<sup>th</sup> Avenue Project.
- K. On January 22, 2015, DOF approved the funding and the Excess Bond Expenditure Agreements for these projects.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY RESOLVES AS FOLLOWS:**

- Section 1. In accordance with Health and Safety Code Section 33445, the City Council determines that:
  - (a) The Lowell Street and 14<sup>th</sup> Avenue Projects will benefit the Army Depot Redevelopment Project Area by eliminate blighting conditions by improving the Lowell and 14<sup>th</sup> Avenue streets and enhancing public infrastructure and amenities in the Project Area.
  - (b) No other reasonable means of financing the Projects is available to the community.
  - (c) The payment of the costs for the Projects with Army Depot Redevelopment Bond funds is consistent with the bond covenants and Army Depot Redevelopment Plan and Implementation Plan.
- Section 2. The Redevelopment Agency Successor Agency (RASA) hereby appropriates Army Depot Redevelopment Project Area bond funds in the amount of \$220,000 for the Lowell Street Sidewalk Project and \$1,566,861 for the 14<sup>th</sup> Avenue Extension Project.
- Section 3. The City Manager, on behalf of RASA, is authorized to execute an Excess Bond Expenditure Agreement (attached as Exhibit 1) with the City for the Lowell Street Sidewalk Project (T15036300) in the amount of \$220,000.
- Section 4. The City Manager, on behalf of RASA, is authorized to execute an Excess

Bond Expenditure Agreement (attached as Exhibit 2) with the City for the 14<sup>th</sup> Avenue Extension Project (T15098600) in the amount of \$1,566,861.

Table of Contents:

Exhibit 1. Excess Bond Expenditure Agreement for the Lowell Street Sidewalk Project

Exhibit 2. Excess Bond Expenditure Agreement for the 14<sup>th</sup> Avenue Extension Project

**EXCESS BOND PROCEED EXPENDITURE AGREEMENT**

**Regarding Allocation of Agency Bond Funds**

**Lowell Street Sidewalk Project**

**Background**

- A. On January 31, 2012, the City of Sacramento (“City”) elected to serve as the successor to the Redevelopment Agency of the City of Sacramento (“Agency”) for the Agency’s non-housing assets and liabilities pursuant to the provisions of AB 1x 26 (Chapter 5, Statutes of 2011). The Agency was dissolved as of February 1, 2012, and all of its non-housing assets were transferred to the City in its capacity as the Redevelopment Agency Successor Agency (RASA).
- B. Under AB 1484 (Chapter 16, Statutes of 2012; Health and Safety Code section 34173, subd. (g)), the dissolution law was clarified to provide that RASA is a separate legal entity from the City. Also, AB 1484 provided that the Agency’s bond fund assets can be expended in a manner consistent with the bonds covenants after compliance with certain requirements. On September 20, 2013, RASA received its Finding of Completion from the State Department of Finance (DOF) and is now able to spend the Agency’s unencumbered bond funds in a manner consistent with the original bond covenants.
- C. AB 1484 (Health and Safety Code section 34180, subd. (b)) requires approval of the Oversight Board for RASA to allocate the Agency bond funds in a manner consistent with the original bond covenants and the payment of these bond funds must be included on a Recognized Obligations Payment Schedule (ROPS) as an excess bond proceeds obligation that is subject to approval by both the Oversight Board and DOF.
- D. On December 15, 2014, the Oversight Board for RASA approved an allocation of the Agency non-housing bonds funds pursuant to Health and Safety Code section 34191.4, subdivision (c) on the ROPS, and on January 22, 2015, DOF approved that funding allocation. Prior to the Effective Date (defined below), the City Council, acting as the board of directors for RASA, and the City approved the transfer of the Agency non-housing bonds for the Project and authorized RASA and the City to enter into this Excess Bond Expenditure Agreement (“Agreement”).

## Agreement

**NOW, THEREFORE**, RASA and the City agree as follows:

1. The "Effective Date" of this Agreement is as follows:

Effective Date:	_____, 2015
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2. RASA and City hereby agree that RASA will pay City the Agency bond funds in the amount as set out below, and City will use the funds to provide a loan for construction of the Project, consistent with the bond indenture pursuant to Health and Safety Code section 34191.4, subdivision (c), and subject to the terms and conditions set out in this Agreement:

Source of Funds:	Army Depot Redevelopment Bond Funds
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Amount of Funds:	\$220,000
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Project Description:	Provide funding for the Lowell Street Sidewalk Project which will include but not be limited to replacement of sidewalk, curb and adjacent to Earl Warren Elementary School
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Project Location:	5400 block of Lowell Street
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Project Area:	Army Depot Redevelopment Project Area
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RASA shall transfer to the City the Agency bond funds as defined in Section 2, above, in the amount and in accordance with the ROPS 14-15B, by no later than June 30, 2015.

3. Neither RASA, nor any of its officers or employees, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by City under this Agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, City shall fully indemnify, defend and hold RASA harmless from any liability imposed for injury to persons or property occurring

by reason of anything done or omitted to be done by City under or in connection with RASA's funding of work undertaken by City pursuant to this Agreement.

4. This Agreement shall terminate upon the completion of all obligations of the Parties.

The Parties have entered into this Agreement as of the Effective Date.

**CITY OF SACRAMENTO**

**REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

By:

By:

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\_\_\_\_\_

John S. Shirey, City Manager

John S. Shirey, City Manager

Approved as to Form:

Approved as to Form:

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Senior Deputy City Attorney

Senior Deputy City Attorney

Attest:

Attest:

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Assistant City Clerk

Assistant City Clerk

**EXCESS BOND PROCEED EXPENDITURE AGREEMENT**

**Regarding Allocation of Agency Bond Funds**

**14<sup>th</sup> Avenue Extension Project**

**Background**

- A. On January 31, 2012, the City of Sacramento (“City”) elected to serve as the successor to the Redevelopment Agency of the City of Sacramento (“Agency”) for the Agency’s non-housing assets and liabilities pursuant to the provisions of AB 1x 26 (Chapter 5, Statutes of 2011). The Agency was dissolved as of February 1, 2012, and all of its non-housing assets were transferred to the City in its capacity as the Redevelopment Agency Successor Agency (RASA).
- B. Under AB 1484 (Chapter 16, Statutes of 2012; Health and Safety Code section 34173, subd. (g)), the dissolution law was clarified to provide that RASA is a separate legal entity from the City. Also, AB 1484 provided that the Agency’s bond fund assets can be expended in a manner consistent with the bonds covenants after compliance with certain requirements. On September 20, 2013, RASA received its Finding of Completion from the State Department of Finance (DOF) and is now able to spend the Agency’s unencumbered bond funds in a manner consistent with the original bond covenants.
- C. AB 1484 (Health and Safety Code section 34180, subd. (b)) requires approval of the Oversight Board for RASA to allocate the Agency bond funds in a manner consistent with the original bond covenants and the payment of these bond funds must be included on a Recognized Obligations Payment Schedule (ROPS) as an excess bond proceeds obligation that is subject to approval by both the Oversight Board and DOF.
- D. On December 15, 2014, the Oversight Board for RASA approved an allocation of the Agency non-housing bonds funds pursuant to Health and Safety Code section 34191.4, subdivision (c) on the ROPS, and on January 22, 2015, DOF approved that funding allocation. Prior to the Effective Date (defined below), the City Council, acting as the board of directors for RASA, and the City approved the transfer of the Agency non-housing bonds for the Project and authorized RASA and the City to enter into this Excess Bond Expenditure Agreement (“Agreement”).

## Agreement

**NOW, THEREFORE**, RASA and the City agree as follows:

1. The "Effective Date" of this Agreement is as follows:

Effective Date:	_____, 2015
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2. RASA and City hereby agree that RASA will pay City the Agency bond funds in the amount as set out below, and City will use the funds to provide a loan for construction of the Project, consistent with the bond indenture pursuant to Health and Safety Code section 34191.4, subdivision (c), and subject to the terms and conditions set out in this Agreement:

Source of Funds:	Army Depot Redevelopment Bond Funds
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Amount of Funds:	\$1,566,861
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Project Description:	Provide funding for the 14 <sup>th</sup> Avenue Extension Project which will extend 14 <sup>th</sup> Avenue from Power Inn Road to Florin Perkins Road
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Project Location:	14 <sup>th</sup> Avenue at Power Inn Road
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Project Area:	Army Depot Redevelopment Project Area
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3. RASA shall transfer to the City the Agency bond funds as defined in Section 2, above, in the amount and in accordance with the ROPS 14-15B, by no later than June 30, 2015.
4. Neither RASA, nor any of its officers or employees, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by City under this Agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, City shall fully indemnify, defend and hold RASA harmless from any liability imposed for injury to persons or property occurring by reason of anything done or omitted to be done by City under or in connection with RASA's funding of work undertaken by City pursuant to this Agreement.

5. This Agreement shall terminate upon the completion of all obligations of the Parties.

The Parties have entered into this Agreement as of the Effective Date.

**CITY OF SACRAMENTO**

**REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

By:

By:

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John F. Shirey, City Manager

John F. Shirey, City Manager

Approved as to Form:

Approved as to Form:

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Senior Deputy City Attorney

Senior Deputy City Attorney

Attest:

Attest:

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Assistant City Clerk

Assistant City Clerk