

CITY OF BRENTWOOD
Oversight Board
Terrace View Room – 2nd floor
Brentwood City Hall
150 City Park Way
Brentwood, CA 94513

A regular meeting of the Brentwood Oversight Board is hereby called for:
Wednesday, June 20, 2012
4:00 p.m.

Oversight Board Members:

Bill Hill, Chair
Steve Barr
Bob Brockman
Paul Eldredge

Brian Swisher, Vice Chair
Kevin Horan
Eric Volta

MEETING AGENDA

1. Call to Order
2. Public Comment – *At this time the public is permitted to address the Board on items that are **not** on the agenda. Persons addressing the Board are required to limit their remarks to five (5) minutes unless an extension of time is granted by the Board.*
3. Approval of minutes from May 8, 2012 meeting
4. A Resolution approving the Successor Agency's execution of an Assignment and Assumption Agreement and contingent Repayment Agreement assigning from the Successor Agency of the Redevelopment Agency of the City of Brentwood, to the City of Brentwood the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project.
5. Request for Qualifications (RFQ) for Oversight Board Legal Services
6. Suggestions for future agenda items
7. Adjournment

Dated: June 15, 2012

NOTICE

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the City Clerk's Office at (925) 516-5440 or fax (925) 516-5441. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}

POSTING STATEMENT

On **June 15, 2012** a true and correct copy of this agenda was posted on the City Hall Bulletin Board, outside City Hall, 150 City Park Way, Brentwood, CA 94513.



Oversight Board
May 8, 2012
Brentwood City Hall
Terrace View Conference Room
Meeting Minutes

Present:	Steve Barr	Bill Hill	Eric Volta
	Bob Brockman	Kevin Horan	
	Paul Eldredge	Brian Swisher	

1. Call to Order/Oaths of Office – Chair Bill Hill called the meeting to order at 4:00 p.m. Vice Chair Brian Swisher was absent. City Clerk Margaret Wimberly administered the Oath of Office to the Board Members.
2. Public Comment – None.
3. Consideration of minutes from April 11, 2012 meeting – M/S/C (Brockman/Eldredge) to approve the minutes from the April 11, 2012 meeting. 6-0-0-1 (Swisher absent)
4. Consideration of Amended Recognized Obligation Payment Schedules (ROPS) for January 1, 2012 to June 30, 2012 and July 1, 2012 to December 31, 2012 – Assistant Finance Director Kerry Breen presented the staff report and reported that the State had rejected the City’s ROPS due to some formatting issues. In response to questions from the Board, staff stated that any changes in dollar values in the ROPS would come back to the Board for approval. M/S/C (Horan/Barr) to adopt the resolution (6-0-0-1, Swisher absent).
5. Consideration of Administrative Budgets for the Successor Agency for the periods of February 1-June 30 and July 1-December 31, 2012 - Kerry Breen presented the staff report and explained that the budget for the period from July 1 – December 31, 2012 would be amended when the Oversight Board adopts future ROPS. M/S/C (Barr/Horan) to adopt the resolution approving the administrative budgets (6-0-0-1, Swisher absent)
6. Informational report regarding property formerly owned by the Brentwood Redevelopment Agency and consideration of the following resolutions: 1) confirming title with the City of Brentwood in and to the Public Parking Lot located at 604 First Street; 2) confirming title with the City of Brentwood in and to the Public Parking Lot located at 8436 Brentwood Boulevard; 3) confirming title with the City of Brentwood in and to 1000 Central Boulevard; 4) confirming title with the City of Brentwood in and to County Road #8; 5) confirming title with the City of Brentwood in and to 400 Guthrie Lane - City Treasurer/Director of Finance Pam Ehler presented the staff report and described 11 properties formerly owned by the Redevelopment Agency, of which nine had been transferred to the City of Brentwood and two had been retained by the City as assets of the Low/Mod Housing Fund. Aerial photographs of each property were displayed during the discussion. Staff explained that the City’s position has been that properties originally purchased by the City, then transferred to the Redevelopment Agency and transferred back to the City, should be retained by the City. The eleven properties discussed fell into five categories: 1) Properties acquired with City Funds (Exhibits H, I and J), 2) Properties currently being used for public purposes (Exhibits E and F), 3) Properties for

Right of Way (Exhibits D, G and K), 4) properties expected to be used for Redevelopment Projects (Exhibits C and G), and 5) Properties purchased with Low/Mod Funds that the City elected to retain along with the duties and functions associated with the Low/Mod Housing Fund. Pam Ehler explained that Successor Agency staff was asking the Board to confirm title to properties E, F, H, I, and J through adoption of five separate resolutions. Kerry Breen clarified that the legislation makes a distinction between properties purchased with tax increment versus those owned by the Redevelopment Agency. In response to Chair Bill Hill's question about what would happen if the Board did not take action, Kerry responded that inaction could impact the use of property at 400 Guthrie to be discussed later on the agenda. Board Member Eric Volta stated that there is a lot of uncertainty and the school sources have different interpretations. He explained that he is representing his constituents. Board Member Paul Eldredge stated that once the Board took action, the State would review the determination. By taking action, the Board could benefit by finding out the State's position sooner rather than later. Pam Ehler added that the Successor Agency was going to be audited by the County as well as the City auditors and no properties would be sold until after the audits were completed.

- a. For the resolution regarding 604 First Street (Property E) M/S/C (Brockman/Barr) to adopt the resolution (5-0-1-1, Volta abstained, Swisher absent)
 - b. For the resolution regarding 8436 Brentwood Boulevard (Property F) M/S/C (Brockman/Barr) to adopt the resolution (5-0-0-1, Volta abstained, Swisher absent)
 - c. For the resolution regarding 1000 Central M/S/C (Property H) (Brockman/Barr) to adopt the resolution (4-2-0-1, Horan and Volta No, Swisher absent)
 - d. For the resolution regarding County Road #8 (Property I) M/S/C (Brockman/Barr) to adopt the resolution (4-2-0-1, Horan and Volta No, Swisher absent)
 - e. For the resolution regarding 400 Guthrie (Property J) M/S/C (Brockman/Barr) to adopt the resolution (4-2-0-1, Horan and Volta No, Swisher absent).
7. Discussion of proposed building lease for Black Diamond Kids Center at 400 Guthrie Lane – Director of Community Development Casey McCann introduced Alex Greenwood, Brentwood's Economic Development Manager. Alex explained the opportunity for Black Diamond Cheer to lease space at 400 Guthrie (the "CD Building" next to the Police Station). The lease would be month to month and for a maximum of 12 months. The intent is for the lease to last approximately three to five months while the tenant resolves real estate issues and finds permanent space. In response to questions from Chair Bill Hill, Alex discussed some tenant improvements that would be done to improve the safety of the building, including a raised floor. In response to a question from Board Member Kevin Horan regarding revenues, Alex explained that was to be negotiated. Pam Ehler confirmed that all revenue would be kept in reserves in the event of a challenge by the State. The Board had no objections to staff moving forward with lease negotiations with Black Diamond Cheer.
8. Verbal report on Oversight Board key milestones - In response to a question raised at the last Board meeting, Pam Ehler explained the key milestones for the Oversight Board including: 1) dispose of property funded by tax increment; 2) cease performance of agreements that are not "enforceable obligations"; 3) transfer housing responsibilities and assets (and funds) to the City (this will be done at a future meeting); and 4) terminate or renegotiate certain agreements if in the best interests of the taxing entities.
9. Discussion regarding Oversight Board legal counsel – Staff Liaison Karen Chew explained that the City Attorney is serving as legal counsel to the Successor Agency but is not providing legal advice to the Oversight Board and if the Board is interested in obtaining legal counsel, it is recommended that a subcommittee of the Board be

appointed. The City has received letters of interest from attorneys willing to serve. Kevin Horan suggested partnering with other Oversight Boards to obtain legal services. Eric Volta indicated he preferred using a Request for Proposal (RFP) process and allowing the entire Board to participate in the process. Board Member Steve Barr agreed that legal representation was necessary as the Board needed someone who understood the legislation as the interpretation continues to change. Chair Bill Hill suggested finding firms already advising other Oversight Boards. Paul Eldredge agreed and stated that a subcommittee would be helpful to flush out the RFP and review potential conflict issues. M/S/C (Barr/Brockman) to appoint Paul Eldredge and Eric Volta to serve as the subcommittee to work on acquiring legal representation for the Oversight Board.

10. Suggestions for future agenda items – There were no suggestions for future agenda items. The next regular meeting will be held on Wednesday, June 20, 2012 at 4:00 pm.

11. The meeting was adjourned at 5:10 p.m.

CITY OF BRENTWOOD OVERSIGHT BOARD 4

Meeting Date: June 20, 2012

Subject/Title: A resolution approving the Successor Agency's execution of an Assignment and Assumption Agreement and Contingent Repayment Agreement assigned from the Successor Agency of the Redevelopment Agency of the City of Brentwood, to the City of Brentwood of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project

Prepared by: Kwame Reed, Senior Community Development Analyst

Submitted by: Casey McCann, Community Development Director

RECOMMENDATION

A resolution approving the Successor Agency's execution of an Assignment and Assumption Agreement and Contingent Repayment Agreement from the Successor Agency of the Redevelopment Agency of the City of Brentwood, to the City of Brentwood of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project.

PREVIOUS ACTION

On April 11, 2012, the Oversight Board adopted Resolution 2012-03 approving the Recognized Obligation Payment Schedule of the Successor Agency of the City of Brentwood for the Periods of January 1, 2012 through June 30, 2012, and July 1, 2012 through December 31, 2012, which included the Agency Housing Funds on the Meta Housing project.

On May 8, 2012, the Oversight Board adopted Resolution 2012-04 approving the Recognized Obligation Payment Schedule of the Successor Agency of the City of Brentwood for the Periods of January 1, 2012 through June 30, 2012, and July 1, 2012 through December 31, 2012, which included the Agency Housing Funds on the Meta Housing project.

BACKGROUND

The State of California denied the use of Agency Housing Funds on the Meta Housing project on the Successor Agency's ROPS. In response, the City Council approved the use of City Affordable Housing In-Lieu Funds in the amount of \$3.95 million towards the Meta Housing project, in-lieu of Agency Housing Funds. This action approves the Successor Agency's execution of an Assignment and Contingent Repayment Agreement that would require the Successor Agency to repay the City Affordable Housing In-Lieu Fund should legislation change or if the City is successful at seeking payment through the ROPS, allowing Agency Housing Funds being used towards the Meta Housing project.

FISCAL IMPACT

The cost of the project to the Agency was \$3.95 million. The cost to the Successor Agency would be \$3.95 million if legislation changes or the City is successful at seeking payment through the ROPS, allowing Agency Housing Funds being used towards the Meta Housing

project. Currently, there are funds from both City and Successor Agency for this project, and approved ROPS through the Oversight Board.

Attachments
Resolution

OVERSIGHT BOARD RESOLUTION NO. _____

RESOLUTION APPROVING THE SUCCESSOR AGENCY'S EXECUTION OF AN ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONTINGENT REPAYMENT AGREEMENT ASSIGNED FROM THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF BRENTWOOD, TO THE CITY OF BRENTWOOD, OF THE RIGHTS AND OBLIGATIONS UNDER THE LOAN AGREEMENT WITH GROVE SUNSET, L.P., WITH RESPECT TO THE META HOUSING PROJECT

WHEREAS, Grove Sunset, LLC., ("Developer") owns an approximately 3.18 acre parcel located at 201 Sunset Court (northeast corner of Brentwood Boulevard and Havenwood Avenue) in the City of Brentwood (the "Property"); and

WHEREAS, Developer plans to construct a 54-unit affordable housing apartment project known as The Grove at Sunset Court (the "Project") on the Property,

WHEREAS, the former Redevelopment Agency of the City of Brentwood (the "Agency") entered into a loan agreement with Meta Housing Inc., for \$3.95 million of Agency Housing Funds on January 31, 2012, based on prior commitments and obligations, the agreement was automatically assigned to the City as the Successor Agency to the Redevelopment Agency of the City of Brentwood ("Successor Agency"); and

WHEREAS, the Successor Agency included the Meta Housing loan on its list of Recognized Obligation Payment Schedule (ROPS); and

WHEREAS, the Successor Agency's ROPS was approved with the State of California rejecting the use of Agency Housing Funds for the Meta Housing project, thus creating a funding shortfall for the project; and

WHEREAS, in order to assist with the construction of the Project, and to prevent a possible foreclosure, the City will provide a \$3.95 million loan from the City Affordable Housing In-Lieu Fund; and desires the ability to recoup these funds.

NOW, THEREFORE, OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

1. That it approves the Successor Agency's execution of an Assignment and Assumption Agreement and Contingent Repayment Agreement assigned from the Successor Agency of the Redevelopment Agency of the City of Brentwood, to the City of Brentwood, of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing Project.

PASSED AND ADOPTED this 20th day of June, 2012, by the following vote:

CITY COUNCIL AGENDA ITEM NO. 18

Meeting Date: June 12, 2012

Subject/Title: A resolution accepting the assignment from the Successor Agency of the Redevelopment Agency of the City of Brentwood, of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project; authorizing the expenditure of \$3.95 million of City Affordable Housing In-Lieu Funds pursuant to the Loan Agreement; approving and authorizing the City Manager to execute an Assignment and Contingent Repayment Agreement, contingent on approval of the City of Brentwood Oversight Board; and approving and authorizing the City Manager to execute an amendment to the Loan Agreement and any other documents necessary to effectuate this assignment and resolution or, in the event the City of Brentwood Oversight Board does not approve the Assignment and Contingent Repayment Agreement, new loan documents, and amending the 2011/12 City Affordable Housing In-Lieu Fund increasing appropriations by \$3.95 million.

Prepared by: Kwame Reed, Senior Community Development Analyst

Submitted by: Casey McCann, Community Development Director

RECOMMENDATION

Adopt a resolution accepting the assignment from the Successor Agency of the Redevelopment Agency of the City of Brentwood, of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project; authorizing the expenditure of \$3.95 million of City Affordable Housing In-Lieu Funds pursuant to the Loan Agreement; and approving and authorizing the City Manager to execute an Assignment and Contingent Repayment Agreement, contingent on approval of the City of Brentwood Oversight Board; and approving and authorizing the City Manager to execute an amendment to the Loan Agreement and any other documents necessary to effectuate this assignment and resolution or, in the event the City of Brentwood Oversight Board does not approve the Assignment and Contingent Repayment Agreement, new loan documents, and amending the 2011/12 City Affordable Housing In-Lieu Fund increasing appropriations by \$3.95 million.

PREVIOUS ACTION

On March 8, 2011, the City Council adopted Resolution 2011-30 approving a Mitigated Negative Declaration and Resolution 2011-31 approving General Plan Amendment No. 10-001 and introduced and waived the first reading of Ordinance 889 approving Rezone No. 10-004 to change the general plan designation to High Density Residential and rezone from Thoroughfare Commercial to Planned Development No. 23 in order to allow and adopt project-specific development standards for an apartment project known as The Grove at Sunset Court, located east of Brentwood Boulevard and north of Havenwood Avenue at 201 Sunset Court.

On April 26, 2011, in order to assist in the construction of the affordable Project, which will increase the City's supply of extremely low, very low and low-income housing, the Redevelopment Agency of the City of Brentwood ("Agency") Board adopted a resolution

approving a reservation and expenditure of Agency Housing Funds in the amount \$3,950,000 from the Agency's Low and Moderate Housing Fund to assist with the Project, which further directed staff to commence preparation and approval of the necessary documentation and authorized the Executive Director to execute the necessary agreements and documents subject to approval by the Agency Counsel.

On January 24, 2012, a resolution acknowledging the preparation and approval of the loan agreement was presented to the Agency. This resolution was a confirmation of the Agency's previous action of reserving the Low and Moderate Housing Fund.

BACKGROUND

Meta Housing's The Grove at Sunset Court project is a 54-unit affordable housing apartment complex that will be constructed on 3.18 acres that was formerly the Perez Nursery site. Meta Housing requested financial assistance from the Agency and received a reservation of Agency Housing Funds in the amount of \$3.95 million in April 2011.

During the last six months of 2011, the State Legislature adopted two bills, AB1x 26 and AB1x 27, which would ultimately change redevelopment practices in California forever. The first bill contained provisions that required all agencies to be dissolved by October 1, 2011. Because this bill was signed by the Governor on June 28, 2011, any actions of a redevelopment agency between that date and the dissolution date would be invalid. The second bill contained provisions that allowed for redevelopment agencies to opt into an "alternative voluntary redevelopment program" where they could make annual contributions to schools and special districts in order to remain active. The City of Brentwood adopted a resolution agreeing to make the voluntary payment. This meant as long as you had an agency approved resolution by August 15, 2011, the agency could continue performing full duties of California Redevelopment Law.

The Agency executed a Commitment Letter for the Meta Housing project dated June 29, 2011. The letter was ratified with all signatures by July 7, 2011 and Meta Housing used the letter to submit an application to the State's Tax Credit Allocation Committee (TCAC). On August 11, 2011, the California State Supreme Court issued a partial stay against ABx1 26 and a full stay against AB1x 27. The project was awarded \$10.5 million from the TCAC in October 2011.

Once the project's funding had been secured, the Agency included the expenditure of funds on the EOPS (enforceable obligation payment schedule) and eventually the ROPS (recognized obligation payment schedule). On December 29, 2011, the State Supreme Court upheld the dissolution legislation of AB1x 26 and struck down AB1x 27, the ability for an agency to make annual contributions in order to remain in existence. The Court identified February 1, 2012 as the dissolution date and many agencies around the State, took actions to become successor agencies during the closing out period of redevelopment projects.

On January 31, 2012, the Agency entered into formal loan agreements with Meta Housing based on its prior commitment and obligation. The Agency included verbiage within the loan agreement to allow an assignment of the agreement to the Successor Agency of the Redevelopment Agency of the City of Brentwood ("Successor Agency") other City entity. Meta Housing continued securing the additional loans for the project and submitted plans for the building permits.

On May 25, 2012, the State submitted an official determination of the Agency/Successor Agency's ROPS which included the rejection of the Meta Housing funding request. The

decision to deny the funding was based on the State's interpretation of the timing of execution of the final loan documents. Because the loan agreements were signed after June 28, 2011, the date the Governor signed the two bills, the State did not approve the Meta loan. The City disagrees with the State's determination and will be following up accordingly. To date, Meta has expended \$3 million for the purchase of the property and is required to repay an acquisition loan on June 25, 2012. The TCAC allocation requires Meta to close on all loans by June 25, 2012.

With the elimination of Agency Housing Funds, Meta is faced with the possibility of defaulting on the acquisition loan and losing the TCAC funding. Staff has identified the following options for the City and Successor Agency:

1. Accept the State's determination and do not fund the Meta loan – Since additional funding for the project is unlikely, this option would most likely cause the project to remain unfunded and undeveloped. As stated above, Meta waived and released all claims against the Agency and City in the event the loan could not be funded due to AB1x 26/27 in the loan agreement.
2. Fund the Meta loan with City Affordable Housing In-Lieu Fund monies – The City could use funds from its City Affordable Housing In-Lieu Fund to fully fund the Meta loan. This would allow the project to proceed and would utilize \$3.95 million of the City Affordable Housing In-Lieu Fund. With this approach, the Successor Agency could rebate the loan amount in the event legislation is passed that would allow the City to retain the Housing Fund or the State otherwise amends its opinion. Such legislation has been introduced, but is stalled in the legislature. A proposed Assignment and Contingent Repayment Agreement would document this repayment, contingent on Oversight Board approval. If the Assignment and Contingent Repayment Agreement is not approved the Oversight Board, the City would enter into new loan documents.

If the City pursues Option #2, the City/Successor Agency would continue to pursue the Agency Housing Funds through the ROPS, as the City/Successor Agency still has a valid argument relative to the timing of the actions of the Agency and the State. If successful either through the ROPS or a change in the legislation, the Agency Housing Funds would repay the City Affordable Housing In-Lieu Fund. The timing of this process, however, does not coincide with Meta Housing's funding schedule.

Staff recommends the using of \$3.95 million of City Affordable Housing In-Lieu Funds in-lieu of the Agency Housing Funds for the project and amending the 2011/12 City Affordable Housing In-Lieu Fund increasing appropriations by \$3.95 million. Staff supports this recommendation based on previous City Council and Agency Board actions related to the approval of the property's rezoning (Resolution 2011-31); and reservation of funds and direction to enter a loan agreement (Resolution RDA-183 & RDA-194). If approved, Meta Housing has requested the disbursement of the funds be made prior to the approval of the Oversight Board. The check will be held in escrow with special instructions prohibiting the processing of payment until the Oversight Board approves the Successor Agency's Assignment and Contingent Repayment Agreement or the City enters into new loan documents.

FISCAL IMPACT

The cost of the project to the Agency was \$3.95 million. A budget amendment in the amount of \$3.95 million is required if the Council decides to utilize the City Affordable Housing In-Lieu Funds as a replacement to the Agency Funds. The City's Affordable Housing In-Lieu Fund

which currently has a balance of approximately \$7.46 million would be reduced by \$3.95 million, which would limit the amount of future operating funds and available funding for housing programs.

Attachments
Resolution

RESOLUTION NO. _____

RESOLUTION ACCEPTING THE ASSIGNMENT FROM THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF BRENTWOOD, OF THE RIGHTS AND OBLIGATIONS UNDER THE LOAN AGREEMENT WITH GROVE SUNSET, L.P., WITH RESPECT TO THE META HOUSING PROJECT; AUTHORIZING THE EXPENDITURE OF \$3.95 MILLION OF CITY AFFORDABLE HOUSING IN-LIEU FUNDS PURSUANT TO THE LOAN AGREEMENT; AND APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN ASSIGNMENT AND CONTINGENT REPAYMENT AGREEMENT, CONTINGENT ON APPROVAL OF THE CITY OF BRENTWOOD OVERSIGHT BOARD; AND APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE LOAN AGREEMENT AND ANY OTHER DOCUMENTS NECESSARY TO EFFECTUATE THIS ASSIGNMENT AND RESOLUTION OR, IN THE EVENT THE CITY OF BRENTWOOD OVERSIGHT BOARD DOES NOT APPROVE THE ASSIGNMENT AND CONTINGENT REPAYMENT AGREEMENT, NEW LOAN DOCUMENTS, AND AMENDING THE 2011/12 CITY AFFORDABLE HOUSING IN-LIEU FUND INCREASING APPROPRIATIONS BY \$3.95 MILLION.

WHEREAS, Grove Sunset, LLC., ("Developer") owns an approximately 3.18 acre parcel located at 201 Sunset Court (northeast corner of Brentwood Boulevard and Havenwood Avenue) in the City of Brentwood (the "Property"); and

WHEREAS, Developer plans to construct a 54-unit affordable housing apartment project known as The Grove at Sunset Court (the "Project") on the Property; and

WHEREAS, the former Redevelopment Agency of the City of Brentwood (the "Agency") entered into a loan agreement with Meta Housing Inc., for \$3.95 million of Agency Housing Funds on January 31, 2012, based on prior commitments and obligations, the agreement was automatically assigned to the City as the Successor Agency to the Redevelopment Agency of the City of Brentwood ("Successor Agency"); and

WHEREAS, the Successor Agency included the Meta Housing loan on its list of Recognized Obligation Payment Schedule (ROPS); and

WHEREAS, the Successor Agency's ROPS was approved with the State of California rejecting the use of Agency Housing Funds for the Meta Housing project, thus creating a funding shortfall for the project; and

WHEREAS, in order to assist with the construction of the Project, and to prevent a possible foreclosure, the City desires to provide a \$3.95 million loan from the City Affordable Housing In-Lieu Fund and amend the 2011/12 City Affordable Housing In-Lieu Fund increasing appropriations by \$3.95 million.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BRENTWOOD DOES HEREBY RESOLVE AS FOLLOWS:

1. That it accepts the assignment from the Successor Agency of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project and that it approves and authorizes the City Manager to execute an Assignment and Contingent Repayment Agreement, contingent on approval of the City of Brentwood Oversight Board.

2. That it approves and authorizes the City Manager to execute an amendment to the Loan Agreement and any other documents necessary to effectuate the assignment or, in the event the City of Brentwood Oversight Board does not approve the Assignment and Contingent Repayment Agreement, new loan documents and any other documents necessary to effectuate the \$3.95 million loan from City Affordable Housing In-Lieu Funds for the Meta Housing project.
3. That it authorizes the expenditure of \$3.95 million of City Affordable Housing In-Lieu Funds pursuant to the Loan Agreement.
4. That it amends the 2011/12 City Affordable Housing In-Lieu Fund increasing appropriations by \$3.95 million.
5. That it authorizes the Finance Director to disburse the \$3.95 million to the title company to hold in escrow with special instructions to not process the check until the Oversight Board approves the Successor Agency's Assignment and Contingent Repayment Agreement or the City enters into new loan documents.

PASSED AND ADOPTED this 12th day of June, 2012, by the following vote:

ASSIGNMENT AND CONTINGENT REPAYMENT AGREEMENT

THIS ASSIGNMENT AND CONTINGENT REPAYMENT AGREEMENT (this “**Agreement**”) dated as of this ___ day of _____, 2012, the date of last execution of this Agreement by the parties indicated on the signature page hereof, is entered into by and between the CITY OF BRENTWOOD, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BRENTWOOD (“**Successor Agency**”) and the CITY OF BRENTWOOD (“**City**”).

RECITALS

A. The Redevelopment Agency of the City of Brentwood (“**Former Agency**”) and Grove Sunset, L.P. (“**Grove Sunset**”), entered into that certain Loan Agreement dated January 31, 2012 (“**Loan Agreement**”), which effectuated the prior commitments of the Former Agency as set forth below, with respect to the development of the Site described in the Loan Agreement with a 54-unit affordable family apartment project known as The Grove at Sunset Court (the “**Project**”).

B. On April 26, 2011, the Former Agency Board adopted a resolution approving a reservation and expenditure of \$3,950,000 from the Former Agency’s Low and Moderate Housing Fund (“**Agency Housing Fund**”) to assist with the Project (“**Agency Resolution**”). The Agency Resolution further directed staff to commence preparation of the necessary documentation and authorized the Executive Director to execute the necessary agreements and documents subject to approval by the Agency Counsel.

C. Consistent with the Agency Resolution, the Former Agency and Grove Sunset entered into an agreement, which memorialized the Former Agency’s commitment to extend to Grove Sunset a loan in the amount of \$3.95 million to assist in the development of the Project (“**Loan**”), which was dated June 29, 2011, and signed on July 7, 2011 (“**Commitment Letter**”). The Commitment Letter set forth the operative terms and conditions under which the Loan would be disbursed and further committed the parties to further address customary provisions and documents for the transaction.

D. In reliance on the Commitment Letter, Grove Sunset applied to the California Tax Credit Allocation Committee (“**TCAC**”) for a tax credit allocation for the Project. With the demonstrated local commitment, as documented in the Commitment Letter, TCAC granted Grove Sunset an allocation, Reservation No. CA-2011-141.

E. In connection with approval and adoption of the State Budget for Fiscal Year 2011-12, the California Legislature approved and the Governor signed (i) AB 1X 26 (Stats. 2011, chap. 5, “**AB 1X 26**”), which immediately, and purportedly retroactively, suspended all otherwise legal redevelopment activities and incurrence of indebtedness, and provided for dissolution of California’s redevelopment agencies effective October 1, 2011 (the “**Dissolution Act**”); and (ii) AB 1X 27 (Stats. 2011, chap. 6, “**AB 1X 27**”), which allowed a local community to avoid the consequences of the Dissolution Act and continue its redevelopment agency if the community enacted an ordinance agreeing to comply with the alternative voluntary

redevelopment program described in Section 2 of AB 1X 27 adding Part 1.9 (commencing with section 34192) of Division 24 of the Health and Safety Code (“**Alternative Program**”).

F. In accordance with AB 1X 26, the Loan was reflected in Former Agency’s Enforceable Obligation Payment Schedule adopted by Agency Resolution No. 189 on August 29, 2011. The City also enacted an ordinance agreeing to comply with the Alternative Program. Pursuant thereto, Former Agency was entitled to continue its operations and activities to serve the essential role of implementing the goals and objectives of the Redevelopment Plan (defined below).

G. In a decision filed on December 29, 2011 in *California Redevelopment Association et al. v. Ana Matosantos et al.*, the Supreme Court found the dissolution of redevelopment agencies effected by AB 1X 26 to be a proper exercise of the legislative power vested in the Legislature by the State Constitution and the provisions of AB 1X 27 allowing communities to save their redevelopment agencies if they made the “voluntary” remittance payments under AB 1X 27 to violate Proposition 22, thus upholding the constitutionality of AB 1X 26 and holding AB 1X 27 unconstitutional. As a result, February 1, 2012 (“**Dissolution Date**”) became the new date on which redevelopment agencies in California, including Former Agency, ceased to exist.

H. On January 10, 2011, the City Council of the City of Brentwood adopted a resolution determining to serve as the Successor Agency to the Former Agency (“**Successor Agency**”) and electing to retain the housing assets and functions of the Former Agency.

I. Thereafter, and in furtherance of the Agency Resolution and Commitment Letter, Former Agency and Grove Sunset entered into the Loan Agreement. Section 6.3 and 6.22 of the Loan Agreement provide that it will be automatically assigned to the Successor Agency upon the Dissolution Date and that the Loan Agreement may also be assigned to any public or private entity controlled by the City. There are funds currently available in the Agency Housing Fund to fund the Loan, which funds remain in a separate City account pending resolution of dissolution issues.

J. On February 28, 2012, and May 22, 2012, the Successor Agency approved the ROPS for January 1, 2012 – June 30, 2012 and July 1, 2012 – December 31, 2012, which included the Loan as an enforceable obligation under AB 1X 26. On April 11, 2012 and May 8, 2012, the City of Brentwood Oversight Board approved the ROPS of the Successor Agency, which again included the Loan as an enforceable obligation.

K. On May 25, 2012, the State Department of Finance (“**DOF**”) notified the City that the DOF disapproved the Loan as an enforceable obligation on the ROPS.

L. Grove Sunset’s TCAC deadline to close the Loan and pull building permits is June 25, 2012, and cannot be extended. Grove Sunset has pulled a grading permit and is ready to pull building permits for the Project immediately upon the close of escrow of the Loan.

M. City has an inclusionary housing program codified in City’s Municipal Code at Chapter 17.725, which provides for a Housing Trust Fund (“**City Housing Fund**”) that may be

used for affordable housing purposes. The Project is an affordable housing project. Therefore, the Loan may be funded by the City Housing Fund.

N. In order to allow the Project to move forward, City desires to assume the rights and obligations under the Loan Agreement and fund the Loan out of the City Housing Fund, provided, however, that in the event Successor Agency is able to retain the funds in the Agency Housing Fund, or otherwise fund the Loan, the Successor Agency will repay the Loan amount to the City Housing Fund.

A G R E E M E N T

NOW, THEREFORE, Successor Agency and City hereby agree as follows:

1. Assignment. Successor Agency hereby assigns to City, and City agrees to accept such assignment and assume, all rights and obligations set forth in the Loan Agreement.
2. Contingent Repayment. Successor Agency agrees to repay the City Housing Fund the amount of the Loan within ten business days of City's request in the event that the Successor Agency is able to retain, enter into contracts regarding or otherwise spend or commit funds from the Agency Housing Fund, or if the Loan is found to be an enforceable obligation (whether via a DOF determination, court decision or any other means), such as in the event State legislation is passed that allows the Successor Agency to retain the Agency Housing Fund for housing purposes.
3. Integration. This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement.
4. Amendment. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.
5. Applicable Law. The laws of the State of California, without regard to conflict of laws principles, shall govern the interpretation and enforcement of this Agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Successor Agency and City have executed this Agreement on the respective dates set forth below.

SUCCESSOR AGENCY:

CITY OF BRENTWOOD, AS SUCCESSOR AGENCY TO
THE CITY OF BRENTWOOD REDEVELOPMENT
AGENCY

Dated: _____

By: _____

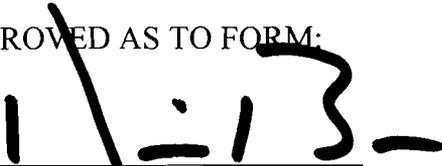
Name: Paul R. Eldredge, P.E.

Its: City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney

CITY:

CITY OF BRENTWOOD

Dated: _____

By: _____

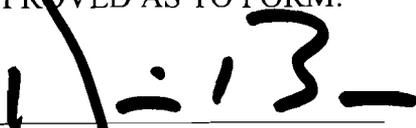
Name: Paul R. Eldredge, P.E.

Its: City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney

SUCCESSOR AGENCY AGENDA ITEM NO. 19

Meeting Date: June 12, 2012

Subject/Title: A resolution approving an assignment from the Successor Agency of the Redevelopment Agency of the City of Brentwood, to the City of Brentwood of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project; and approving and authorizing the City Manager to execute an Assignment and Contingent Repayment Agreement, contingent on approval of the City of Brentwood Oversight Board

Prepared by: Kwame Reed, Senior Community Development Analyst

Submitted by: Casey McCann, Community Development Director

RECOMMENDATION

A resolution approving an assignment from the Successor Agency of the Redevelopment Agency of the City of Brentwood, to the City of Brentwood of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project; and approving and authorizing the City Manager to execute an Assignment and Contingent Repayment Agreement, contingent on approval of the City of Brentwood Oversight Board

PREVIOUS ACTION

On March 8, 2011, the City Council adopted Resolution 2011-30 approving a Mitigated Negative Declaration and Resolution 2011-31 approving General Plan Amendment No. 10-001 and introduced and waived the first reading of Ordinance 889 approving Rezone No. 10-004 to change the general plan designation to High Density Residential and rezone from Thoroughfare Commercial to Planned Development No. 23 in order to allow and adopt project-specific development standards for an apartment project known as The Grove at Sunset Court, located east of Brentwood Boulevard and north of Havenwood Avenue at 201 Sunset Court.

On April 26, 2011, in order to assist in the construction of the affordable Project, which will increase the City's supply of extremely low, very low and low-income housing, the Redevelopment Agency of the City of Brentwood ("Agency") Board adopted a resolution approving a reservation and expenditure of Agency Housing Funds in the amount \$3,950,000 from the Agency's Low and Moderate Housing Fund to assist with the Project, which further directed staff to commence preparation and approval of the necessary documentation and authorized the Executive Director to execute the necessary agreements and documents subject to approval by the Agency Counsel.

On January 24, 2012, a resolution acknowledging the preparation and approval of the loan agreement was presented to the Agency. This resolution was a confirmation of the Agency's previous action of reserving the Low and Moderate Housing Fund.

On February 1, 2012, the Successor Agency to the Redevelopment Agency of the City of Brentwood ("Successor Agency") assumed the responsibilities of the Agency upon its dissolution.

BACKGROUND

This is a companion staff report to the City Council staff report regarding the Meta Housing Grove at Sunset Court project. The Council report gave a detailed synopsis of the numerous actions and developments that have taken place and that lead us to this action.

In brief, the State of California has denied the use of Agency Housing Funds on the Meta Housing project. The City Council is being asked to either approve or deny the use of City Affordable Housing In-Lieu Funds in the amount of \$3.95 million towards the Meta Housing project, in-lieu of Agency Housing Funds. This action authorizes the Successor Agency, contingent on City of Brentwood Oversight Board approval, to enter into an Assignment and Contingent Repayment Agreement that would require the Successor Agency to repay the City Affordable Housing In-Lieu Fund should legislation change or if the City is successful at seeking payment through the ROPS, allowing Agency Housing Funds being used towards the Meta Housing project.

FISCAL IMPACT

The cost of the project to the Agency was \$3.95 million. The cost to the Successor Agency would be \$3.95 million if legislation changes or the City is successful at seeking payment through the ROPS, allowing Agency Housing Funds being used towards the Meta Housing project.

Attachments
Resolution

SUCCESSOR AGENCY RESOLUTION NO. _____

RESOLUTION APPROVING AN ASSIGNMENT FROM THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF BRENTWOOD, TO THE CITY OF BRENTWOOD, OF THE RIGHTS AND OBLIGATIONS UNDER THE LOAN AGREEMENT WITH GROVE SUNSET, L.P., WITH RESPECT TO THE META HOUSING PROJECT TO THE CITY OF BRENTWOOD; AND APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN ASSIGNMENT AND CONTINGENT REPAYMENT AGREEMENT, CONTINGENT ON APPROVAL OF THE CITY OF BRENTWOOD OVERSIGHT BOARD

WHEREAS, Grove Sunset, LLC., ("Developer") owns an approximately 3.18 acre parcel located at 201 Sunset Court (northeast corner of Brentwood Boulevard and Havenwood Avenue) in the City of Brentwood (the "Property"); and

WHEREAS, Developer plans to construct a 54-unit affordable housing apartment project known as The Grove at Sunset Court (the "Project") on the Property,

WHEREAS, the former Redevelopment Agency of the City of Brentwood (the "Agency") entered into a loan agreement with Meta Housing Inc., for \$3.95 million of Agency Housing Funds on January 31, 2012, based on prior commitments and obligations, the agreement was automatically assigned to the City as the Successor Agency to the Redevelopment Agency of the City of Brentwood ("Successor Agency"); and

WHEREAS, the Successor Agency included the Meta Housing loan on its list of Recognized Obligation Payment Schedule (ROPS); and

WHEREAS, the Successor Agency's ROPS was approved with the State of California rejecting the use of Agency Housing Funds for the Meta Housing project, thus creating a funding shortfall for the project; and

WHEREAS, in order to assist with the construction of the Project, and to prevent a possible foreclosure, the City will provide a \$3.95 million loan from the City Affordable Housing In-Lieu Fund.

NOW, THEREFORE, THE SUCCESSOR AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

1. That it approves the assignment to the City of Brentwood, of the rights and obligations under the Loan Agreement with Grove Sunset, L.P., with respect to the Meta Housing project and the repayment to the City Affordable Housing In-Lieu Fund in the amount of \$3.95 million should legislation change or if the City is successful at seeking payment through the ROPS, allowing Agency Housing Funds to be used towards the Meta Housing project, and approves and authorizes the City Manager to execute an Assignment and Contingent Repayment Agreement, all contingent upon approval of the City of Brentwood Oversight Board.

PASSED AND ADOPTED this 12th day of June, 2012, by the following vote:

ASSIGNMENT AND CONTINGENT REPAYMENT AGREEMENT

THIS ASSIGNMENT AND CONTINGENT REPAYMENT AGREEMENT (this “**Agreement**”) dated as of this ___ day of _____, 2012, the date of last execution of this Agreement by the parties indicated on the signature page hereof, is entered into by and between the CITY OF BRENTWOOD, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BRENTWOOD (“**Successor Agency**”) and the CITY OF BRENTWOOD (“**City**”).

RECITALS

A. The Redevelopment Agency of the City of Brentwood (“**Former Agency**”) and Grove Sunset, L.P. (“**Grove Sunset**”), entered into that certain Loan Agreement dated January 31, 2012 (“**Loan Agreement**”), which effectuated the prior commitments of the Former Agency as set forth below, with respect to the development of the Site described in the Loan Agreement with a 54-unit affordable family apartment project known as The Grove at Sunset Court (the “**Project**”).

B. On April 26, 2011, the Former Agency Board adopted a resolution approving a reservation and expenditure of \$3,950,000 from the Former Agency’s Low and Moderate Housing Fund (“**Agency Housing Fund**”) to assist with the Project (“**Agency Resolution**”). The Agency Resolution further directed staff to commence preparation of the necessary documentation and authorized the Executive Director to execute the necessary agreements and documents subject to approval by the Agency Counsel.

C. Consistent with the Agency Resolution, the Former Agency and Grove Sunset entered into an agreement, which memorialized the Former Agency’s commitment to extend to Grove Sunset a loan in the amount of \$3.95 million to assist in the development of the Project (“**Loan**”), which was dated June 29, 2011, and signed on July 7, 2011 (“**Commitment Letter**”). The Commitment Letter set forth the operative terms and conditions under which the Loan would be disbursed and further committed the parties to further address customary provisions and documents for the transaction.

D. In reliance on the Commitment Letter, Grove Sunset applied to the California Tax Credit Allocation Committee (“**TCAC**”) for a tax credit allocation for the Project. With the demonstrated local commitment, as documented in the Commitment Letter, TCAC granted Grove Sunset an allocation, Reservation No. CA-2011-141.

E. In connection with approval and adoption of the State Budget for Fiscal Year 2011-12, the California Legislature approved and the Governor signed (i) AB 1X 26 (Stats. 2011, chap. 5, “**AB 1X 26**”), which immediately, and purportedly retroactively, suspended all otherwise legal redevelopment activities and incurrence of indebtedness, and provided for dissolution of California’s redevelopment agencies effective October 1, 2011 (the “**Dissolution Act**”); and (ii) AB 1X 27 (Stats. 2011, chap. 6, “**AB 1X 27**”), which allowed a local community to avoid the consequences of the Dissolution Act and continue its redevelopment agency if the community enacted an ordinance agreeing to comply with the alternative voluntary

redevelopment program described in Section 2 of AB 1X 27 adding Part 1.9 (commencing with section 34192) of Division 24 of the Health and Safety Code (“**Alternative Program**”).

F. In accordance with AB 1X 26, the Loan was reflected in Former Agency’s Enforceable Obligation Payment Schedule adopted by Agency Resolution No. 189 on August 29, 2011. The City also enacted an ordinance agreeing to comply with the Alternative Program. Pursuant thereto, Former Agency was entitled to continue its operations and activities to serve the essential role of implementing the goals and objectives of the Redevelopment Plan (defined below).

G. In a decision filed on December 29, 2011 in *California Redevelopment Association et al. v. Ana Matosantos et al.*, the Supreme Court found the dissolution of redevelopment agencies effected by AB 1X 26 to be a proper exercise of the legislative power vested in the Legislature by the State Constitution and the provisions of AB 1X 27 allowing communities to save their redevelopment agencies if they made the “voluntary” remittance payments under AB 1X 27 to violate Proposition 22, thus upholding the constitutionality of AB 1X 26 and holding AB 1X 27 unconstitutional. As a result, February 1, 2012 (“**Dissolution Date**”) became the new date on which redevelopment agencies in California, including Former Agency, ceased to exist.

H. On January 10, 2011, the City Council of the City of Brentwood adopted a resolution determining to serve as the Successor Agency to the Former Agency (“**Successor Agency**”) and electing to retain the housing assets and functions of the Former Agency.

I. Thereafter, and in furtherance of the Agency Resolution and Commitment Letter, Former Agency and Grove Sunset entered into the Loan Agreement. Section 6.3 and 6.22 of the Loan Agreement provide that it will be automatically assigned to the Successor Agency upon the Dissolution Date and that the Loan Agreement may also be assigned to any public or private entity controlled by the City. There are funds currently available in the Agency Housing Fund to fund the Loan, which funds remain in a separate City account pending resolution of dissolution issues.

J. On February 28, 2012, and May 22, 2012, the Successor Agency approved the ROPS for January 1, 2012 – June 30, 2012 and July 1, 2012 – December 31, 2012, which included the Loan as an enforceable obligation under AB 1X 26. On April 11, 2012 and May 8, 2012, the City of Brentwood Oversight Board approved the ROPS of the Successor Agency, which again included the Loan as an enforceable obligation.

K. On May 25, 2012, the State Department of Finance (“**DOF**”) notified the City that the DOF disapproved the Loan as an enforceable obligation on the ROPS.

L. Grove Sunset’s TCAC deadline to close the Loan and pull building permits is June 25, 2012, and cannot be extended. Grove Sunset has pulled a grading permit and is ready to pull building permits for the Project immediately upon the close of escrow of the Loan.

M. City has an inclusionary housing program codified in City’s Municipal Code at Chapter 17.725, which provides for a Housing Trust Fund (“**City Housing Fund**”) that may be

used for affordable housing purposes. The Project is an affordable housing project. Therefore, the Loan may be funded by the City Housing Fund.

N. In order to allow the Project to move forward, City desires to assume the rights and obligations under the Loan Agreement and fund the Loan out of the City Housing Fund, provided, however, that in the event Successor Agency is able to retain the funds in the Agency Housing Fund, or otherwise fund the Loan, the Successor Agency will repay the Loan amount to the City Housing Fund.

A G R E E M E N T

NOW, THEREFORE, Successor Agency and City hereby agree as follows:

1. Assignment. Successor Agency hereby assigns to City, and City agrees to accept such assignment and assume, all rights and obligations set forth in the Loan Agreement.
2. Contingent Repayment. Successor Agency agrees to repay the City Housing Fund the amount of the Loan within ten business days of City's request in the event that the Successor Agency is able to retain, enter into contracts regarding or otherwise spend or commit funds from the Agency Housing Fund, or if the Loan is found to be an enforceable obligation (whether via a DOF determination, court decision or any other means), such as in the event State legislation is passed that allows the Successor Agency to retain the Agency Housing Fund for housing purposes.
3. Integration. This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement.
4. Amendment. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.
5. Applicable Law. The laws of the State of California, without regard to conflict of laws principles, shall govern the interpretation and enforcement of this Agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Successor Agency and City have executed this Agreement on the respective dates set forth below.

SUCCESSOR AGENCY:

CITY OF BRENTWOOD, AS SUCCESSOR AGENCY TO
THE CITY OF BRENTWOOD REDEVELOPMENT
AGENCY

Dated: _____

By: _____

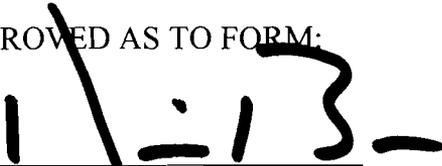
Name: Paul R. Eldredge, P.E.

Its: City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney

CITY:

CITY OF BRENTWOOD

Dated: _____

By: _____

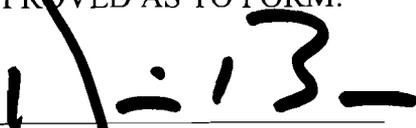
Name: Paul R. Eldredge, P.E.

Its: City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney

BRENTWOOD OVERSIGHT BOARD ITEM NO. 5

Meeting Date: June 20, 2012
Subject/Title: Request for Qualifications (RFQ) for Oversight Board Legal Services
Submitted by: Karen Chew, Oversight Board Secretary

RECOMMENDATION

Approve the RFQ for Oversight Board Legal Services and authorize staff to send out to qualified and eligible individuals and firms.

DISCUSSION

At the May meeting, the Oversight Board discussed the need for Legal Services and appointed Board Members Volta and Eldredge to serve as a sub-committee to oversee the development of a RFQ for legal services. With the assistance of the City Attorney, staff has developed the attached RFQ to be circulated to qualified individuals and firms to serve as legal counsel to the Oversight Board. It should be noted that any individual or firm doing business with any of the Board member entities is not qualified to serve as the Board's legal counsel. Staff has consulted with staff from other Oversight Boards in the area, and has included any eligible firm/individual as potential recipients of the RFQ.

Once approved by the Board, the RFQ will be sent out and the responses will be reviewed by the Board sub-committee with a recommendation for selection coming to the full board at a future meeting.

The funding for these legal services will be paid by the Successor Agency.

Attachment:

RFQ for Oversight Board Legal Services

**Request for Qualifications (RFQ) for
Legal Services for the Oversight Board to the Successor Agency
to the former Redevelopment Agency of the City of Brentwood**

Under AB X1 26 (Chapter 5, Statutes of 2011), an Oversight Board (“Board”) was established to oversee the actions of the Successor Agency for the dissolved Redevelopment Agency of the City of Brentwood. The Board is seeking the services of an attorney with a professional law firm or an experienced sole practitioner to serve as Legal Counsel to the Board.

The Board Legal Counsel may not be employed by: (i) the Brentwood Successor Agency; (ii) any of the entities with appointments to the Board; or (iii) any of the affected taxing entities which may receive funding pursuant to AB X1 26.

The selected Legal Counsel will advise the Board and will be expected to work closely with counsel from the various taxing entities with appointments to the Board or who receive property tax revenues. Due to conflicts of interest, the Legal Counsel and/or its firm could not be in an adversarial position with the agencies that appointed the Board members, nor could it represent private developers under existing contracts with the prior dissolved Redevelopment Agency of the City of Brentwood for redevelopment projects which have not yet been completed.

Interested firms or individuals should be versed in California Redevelopment Law and AB X1 26, and have experience advising public bodies on Brown Act, Political Reform Act and the Public Records Act. The firm or individual should also have experience with public contracting, public finance (bonds) and redevelopment projects and activities, as well as experience with real estate transactions including financing and disposition of properties.

The term of engagement would be for fiscal year 2012-2013, and the contract would likely be extended from year to year until the Board completes its work and is dissolved or is merged with the other Oversight Boards in Contra Costa County in 2016 as required by AB X1 26.

The Board may terminate Services at any time by written notice. After receiving such notice, Legal Counsel will cease providing the Services. Legal Counsel will cooperate with the Board in the orderly transfer of all related files and records to the Board’s new counsel.

Legal Counsel may terminate the Services at any time with Board’s consent or for good cause. Good cause exists if (a) any statement is not paid within sixty (60) days of its date; (b) Board fails to meet any other obligation under this Agreement and continue in that failure for fifteen (15) days after Legal Counsel sends written notice to Board; (c) Board has misrepresented or failed to disclose material facts to Legal Counsel, refused to cooperate with Legal Counsel,

refused to follow Legal Counsel's advice on a material matter, or otherwise made Legal Counsel's representation unreasonably difficult; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations where a conflict of interest arises. If Legal Counsel terminates the Services, the Board agrees to execute a substitution of attorneys promptly and otherwise cooperate in effecting that termination.

The Brentwood Oversight Board members are as follows:

1. Steve Barr, Vice Mayor of Brentwood, appointed by the East Contra Costa County Fire District
2. Bob Brockman, Brentwood Council Member, appointed by the Mayor with the concurrence of the Brentwood City Council
3. Paul Eldredge, Brentwood City Manager, appointed by the Mayor with the concurrence of the Brentwood City Council
4. Eric Volta, Superintendent of Liberty Union High School District, appointed by the Superintendent of Schools
5. Kevin Horan, Executive Dean of Los Medanos College, appointed by the College District
6. William Hill, former Brentwood Mayor and Council Member, appointed by the Board of Supervisors
7. Brian Swisher, former Brentwood Mayor, appointed by the Board of Supervisors

Scope of Services: The Scope of Services of the Legal Counsel would include, but not be limited to, the following:

- Provide legal advice regarding Oversight Board member duties, responsibilities and obligations;
- Provide legal advice regarding its relationship to and role with the Successor Agency;
- Advise the Board on legal authority and liability for actions taken in the ordinary course of business;
- Advise the Board on actions necessary to protect the Board Members from personal liability and protect the assets of the dissolved agency from liability and attachment;
- Review and advise the Board on the recommendations from the City/Successor Agency staff regarding contracting issues;
- Review and advise the Board on recommendations from the City/Successor Agency on financing matters, overseeing completion of redevelopment projects, and disposition of property and other assets;
- Provide advice on legislative matters which may affect the Board (exclusive of lobbying);

- Represent the Board in connection with any inquiry, investigation, audit or other proceedings of state regulatory agencies;
- Represent the Board in any litigation brought by or against or otherwise involving the Board;
- Engage in any other legal matter reasonably requested by the Board.

Experience/Qualifications: The Legal Counsel should have knowledge and experience in the following areas of law: California Redevelopment Law, AB X1 26, Brown Act, Political Reform Act, Public Records Act, contracts, and bond financing and lending. It would also be beneficial if the firm or individual has experience with real property development and disposition. Knowledge and experience in other areas of public law would also be desirable and may be considered.

Submittal Content:

- 1) A one-page cover letter with the name and contact information for the lead attorney.
- 2) Description of the qualifications and experience of the proposed lead attorney and any associate(s) to be assigned to work for the Board in the areas of law listed above.
- 3) Three client references.
- 4) List of current hourly rates for each attorney and support staff proposed to be assigned to work for the Board.
- 5) Availability
- 6) Disclosure of known or potential conflicts of interest

Submittal Procedures:

Please submit your proposal no later than XXXXXX to Karen Chew, Secretary to the Oversight Board.

The Board reserves the right to accept or deny any or all proposals.

By Email: to Kchew@brentwoodca.gov

By US Mail: to Karen Chew, Assistant City Manager, City of Brentwood, 150 City Park Way, Brentwood, CA 94513