

**ANNOTATED
AGENDA
OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY
ANTIOCH COUNCIL CHAMBERS
200 "H" STREET**

January 23, 2017 at 6:00 P.M. (6:07 pm)

Board Members:

Brian Kalinowski, Chair (**absent**)
Martha Parsons, Vice Chair
Keith Archuleta
David Fraser
Robert Kratochvil
Forrest Ebbs (**absent**)

ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

ITEMS

1. ANNOTATED AGENDA FOR January 27, 2016

Action: Motion to approve the Annotated Agenda.

APPROVED

2. BOND SPENDING PLAN AND BOND PROCEEDS EXPENDITURE AGREEMENT BETWEEN THE CITY OF ANTIOCH AS SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY AND THE CITY OF ANTIOCH

Action: Motion to adopt a Resolution approving the Bond Spending Plan and Bond Proceeds Expenditure Agreement between the City of Antioch as Successor Agency to the Antioch Development Agency and the City of Antioch.

RESOLUTION NO. 2017-01

3. RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 17-18)

Action: Motion to adopt a Resolution Approving the Recognized Obligation Payment Schedule (ROPS 17-18).

RESOLUTION NO. 2017-02

4. UPDATES FROM CITY STAFF

Action: Receive Oral Report

ORAL COMMUNICATIONS

WRITTEN COMMUNICATIONS

BOARD REPORTS

ADJOURNMENT (6:21 pm)

Notice of Availability of Reports

This agenda is a summary of the actions proposed to be taken by the Oversight Board to the Successor Agency to the Antioch Development Agency. Materials provided regarding the agenda items will be available at the following website:

<http://www.ci.antioch.ca.us/citygov/oversight/default.htm> or at the City of Antioch Community Development Department located on the 2nd Floor of City Hall, 200 "H" Street, Antioch, California, 94509, between the hours of 8:00 a.m. and 11:30 a.m. or by appointment only between 1:00 p.m. and 5:00 p.m. Monday through Friday for inspection and copying (for a fee). The meetings of the Oversight Board are accessible to those with disabilities. Auxiliary aides will be made available upon advance request for persons with hearing or vision disabilities at (925) 779-7009 or TDD (925) 779-7081.

**REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE ANTIOCH DEVELOPMENT AGENCY FOR CONSIDERATION AT THE
MEETING OF JANUARY 23, 2017**

Prepared By: Cheryl Hammers, Development Services Technician



Date: January 20, 2017

Subject: Annotated Agenda Approval

RECOMMENDED ACTION

Motion to approve the annotated agenda from the meeting of January 27, 2016.

DISCUSSION

The annotated agenda from the meeting of the Oversight Board on January 27, 2016 is attached for review and approval of the Board.

ATTACHMENT

- A. Annotated Agenda from the meeting of January 27, 2016

ATTACHMENT A

ANNOTATED AGENDA

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY

ANTIOCH COUNCIL CHAMBERS THIRD & "H" STREETS

January 27, 2016 at 6:00 PM

Board Members:

Brian Kalinowski, Chair (**absent**)
Martha Parsons, Vice Chair
Keith Archuleta
Tim Forrester
David Fraser (**absent**)
Robert Kratochvil (**absent**)
Forrest Ebbs

ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

ITEMS

1. **ANNOTATED AGENDA FOR December 22, 2015**

Action: Motion to approve the Annotated Agenda. **APPROVED; 4/0**

2. **RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17)**

Action: Motion to adopt a Resolution Approving the Recognized Obligation Payment Schedule (ROPS 16-17)

RESOLUTION NO. 2016-01; 4/0

3. **UPDATES FROM CITY STAFF**

Action: Receive Oral Report **UPDATE RECEIVED**

4. **FUTURE MEETING SCHEDULE**

Action: Set Future Meeting Dates of January, 2017 and January, 2018 with

Authorization to Call a Special Meeting if required by the Department of Finance
APPROVED; 4/0

ORAL COMMUNICATIONS

WRITTEN COMMUNICATIONS

BOARD REPORTS

ADJOURNMENT (6:05 pm)

Notice of Availability of Reports

This agenda is a summary of the actions proposed to be taken by the Oversight Board to the Successor Agency to the Antioch Development Agency. Materials provided regarding the agenda items will be available at the following website: <http://www.ci.antioch.ca.us/citygov/oversight/default.htm> or at the City of Antioch Community Development Department located on the 2nd floor of City Hall, 3rd and H Streets, Antioch, California, 94509, between the hours of 8:00 a.m. and 11:30 a.m. or by appointment only between 1:00 p.m. and 5:00 p.m. Monday through Friday for inspection and copying (for a fee). The meetings of the Oversight Board are accessible to those with disabilities. Auxiliary aides will be made available upon advance request for persons with hearing or vision disabilities at (925) 779-7009 or TDD (925) 779-7081.

**REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE ANTIOCH DEVELOPMENT AGENCY FOR CONSIDERATION AT THE
MEETING OF JANUARY 23, 2017**

Prepared By: Dawn Merchant, City of Antioch Finance Director

Date: January 17, 2017

Subject: Recognized Obligation Payment Schedule

RECOMMENDED ACTION

Motion to adopt the resolution approving the Recognized Obligation Payment Schedule for the period of July 2017 through June 2018 (ROPS 17-18).

DISCUSSION

As a result of the passage of Assembly Bill 1X26, or Dissolution Act, as amended by Assembly Bill 1484 and further by Senate Bill 107, the Successor Agency to the Antioch Development Agency of the City of Antioch (Successor Agency) is required to prepare an annual Recognized Obligation Payment Schedule (ROPS) that outlines administrative, contractual and bonded indebtedness expenses of the Successor Agency until all obligations of the former Antioch Development Agency are satisfied.

The ROPS 17-18 for the period of July 2017 through June 2018 is required to be submitted to the Department of Finance (DOF) by February 1, 2017. A draft ROPS for July 2017 to June 2018 is attached (Attachment A). The ROPS 17-18 will be used by the County Auditor-Controller to allocate property tax increment to the Successor Agency to pay the obligations listed on the ROPS due for fiscal year 2018. The ROPS is subject to certification by the County Auditor Controller, approval of the State Controller, State Department of Finance and the Oversight Board. Once approved by all agencies, the City as Successor Agency will then only be able to pay those obligations listed on the approved ROPS.

Attached for consideration and approval are a resolution and ROPS 17-18 (Attachment A), detailing the continuing obligations of the former Antioch Development Agency, including the claim for use of \$1M in 2002 Lease Revenue Bond proceeds on a project in a redevelopment project area pursuant to the Bond Proceeds Expenditure Agreement to be approved by this board. In addition, as a result of litigation with the DOF regarding the Marina Subsidy/DBW loan item which was claimed on prior ROPS and denied, the Successor Agency can claim reimbursement of up to \$2.5M for loan repayments previously made. While this item is still being litigated as the City and Successor Agency believe

the obligation extends beyond \$2.5M, we are claiming \$562,500 on this ROPS which represents the amount remaining of the \$2.5M.

The ROPS is segregated into four pages, with the first page providing a summary of funding requested. The second page details all obligations of the Successor Agency to be reimbursed from the Redevelopment Property Tax Trust Fund established at the County level. The third page provides cash balance totals (which outlines any funds retained, being set aside for future approved obligations or unspent from the prior period ROPS distribution). The fourth page provides notes to the obligations listed that the Agency wants to provide further clarification for.

ATTACHMENTS

- A.** Resolution Approving the Recognized Obligation Payment Schedule for the Period of July 2017 through June 2018 (ROPS 17-18).
 - 1)** Recognized Obligation Payment Schedule for the Period of July 2017 through June 2018 (ROPS 17-18)

ATTACHMENT A

OB RESOLUTION NO. _____

**RESOLUTION OF THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY
APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (“ROPS”) FOR THE
SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY FOR THE PERIOD
OF JULY 2017 THROUGH JUNE 2018 (ROPS 17-18)**

Whereas, Health and Safety Code section 34177(l)(1) provides that Successor Agencies are required to prepare a Recognized Obligation Payment Schedule before each fiscal period identifying enforceable obligations and sources of payment; and

Whereas, Health and Safety Code section 34177 (B) provides that Recognized Obligation Payment Schedules are to be approved by Oversight Boards;

NOW THEREFORE BE IT RESOLVED THAT the Oversight Board to the Successor Agency to the Antioch Development Agency hereby approves the attached Recognized Obligation Payment Schedule of the City of Antioch as Successor Agency to the Antioch Development Agency for the period of July 2017 through June 2018 (ROPS 17-18).

* * * * *

The foregoing resolution was passed and adopted by the Oversight Board to the Successor Agency to the Antioch Development Agency at a regular meeting thereof, held on the 23rd day of January, 2017 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Oversight Board

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Antioch
 County: Contra Costa

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 1,031,047	\$ -	\$ 1,031,047
B	Bond Proceeds	1,000,000	-	1,000,000
C	Reserve Balance	-	-	-
D	Other Funds	31,047	-	31,047
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 2,882,514	\$ 1,083,650	\$ 3,966,164
F	RPTTF	2,807,514	1,008,650	3,816,164
G	Administrative RPTTF	75,000	75,000	150,000
H	Current Period Enforceable Obligations (A+E):	\$ 3,913,561	\$ 1,083,650	\$ 4,997,211

ATTACHMENT A1

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

/s/ _____
 Name Title
 Signature Date

Antioch Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	I	
		Fund Sources							Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)				
Cash Balance Information by ROPS Period									
ROPS 15-16B Actuals (01/01/16 - 06/30/16)									
1	Beginning Available Cash Balance (Actual 01/01/16)								
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during June 2016	1,146,081	27,381			16,862	860,226		
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)	8	126			21,866	385,553		
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)		27,322			7,681	1,116,170		
5	ROPS 15-16B RPTTF Balances Remaining	146,089							
No entry required							18,443		
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 1,000,000	\$ 185	\$ -	\$ -	\$ 31,047	\$ 111,166		

Antioch Recognized Obligation Payment Schedule (ROPS 17-18) - Notes July 1, 2017 through June 30, 2018

Item #	Notes/Comments
6	Amount reported each six month period is estimate of amount to be paid
7	This amount correlates to the bring the total claim to the \$2.5M being allowed by DOF in letter dated August 26, 2016 in conjunction with new line item #20
12	Amount reported each six month period is estimate of amount to be paid
19	Amount of bond proceeds remaining from 2002 Lease Revenue Bonds. Bond spending agreement approved by Successor Agency and Oversight Board.
20	Amount approved to be claimed by DOF in letter dated August 26, 2016

**REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE ANTIOCH DEVELOPMENT AGENCY FOR CONSIDERATION AT THE
MEETING OF JANUARY 23, 2017**

Prepared By: Dawn Merchant, City of Antioch Finance Director

Date: January 17, 2017

Subject: Bond Proceeds Expenditure Agreement

RECOMMENDED ACTION

Motion to adopt the resolution approving a Bond Proceeds Expenditure Agreement with the City of Antioch.

DISCUSSION

On February 1, 2012, all redevelopment agencies in California were abolished as a result of the passage of ABX1 26 (the Dissolution Act). As a result of this legislative action, the state Department of Finance (DOF) reviewed all transactions of the former Antioch Development Agency from January 1, 2011 up to the final dissolution date to determine if they were allowable transactions under the Dissolution Act and qualified as enforceable obligations of the former development agency.

As this board is aware, there were some items the DOF disputed as being valid enforceable obligations, with the \$1M use of bond proceeds for the Markley Creek Culvert project in March 2011 being one of them. The DOF ordered the City to return the funds to the Successor Agency. The City had several meetings with the DOF to appeal the decision, but ultimately, the City had to transfer the money back to the Successor Agency last fiscal year.

Since the Successor Agency received a finding of completion in December 2015, it may now request the use of the returned bond proceeds in accordance with the bond covenants on a future Recognized Obligation Payment Schedule. In order to accomplish this, the City and Successor Agency approved a Bond Spending Plan and Bond Proceeds Expenditure Agreement for use of the bond proceeds at a meeting on November 22, 2016. Pursuant to the agreement, the Successor Agency will transfer the proceeds to the City for use on an authorized project. If approved by the Oversight Board to the Successor Agency and ultimately the DOF, this will then become an enforceable obligation of the Successor Agency to be reported on the Recognized Obligation Payment Schedule (ROPS 17-18) and the funds can be transferred to the City in fiscal year 2018.

The City and Successor Agency approved the following Bond Spending Plan, which can only be used in a former redevelopment project area:

- Infrastructure and/or other capital improvements within the former redevelopment area including but not limited to: street, curb, gutter and sidewalk, Americans with Disabilities Act (ADA), wet utilities, pedestrian and bicycle.

This wording allows the City some leeway in what the ultimate uses of the funds will be while meeting the criteria that the funds be used in a redevelopment project area to qualify as an allowable use of the funds.

ATTACHMENTS

- A. Resolution Approving a Bond Proceeds Expenditure Agreement with the City of Antioch
- B. Bond Proceeds Expenditure Agreement between the City of Antioch and Successor Agency to the Antioch Development Agency

ATTACHMENT A

OB RESOLUTION NO. _____

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE ANTIOCH DEVELOPMENT AGENCY APPROVING A BOND PROCEEDS EXPENDITURE AGREEMENT WITH THE CITY OF ANTIOCH FOR THE USE OF EXCESS BOND PROCEEDS REMAINING FROM THE ANTIOCH PUBLIC FINANCING AUTHORITY 2002 A&B LEASE REVENUE REFUNDING BONDS

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

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

WHEREAS, the Successor Agency is charged with paying the enforceable obligations, disposing of the properties and other assets, and unwinding the affairs of the Dissolved RDA; and

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

WHEREAS, section 34191.4(c) of the Dissolution Act allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for the purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, prior to dissolution the Antioch Public Financing Authority issued 2002 A&B Lease Revenue Refunding Bonds and the Successor Agency is holding proceeds from that bond issuance ("Excess Bond Proceeds"); and

WHEREAS, the Successor Agency received its Finding of Completion under California Health and Safety Code Section 34179.7 from the California Department of Finance on December 11, 2015; and

WHEREAS, the Successor Agency and the City desire to enter into a Bond Expenditure Agreement (the "Agreement"), substantially in the form on file with the Oversight Board's Designated Contact Official, to enable the City to use the Excess Bond Proceeds for the redevelopment purposes for which the bonds were sold, in a manner consistent with the bond covenants, by undertaking projects, programs and activities that were not previously funded and obligated by the Successor Agency prior to the enactment of the Redevelopment Dissolution Law; and

WHEREAS, the expenditure of Excess Bond Proceeds in accordance with this Agreement will benefit the affected taxing entities, because such expenditures will help eliminate physical, economic, and social burdens within the applicable project area and promote the public peace, health, safety, and welfare through the construction of public improvements benefiting the project area and the community, thereby increasing the economic vitality of the areas through increased property tax revenues, sales tax revenues, and job creation, and improving the overall quality of life for the area's residents; and

WHEREAS, the Agreement will effectuate the Successor Agency's efforts and obligations to expeditiously wind down the affairs of the Dissolved RDA in accordance with Health and Safety Code Section 34177(h); and

WHEREAS, California Health and Safety Code Section 34178 allows a successor agency and its sponsoring city to enter into agreements with the approval of the oversight board; and

WHEREAS, in accordance with Health and Safety Code Section 34180(h), upon request by the Successor Agency, the Oversight Board may approve an agreement between the Successor Agency and the City; and

WHEREAS, the Agreement will become effective only upon approval and direction of the Oversight Board and certain other actions pursuant to the Dissolution Law, as fully provided in Section 6 of the Agreement; and

WHEREAS, approval of this Resolution and execution and implementation of the Agreement do not constitute a "project" within the meaning of and are exempt from the requirements of the California Environmental Quality Act and the applicable state and local implementing guidelines (collectively, "CEQA"), as it can be seen with certainty that there is no possibility that such approval, execution and implementation will have a significant effect on the environment (see particularly, 14 California Code of Regulations Section 15061(b)(3)); and

WHEREAS, the staff report (the "Staff Report") accompanying this Resolution contains additional information and analysis upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency hereby finds, resolves, determines, and directs as follows:

SECTION 1. The foregoing Recitals are true and correct, and together with the Staff Report and other information provided by the Successor Agency staff and the public, form the basis for the findings, resolutions, approval, determinations, and directions set forth in this Resolution.

SECTION 2. Approval of this Resolution and execution and implementation of the Agreement are exempt from the requirements of CEQA. The Oversight Board's Designated Contact Official, or the Designated Contact Official's designee, is hereby authorized and directed to file a notice of exemption in accordance with CEQA in connection with approval of this Resolution and execution and implementation of the Agreement.

SECTION 3. Pursuant to Health and Safety Code Section 34180(h), the Oversight Board hereby approves the entry by the Successor Agency into the Agreement with the City, and the execution of the Agreement by the Successor Agency's Executive Director or the Executive Director's designee, on behalf of the Successor Agency, substantially in the form on file with the Oversight Board's Designated Contact Official.

SECTION 4. The Oversight Board hereby approves placing the Agreement on the ROPS 17-18.

SECTION 5. The Oversight Board hereby directs its Designated Contact Official, or the Designated Contact Official's designee, to provide written notice and information about this Resolution to the California Department of Finance in accordance with Health and Safety Code Section 34179(h). The actions set forth in this Resolution shall be subject to effectiveness in accordance with Health and Safety Code 34179(h).

ADOPTED January 23, 2017 by the Members of the Oversight Board of the Successor Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair

ATTACHMENT B

BOND PROCEEDS EXPENDITURE AGREEMENT

This BOND PROCEEDS EXPENDITURE AGREEMENT ("Agreement") is entered into as of _____, 2017, by and between the City of Antioch, a municipal corporation (the "City"), and the Successor Agency to the Antioch Development Agency ("Successor Agency").

RECITALS

WHEREAS, under AB 1484, the Successor Agency has the authority to designate the use of remaining unspent Bond Proceeds that are not already committed to an enforceable obligation listed on an approved Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, on January 24, 2012, pursuant to Resolution No. 2012/07, the City of Antioch elected to become the Successor Agency to the former Antioch Development Agency upon dissolution on February 1, 2012; and

WHEREAS, the Dissolution Act created an oversight board ("Oversight Board") to oversee the wind down of the Antioch Development Agency; and

WHEREAS, section 34191.4(c) of the Dissolution Act allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for the purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, the successor Agency has proceeds from its Antioch Public Financing Authority 2002 A&B Lease Revenue Refunding Bonds ("Excess Bond Proceeds"); and

WHEREAS, the Successor Agency desires to transfer its Excess Bond Proceeds to the City to enable the City to use such Excess Bond Proceeds in a manner consistent with the original bond covenants and to undertake projects that were not previously funded and obligated by the Successor Agency. The City has adopted a spending plan for using such Excess Bond Proceeds ("Bond Spending Plan") to advance the City's community development goals. The City Council and Successor Agency Board have found that the use of Excess Bond Proceeds in accordance with the Bond Spending Plan to fund projects that are of benefit to the Project Area including infrastructure and/or other capital improvements within the former redevelopment area including but not limited to: street, curb, gutter and sidewalk, Americans with Disabilities Act (ADA), wet utilities, pedestrian and bicycle is consistent with the purposes for which the bonds were issued and in the best interest of the Successor Agency.

WHEREAS, In order to facilitate the use of Excess Bond Proceeds consistent with all applicable bond covenants, the Successor Agency and the City have negotiated this Agreement requiring the transfer of current and future excess bond proceeds by the Successor Agency to the City, and the City's use of such proceeds consistent with all applicable bond covenants. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c) (2) (A) to be paid from Excess Bond Proceeds. With Oversight Board approval, the Successor Agency will list this Agreement, and the requirement to transfer excess bond proceeds herein, on the ROPS 17-18, as an obligation to be funded with Excess Bond Proceeds and if the ROPS is not approved by the Department of Finance, the Successor Agency will continue to list this Agreement on subsequent ROPS until approved by the California State Department of Finance; and

WHEREAS, pursuant to Health & Safety Code Section 34179(h), written notice about the approval of this Agreement by the Oversight Board is provided to the Department of Finance (DOF) and this Agreement becomes effective five (5) business days after notice has been provided to the DOF, pending a request for review by the DOF.

NOW, THEREFORE, in consideration of the promises and the mutual agreements herein contained, the parties hereto do hereby agree as follows. The foregoing recitals are hereby incorporated by reference and made part of this Expenditure Agreement.

ARTICLE I.

SUCCESSOR AGENCY OBLIGATIONS

Section 1.01 Current Excess Bond Proceeds. The Successor Agency shall transfer to the City, no later than July 1, 2017, Excess Bond Proceeds currently held by the Successor Agency in an amount not to exceed \$1,000,000.

Section 1.02 Future Excess Bond Proceeds. The Successor Agency shall transfer to the City all future Excess Bond Proceeds held or received by the Successor Agency. Such future Excess Bond Proceeds shall include, without limitation, (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project or other Enforceable Obligation, and (3) any other funds held by the Successor Agency that qualify as Excess Bond Proceeds under this Agreement.

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond Proceeds become available. The transfer of future Excess Bond Proceeds to the City shall be made pursuant to an approved ROPS within 30 days of the commencement of the relevant ROPS period or in the event of an amendment to a ROPS, within 30 days of approval of the amendment by the Department of

Finance. The Successor Agency shall be responsible for ensuring that payments of future Excess Bond Proceeds to the City, as such funds become available, are included on the next possible ROPS.

Section 1.03 Projects Funded by Excess Bond Proceeds. The Successor Agency assigns to the City all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds. The Successor Agency assigns to the City all contracts entered into by the Successor Agency or the former Agency related to the expenditure of Excess Bond Proceeds and any activities to be funded by Excess Bond Proceeds, with the exception of those contracts relating to Enforceable Obligations, which shall be retained by the Successor Agency.

ARTICLE II.

CITY OBLIGATIONS

Section 2.01 Excess Bond Proceeds. The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City by the Successor Agency under this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives, without any obligation to return such funds to the Successor Agency, and shall use such funds for uses consistent with applicable bond covenants.

The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity authorized under the Bond Spending Plan. Notwithstanding anything to the contrary in this Agreement or the Bond Spending Plan, the City shall spend Excess Bond Proceeds consistent with the original bond covenants applicable to the particular Excess Bond Proceeds. The City shall be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs and activities.

The City hereby assumes all contracts entered into by the Successor Agency or the former Agency related to the expenditure of Excess Bond Proceeds and any activities to be funded by Excess Bond Proceeds, with the exception of those contracts relating to Enforceable Obligations, which shall be retained by the Successor Agency. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project commenced by the City pursuant to this Agreement and the Bond Spending Plan.

Section 2.02 Bond Spending Plan. The City shall be solely responsible for maintaining and implementing the Bond Spending Plan. The City may amend the Bond Spending Plan as the City deems necessary in its sole discretion. Any amendments to the adopted Bond Spending Plan will consider uses that advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. Notwithstanding any contrary provision hereof, unless the City expressly agrees otherwise, the City shall not be obligated to provide funding for any program or project in an amount exceeding the Excess Bond Proceeds provided to the City pursuant to this Agreement.

ARTICLE III.

ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

Section 3.01 This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

Section 3.02 This Agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there shall be no third party beneficiaries under this Agreement.

Section 3.03 All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

Section 4 SEVERABILITY

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

Section 5 DEFAULT

If either party fails to adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

Section 6 Effectiveness of Agreement.

This Agreement shall become effective only upon satisfaction of the following conditions:

(a) Approval of this Agreement and direction by the Oversight Board for the Successor Agency to execute and implement this Agreement pursuant to Health and Safety Code Section 34180(h) (the "Oversight Board Action"); and

(b) Notification to the California Department of Finance of the Oversight Board Action and effectiveness of the Oversight Board Action in accordance with the provisions of Health and Safety Code Section 34179(h).

Section 7 BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

Section 8 FURTHER ASSURANCES

Each party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this Agreement.

IN WITNESS WHEREOF, the City of Antioch and the Successor Agency have caused this Agreement to be signed by their respective officers.

**CITY OF ANTIOCH, CALIFORNIA,
a California municipal corporation ("CITY")**

Approved:

Date:

City Manager

APPROVED AS TO FORM:

City Attorney

**SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY,
("SUCCESSOR AGENCY")**

Approved:

Date:

Title

APPROVED AS TO FORM:

Successor Agency Attorney