### CLOVERDALE COMMUNITY DEVELOPMENT AGENCY

### ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012



JOHN CHIANG
California State Controller

October 2014



October 21, 2014

Paul Cayler, City Manager Cloverdale Community Development/ Successor Agency 124 N. Cloverdale Boulevard Cloverdale, CA 95425

Dear Mr. Cayler:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Cloverdale Community Development Agency (RDA) to the City of Cloverdale (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency.

Our review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers to the City or any other public agency have been reversed.

Our review found that the RDA transferred \$13,769,580 in assets after January 1, 2011, including unallowable transfers to the City totaling \$6,628,309, or 48.14% of transferred assets.

However, on April 3, 2014, the City turned over \$5,702,789 in capital assets to the Successor Agency. Therefore, the remaining \$925,520 in unallowable transfers must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth González, Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622.

Sincerely,

*Original signed by* 

JEFFREY V. BROWNFIELD, CPA Chief, Division of Audits

JVB/mh

cc: Joanne Cavallari, Finance Manager

City of Cloverdale

Carol Giovanatto, Oversight Board Chairperson

Cloverdale Community Development/Successor Agency

David E. Sundstrom, Auditor-Controller-Treasurer-Tax Collector

Sonoma County

David Botelho, Program Budget Manager

California Department of Finance

Richard J. Chivaro, Chief Legal Counsel

State Controller's Office

Elizabeth González, Bureau Chief

Division of Audits, State Controller's Office

Scott Freesmeier, Audit Manager

Division of Audits, State Controller's Office

Claudia Corona, Auditor-in-Charge

Division of Audits, State Controller's Office

### **Contents**

### **Review Report**

Summary	1
Background	1
Objective, Scope, and Methodology	2
Conclusion	2
Views of Responsible Officials	2
Restricted Use	2
Finding and Order of the Controller	3
Schedule—Unallowable Asset Transfers to the City of Cloverdale	5
Attachment—City's Response to Draft Review Report	

### **Asset Transfer Review Report**

### **Summary**

The State Controller's Office (SCO) reviewed the asset transfers made by the Cloverdale Community Development Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$13,769,580 in assets after January 1, 2011, including unallowable transfers to the City of Cloverdale (City) totaling \$6,628,309, or 48.14% of transferred assets.

However, on April 3, 2014, the City turned over \$5,702,789 in capital assets to the Successor Agency. Therefore, the remaining \$925,520 in unallowable transfers must be turned over to the Successor Agency.

### **Background**

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA successor agencies and oversight boards to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety (H&S) Code beginning with section 34161.

H&S Code section 34167.5 states in part, "... the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency."

The SCO identified asset transfers that occurred after January 1, 2011, between the RDA, the City and/or any other public agency. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal action to ensure compliance with this order.

### Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency's operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City, the RDA, the Successor Agency, and the Oversight Board.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

### Conclusion

Our review found that the Cloverdale Community Development Agency transferred \$13,769,580 in assets after January 1, 2011, including unallowable transfers to the City of Cloverdale (City) totaling \$6,628,309, or 48.14% of transferred assets.

However, on April 3, 2014, the City turned over \$5,702,789 in capital assets to the Successor Agency. Therefore, the remaining \$925,520 in unallowable transfers must be turned over to the Successor Agency.

Details of our finding are described in the Finding and Order of the Controller section of this report.

### Views of Responsible Officials

We issued a draft report on August 12, 2014. Paul Cayler, City Manager and Successor Agency Executive Director, responded by letter dated September 15, 2014, disagreeing with the review results. The City's response is included in this final review report as an attachment.

### **Restricted Use**

This report is solely for the information and use of the City of Cloverdale, the Successor Agency, the Oversight Board, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

*Original signed by* 

JEFFREY V. BROWNFIELD, CPA Chief, Division of Audits October 21, 2014

### Finding and Order of the Controller

FINDING— Unallowable asset transfers to the City of Cloverdale The Cloverdale Community Development Agency (RDA) made unallowable asset transfers of \$6,628,309 to the City of Cloverdale (City). The transfers occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.

Unallowable asset transfers were as follows:

• On March 9, 2011, the RDA transferred \$5,702,789 in capital assets to the City, consisting of the Cherry Creek and Thyme Square properties. To accomplish these transfers, the City and the RDA entered into two Disposition and Development Agreements (DDA), and established Resolutions No. 019-2011 and 020-2011. Per the DDAs, the City was to acquire the subject properties and carry out the intended purpose.

However, on April 3, 2014, the City reversed the transfer of \$5,702,789 in capital assets to the City. Therefore, no further action is required for these transfers.

• On June 30, 2011, the RDA made cash transfers, totaling \$925,520, to the City, as a loan repayment of \$826,600 plus \$98,920 in interest.

On January 12, 2011, the RDA established Joint Resolutions No. 002-2011 and CD 002-2011 approving a loan. Per loan documents, the loan was for budgeted expenditures, including, but not limited to, project, operating, administrative expenses, and overhead of the RDA.

Pursuant to Health and Safety (H&S) Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. Any asset transfers by the RDA to a city, county, city and county, or any other public agency after January 1, 2011 must be turned over to the Successor Agency for disposition in accordance with H&S Code sections 34177(d) and (e).

### Order of the Controller

Pursuant to H&S Code section 34167.5, the City is ordered to reverse the transfers in the amount of \$6,628,309 and turn over the assets to the Successor Agency. However, on April 3, 2014, the City turned over \$5,702,789 in assets to the Successor Agency. Therefore, the remaining \$925,520 in unallowable transfers must be turned over to the Successor Agency.

The Successor Agency is directed to properly dispose of the assets in accordance with H&S Code sections 34177(d) and (e).

### City's Response to Draft Report

The City disagreed with the SCO Draft Report for the following reasons:

- 1. The approved loan was an annual event made for cash flow purposes.
- 2. The Oversight Board has ratified and approved the loan repayments.
- 3. The Loan was not disallowed by the State Department of Finance during the Other Funds (OFA) Due Diligence Review.
- 4. The City does not have sufficient funds on hand to pay the amount directed by the SCO, and any finalized order would need to accommodate installment payments, following a further review of the City's outstanding obligations and anticipated revenue.

See Attachment for the City's complete response

### SCO's Comment

Despite the subsequent approval of the loan by the Oversight Board and the Department of Finance during the review of the OFA Due Diligence Review, the SCO's authority under H&S Code section 34167.5 extends to all assets transferred after December 31, 2010, by the RDA to the city or county, or city and county that created the RDA, or any other public agency. This responsibility is not limited by the other provisions of the RDA dissolution legislation. As a result, loan repayments made by the RDA to the City during the periods of January 1, 2011, through January 31, 2012, were unallowable.

Further, the City contends that Oversight Board Resolution No. OB004-2014 was to ratify and approve the loan repayment to the City.

However, a recent Superior Court ruling (Successor Agency to the Brea Redevelopment Agency, et al. v. Matosantos, et al.) states:

The redevelopment dissolution laws established oversight boards to supervise the actions of successor agencies, but not to supervise or ratify (after the fact) the actions of former redevelopment agencies. Conversely, the Court has not located any provision of the redevelopment laws that requires or authorizes an oversight board retrospectively to review or ratify an action of a redevelopment agency taken before its dissolution. The Oversight Board thus appears to have no legal authority or mandate to review actions of the RDA.

With regard to the total loan balance owed by the RDA to the City, repayments are to be made through the Recognized Obligation Payment process.

H&S Code section 34167.5 states that if an unallowable transfer occurs, the Controller shall order the return of those assets to the Successor Agency.

Therefore, the Finding and Order of the Controller remain as stated.

### Schedule— Unallowable Asset Transfers to the City of Cloverdale after January 1, 2011

Real property transfers on March 9, 2011: Cherry Creek Property (APN 001-310-041-000 and APN 001-310-042-000) Thyme Square Property (APN 001-440-049-000)	\$ 2,590,832 3,111,957
Total real property transfers:	 5,702,789
Cash transferred on June 30, 2011, as a loan repayment	 925,520
Total cash transfers:	 925,520
Total unallowable transfers to the City of Cloverdale: Corrective action taken:	 6,628,309
On April 3, 2014, the City turned over real property to the Successor Agency	 (5,702,789)
Total transfers subject to Health and Safety Code section 34167.5	\$ 925,520

### Attachment— City's Response to Draft Review Report



September 15, 2014

Elizabeth Gonzalez, Chief Local Government Compliance Bureau State Controller's Office Division of Audits Post Office Box 942850 Sacramento, California 94250-5874

Dear Ms. Gonzalez:

This letter is provided in response to the draft State Controller Office ("SCO") Report ("Draft Report") on the Asset Transfer Review for the former Community Development Agency of the City of Cloverdale ("Redevelopment Agency") and the cover letter thereto (signed by Jeffrey Brownfield, Chief, Division of Audits) dated August 12, 2014. We appreciate the SCO's grant of an extension of time, to and including September 15, 2014, in which to respond to the Draft Report.

The Draft Report and cover letter find that the Redevelopment Agency made an unallowable transfer in the amount of \$925,520 to the City of Cloverdale ("City") and that this amount must be turned over to the Successor Agency to the Redevelopment Agency ("Successor Agency"). The Successor Agency and the City dispute this finding and we are providing the following information in support of our position.

The Draft Report states that on June 30, 2011, the Redevelopment Agency made cash transfers totaling \$925,520 to the City in repayment of a loan in the principal amount of \$826,600 plus \$98,920 in interest. The SCO has identified this as an unallowable transfer pursuant to Health and Safety Code Section 34167.5, as a transfer to a city after January 1, 2011, and orders the City to reverse the transfer and remit \$925, 250 to the Successor Agency.

The background on this transaction is important. This loan was the last in a series of ten annual loans, covering the period Fiscal Year 2001-02 through Fiscal Year 2010-11, as reflected in the attached Reconciliation Sheets from the annual Statements of Indebtedness for this ten-year period. (Attachment 1)

Such loans were expressly authorized in the Community Redevelopment Law, including, without limitation, in Health and Safety Code Sections 33601 and 33610. The loans were a staple of redevelopment agencies throughout California, as noted by the leading redevelopment law treatises:

While a redevelopment agency may pay for its administration and operation expenses from a variety of sources, to receive tax increment for these expenses the agency must incur indebtedness. This makes redevelopment agencies different from other public entities and influences how they operate and how they account for those operations. One common method to establish debt for this purpose is for the city

or county to annually lend the agency funds for operation, administration, and project overhead. The agency in turn pledges tax increments from each project to repay these sums, with or without interest as specified. The transactions between the agency and the city or county must be formalized by a contract, with the pledge of tax increments specifically subordinated to the agency's pledge of tax increments for tax allocation bonds or other long-term indebtedness incurred to carry out the project.

Joseph Coomes, Jr., Redevelopment in California (2009) at 244. See also Goldfarb & Lipman LP, A Legal Guide to California Redevelopment (2006) at 305 ("Under these agreements, the community advances the agency's capital and operating budget for the upcoming fiscal year in exchange for the agency's obligation to reimburse the community with the tax increment revenue it receives during the fiscal year.").

That is exactly what happened on January 12, 2011, when the City adopted Resolution No. 002-2011 and the Agency adopted Resolution No. CD002-2011, approving the latest annual loan agreement between the two entities. The purpose of the loan was to provide for administrative and project expenses of the Redevelopment Agency. The approved loan agreement attached to the Joint Resolution was in the principal amount of \$826,600, with interest not to exceed 12% per year, for the Agency's project, operating, administrative and overhead expenses for Fiscal Year 2010-11. Repayment of the entire amount was due to the City no later than August 31, 2011, and was subordinated to the Redevelopment Agency's pledge, if any, of tax increment revenue for tax allocation bonds issued by the Redevelopment Agency or other long-term indebtedness incurred by the agency. Furthermore, the accompanying staff report reflects that the loan was an annual event made for cash flow purposes. (Attachment 2)

The initial draft of redevelopment dissolution legislation was not released until February 23, 2011, and it did not contain the SCO "claw-back" provision at issue here. AB 101, as amended on March 15, 2011, first contained the language now found in Health and Safety Code Section 34167.5. Commentators at the time characterized this new provision as a response to the approval of a number of "cooperative agreements," "disposition agreements," and other written instruments entered into in 2011 between redevelopment agencies and their sponsoring entities in an admitted effort to safeguard the entirety of redevelopment funds and non-cash assets from potential redevelopment dissolution legislation. Clearly, although the routine annual loans then authorized by the Community Redevelopment Law were not the target of new Section 34167.5, they have been swept into its reach.

Furthermore, as the City previously noted during the SCO audit, the Oversight Board, which represents the very taxing entities that are the intended beneficiaries of Section 34167.5, has already ratified and approved the loan repayment. (Attachment 3)

The loan was not disallowed by the State Department of Finance ("DOF"), either as a result of the Other Funds Due Diligence Review or the DOF review leading to its issuance of a Finding of Completion to the Successor Agency.

Finally, the City does not have sufficient funds on hand to pay the amount directed by the SCO. Any order that is finalized would need to accommodate installment payments following a further review of the City's outstanding obligations and anticipated revenue.

For all of the reasons stated above, including Community Redevelopment Law as supplemented by ABx1-26 and AB 1484, the Successor Agency and the City submit that the SCO's proposed asset transfer order cannot be sustained, and we respectfully request that the SCO revise the Draft Report accordingly. In addition, please note that the Successor Agency and the City reserve all rights to raise such other and further legal arguments with respect to the Draft Report as we deem necessary and appropriate.

Should you have any questions regarding this letter or our position, please contact Joanne Cavallari, Finance Manager, at (707) 894-1715.

Sincerely

Paul Cayler

City Manager and

Successor Agency Executive Director

Attachments

Cc: Jose Sanchez, City Attorney

### Attachment 1

### Joint Resolution Approving the Loan Agreement

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVERDALE RESOLUTION NO. 002-2011 AND OF THE CLOVERDALE COMMUNITY DEVELOPMENT AGENCY RESOLUTION NO. CD002-2011

A JOINT RESOLUTION BETWEEN THE CITY COUNCIL OF THE CITY OF CLOVERDALE AND THE BOARD OF DIRECTORS OF THE CLOVERDALE COMMUNITY DEVELOPMENT AGENCY APPROVING A LOAN AGREEMENT BETWEEN THE AGENCY AND THE CITY AND AUTHORIZING THE EXECUTION THEREOF

WHEREAS, the City Council of the City of Cloverdale (City) and the Board of Directors of the Cloverdale Community Development Agency (Agency) desire to provide for certain administrative and project expenses of the Agency; and

WHEREAS, the development plan for the Cloverdale Community Development Project requires the City to cooperate in the administration of the Development Plan including the provision of staff services, supplies and facilities;

Now therefore be it jointly resolved, determined and ordered by the City Council of the City of Cloverdale and the Board of Directors of the Cloverdale Community Development Agency as follows:

SECTION 1: The City Council hereby determines the Agency's budget includes a statement of all revenues and expenditures for the Agency. This requirement may be met by the filing of the report required by Section 33080 et. seq. of the California Health and Safety Code.

SECTION 2: The City Council hereby determines the public projects specified in the Agency budget for FY 2010-2011 are of benefit to the Agency project areas, the surrounding neighborhood in which the project areas are located, and the entire community of the City of Cloverdale.

SECTION 3: The Loan Agreement attached hereto as Exhibit "A" is hereby approved.

SECTION 4: The Mayor of the City Council and the Board Chairman of the Agency are hereby authorized to execute the Loan Agreement on behalf of the City and the Agency.

SECTION 5: The City Clerk/Agency Secretary shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the City Clerk/Agency Secretary.

It is hereby certified that the foregoing Resolutions No. 002-2011 and CD 002-2011 were duly introduced and legally adopted by the Community Development Agency Board / City Council of the City of Cloverdale at its regular meeting held on this 12th day of January, 2011 by the following voice vote: (5-ayes, 0-noes).

AYES in favor of: Councilmembers Palla, Maacks, Russell, Vice Mayor Cox and Mayor Wolter

NOES:

None

ABSENT: ABSTAIN: None

APPROVED:

ATTESTED:

Gus Wolter .

Mayor / Chairperson

Jill Garibaldi

Deputy City Clerk / Secretary

### Loan Agreement between the City of Cloverdale and the Cloverdale Community Development Agency for Fiscal Year 2010-2011

This Agreement is made and entered in the City of Cloverdale on this 12th day of January 2011, by and between the City of Cloverdale, a municipal corporation, hereinafter referred to as "CITY", and the Cloverdale Community Development Agency, hereinafter referred to as "AGENCY".

### WITNESSETH

Whereas, the AGENCY has a need for assistance in funding certain redevelopment activities in the Cloverdale Community Development Project (the "Project") including, but not limited to, project, operating and administrative expenses and overhead of the AGENCY consistent with the Cloverdale Community Development Project and the California Community Redevelopment Law; and

Whereas, Section 33600 et seq. of the California Community Redevelopment Law authorizes the AGENCY to borrow money or accept financial or other assistance from the CITY; and

Whereas, AGENCY has adopted the AGENCY's annual budget the period July 1, 2010 through June 30, 2011 ("Fiscal Year 2010-2011")

Now, Therefore In consideration of their mutual promises, obligations, and covenants hereinafter contained, the parties agree as follows:

Section 1. Amount of Loan:

CITY agrees to lend AGENCY an amount not to exceed \$826,600 ("Loan Amount"), at an interest rate of 12% per year for the AGENCY's project, operating, administrative and overhead expenses for Fiscal Year 2010-

Section 2. Disbursement of Funds:

CITY may, at City's option, disburse loan proceeds to AGENCY once for Fiscal Year 2010-2011 in keeping with the execution of this Agreement, or in increments during Fiscal Year 2010-2011 upon receipt of requests from AGENCY. If CITY disburses loan proceeds to AGENCY in increments, City may condition such disbursements upon receipt of funds from AGENCY in repayment of funds previously disbursed by the CITY, as specified by the CITY.

Section 3. Use of Funds:

AGENCY agrees to use loan proceeds disbursed pursuant to this Agreement only for the purposes provided for in the adopted annual budget of AGENCY for Fiscal Year 2010-2011 and in accordance with the Cloverdale Community Development Project and the California Community Redevelopment Law.

Section 4. Repayment:

Subject to Section 6, AGENCY agrees to repay the Loan Amount and accrued interest in increments, if CITY conditions payment of loan proceeds on repayment of such increments, in accordance with Section 2, above. If CITY disburses the loan proceeds once for Fiscal Year 2010-2011, AGENCY agrees to repay the entire Loan Amount and accrued interest no later than August 31, 2011.

Section 5. Obligation Constitutes Indebtedness.

This Agreement shall constitute a contractual obligation and debt of AGENCY to use all available Tax Increment Revenue of the AGENCY to repay CITY the entire Loan Amount and accrued interest in accordance with the terms of this Agreement; as such terms may be amended from time to time pursuant to Section 7, below.

Section 6. Subordination.

AGENCY's repayment obligation is and will be subordinate to Agency's pledge, if any, of Tax Increment Revenue for tax allocation bonds issued by AGENCY or other long-term indebtedness, if any, incurred by AGENCY.

Section 7. Amendments.

Any amendment, modification or variation from the terms of the Agreement shall be in writing and shall be effective only upon approval of the AGENCY and the CITY.

Section 8. AuthorIty to Execute Agreement.

Both CITY and AGENCY do covenant that each individual executing this Agreement on behalf of each party is a person duly authorized and empowered to execute Agreement for each party.

In Witness Whereof, the Parties hereto have caused this instrument to be executed the day and year first written above.

Approved

Gus Wolter, Mayor of the City of Cloverdale and Chairperson of the Cloverdale Community Development Agency Attest

Nina Regor, City Clerk of the City of Cloverdale and Secretary to the

Cloverdale Community Development Agency



### City Council/Redev. Agency Agenda Item Summary

Agenda Item: 6

Meeting Date: January 12, 2011

**Agenda Section** 

Staff Contact

Consent

Diana G. Edwards

### Agenda Item Title

Annual Loan Between the City of Cloverdale and the Cloverdale Redevelopment Agency

### Summan

Once the Board has acted on the Annual Budget it is necessary for the City and the Community Development Agency (CDA) to enter into a Loan Agreement annually: According to California State law, the CDA may receive tax increment revenue, (annual property tax collected), only to the extent it has outstanding indebtedness that is not covered by available revenues. The CDA is required to submit a statement outlining the amount of the indebtedness and a reconciliation statement, including the revenue available at the end of the prior fiscal year, to the County Auditor/Controller each year. After reviewing the statement, the County Auditor subtracts the total indebtedness, including this proposed annual loan of the CDA, from the available revenue in the CDA. This is the calculation used to release CDA revenues to the City which is then used to pay the existing indebtedness of the CDA.

In order to adequately validate debt and record advances each year, the City and the CDA enter into a loan agreement annually. This year the loan amount covered by the agreement is \$826,600. The loan amount includes the budgeted expenditures for all Redevelopment programs, but does not include the CDA's housing set aside fund or CDA debt service. The loan amount does not include the CDA's housing set aside fund because the Housing fund is not taken into account in determining the annual amount of existing CDA debt for release of tax increment proceeds. The loan amount does not include Agency debt service because such debt already qualifies as existing CDA debt for release of tax increment proceeds. The loan amount reflects a "not to exceed amount." Also reflected in the loan agreement is an interest rate, which staff recommends be set at 12% interest.

### Options

- 1. Approve adoption of the attached resolution
- 2. Reconsider adoption of the annual resolution.

### **Budget/Financial Impact**

The General Fund has the ability to provide the loan to the CDA given the timing of cash flow. The interest earned by the General Fund and paid by the CDA fund have both been budgeted in the 10/11 budget.

### **Subcommittee Recommendation**

### **Recommended Council Action**

It is recommended the City Council/Agency Board adopt the attached joint resolution approving the Loan Agreement between the City and the Community Development Agency for \$826,600.

### Attachments:

- Resolution
- Loan Agreement (Exhibit A of the Resolution)

cc:

XX

### Attachment 2

Reconciliation Statement from
Statement of Indebtedness
Fiscal Years 2001/2002
to 2010/2011

## RECONCILLATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

Name of Agency: Cloverdala Community Development Agency Name of Project Area: Cloverdala Redevelopment Project Area

Tax Year 2011-2012

Reconciliation Dates: From July 1, 2010 to June 30, 2011

	ľ	Parket.	AB	9	3	0			
50t Page	SOL Plant and Line	Brief State	Outstanding Deth	ð	ulmants	Amounts Paid Against Indebtedness, from	stebtedness, from:	Ramaladae	
Priba Yr	Custon Yr	Description	At Deptering Indeltiness	(Attach Euthernitori	Decreases			Betanoa	
5	P	2008 Tax Allocation Bonds				Name of the last o	CONTRACTOR	(A+BCDE)	
4	V RI	Project 066	28,746,732			920,922		27 R25 RDG	
H H	Pg.1	2007 Tax Allocation Bonds Project 067	15,014,511			338 552		44 676 0 00	
Port Time D	182	Loan From Cuiri Infrastructuro & Economic Development Bank Proj 064	4.391,701			154 846		PCP TO O'L	
- 0-5	54	LMI Housing Fund - 20% Set- Aside Obligation	16,561,238		684 500	200		4,230,033,00	Adjustment to decrease LMI pass through needed to record remarking belance to total requirements through
25	25	Loan to Agency From City		826 600	700'101	826.600		15,523,482	the Ebe of the Agency Adjustments to increase are to account for the Facal year
Pa 1	Pg1 Uhe E	County Pass Through	18,299,060		3,439,949	75,695		14 783 417	Adjustment to discrease County pass through needed to promote in mainting believe to their requirements through the fire in th
- E - E	Pe 1	Schools Pass Through	605,794	2,080		35,985		571 RBD	Adjustment to increase School pass through needed to reconsist to the following before to follow the following before to fold measures through the like of the action.
23	23	Administrative Costs Perd to County	•	43,676		43.676			Adjustments increase is to account for property tax administration bees charged to the Redevelopment Agency.
									of Schomal County
GRAND TOTALS	97		84,737,154	872.357	3,921,451	2,952,530	•	78,735,530	
NOTE	This form imded by in following indebeding equal the	This form is to reconcide the previous Statement of indestretures is the current one being flact. However, sitcus the reconciliation period is finded by law to a July 1 - July 20 flored year period, only those flarms included on the SOI Form A is are to be included on this document. To assist in following soch flarm of hotesbrothers from one SOI to the next, use page and fine number reterences from each SOI that the item of hotesbrothers is never to this fiscal year, enter "new" in the "Prior YF" page and fine columns. Column F must equal the current SOI, Form A Total Outstanding Debt Column.	If indebtedness to the bod, only those thems to the next, use per to the next, use per to this flects year, Debt Column,	e current one beh; inchded on the S page and the num; entter "hew" in the	g flad. However, si Ol Form A is are to ber references from "Prior Yr" page an	noa the reconcitation to be included on this reach SOI that the in directions. Col.	n period is I document. To a: Item of Imn F must	sthi	

### 9222014 11 59 AM

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

Name of Agency: Clowerdale Community Development Agency Name of Project Area: Clowerdale Redevelopment Project Area

Name of Project Area: ( Tax Year 2010-2011

Reconciliation Dates: From July 1, 2009 to June 30, 2010

I		_	_	T		_	T	T	7	T	7			T :	Т	Т	=
	Comments								Adjustment to increase LMI pass through needed to		09-10 loan from the City to the Agency.	Adjustment to increase County pass through needed to records rentering belance to lotal requirements through the Anenry			by Sonoma County		
		Balance	(A+B-C-D-E)		28,746,732	,		•	4,391,701.19	16,561,238		17.522.441	580 558	one'son		13,014,011	82,806,130
	Indebtedness from:		Other Funds														n period is document. To ass lem of mn F must
9	America Pald Against Indebteches a from		Tax increment	2	030,172	14,013		19,395	50,445	647,942	759,580	855,354	36.228		338 852	2000,000	a, bob, 492.  The reconcillation in the included on this part. SOI that the included country. Columns.
2	Perpita	Decretses	(Allach Explanation)														fied. However, shu Form A is are to b i'r references from e hilor Yr' page and i
	Adjuster	Increases								Z259,349	23.300	587,307	84,481	44 810		1 748 697	current one being nekuted on the SOI age and line numbe inter "new" in the "
A	Outstanding Debt	A Dephrong	and the same	29.636.904		14,013	i de	741 CAA A		10,848,01		17,800,489	521,313		15,353,063	84.737.154	Indebtedness to the side of only those items of the side of the si
A	Debt Identification	Description		2008 Tax Allocation Bonds Project 068	Loan From State REDIP	Project 055	Loan From State Santa/IVMB Project 056	Loan From Calif Infrastructure & Economic Development Bank Proj 084	LMI Housing Fund - 20% Set- Aside Othinsfon	Loan to Agency From C:N		County Pass Through	Schools Pass Through	Administrative Costs Paid to County	2007 Tax Allocation Bonds Project 067		This form is to recorded the previous Statement of Indebtodness to the current one being find. However, shoes the reconciliation period is finished by law to a July 1 - June 30 fiscal year benefit of the benefit of the first year period on the SOIF from A is are to be included on this document. To assist infollowing search item of indebtodness from one SOI to the next, use page and line number references from each SOI that the laten of indebtodness is now to be install year, entire "new" in the "Prior YF page and tine columns. Column for must equal the current SOI, Form A Total Outstanding Debt Column.
		Hor Yr Current W		Pg 1	8	g avr	7 Ped 2	Pg 1 Une D	78 July 201	P. S		Par.	28.5 28.5	2.8	Line H	ALS	This form imited by in followin indebadn aquel the
	2	Pror Yr		Pg-1	8	8	Pat Lac	Py 1 Une D	Port	23		Pg 1	Po t Lhe G	25	F A	GRAND TOTALS	NOTE:

### MAZZO14 11 ST AM

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

Name of Agency: Cloverdale Community Development Agency Name of Project Area: Cloverdale Redevelopment Project Area 1510 Recencillation Detex: From July 1, 2008 to June 30, 2009

Tax Year 2009-2010

					schedule of	(podaz 80	ded to	scal year	at broad in	the frough	ribx ert Agency	T	T	]
	District of the Control of the Contr				Adjustment to increase corrects amortization schoolus of last year. Adjustment to decrease corrects actus mount		Adjustment to increase LMI para through needed to reconcile romaining balance to total requirements through	the fire of the Agency Adjustments to increase one to account for the facult year	Agustinen tre Cry to tre Agency.  Agustinen to increase Courty pass through needed to beencis remaining before to total requirements through	around or by Agency. Adjustment to decreate School pass through needed to proprie termaning balance to total requirements through	and the Grand Agency Adjustments moneso as to account for property tax administration fees charged to the Redevelopment Agency	by Sonoma County	Additioners due to him bond issue.	
	Remaino	Brimos		29,638,904	510,91	19,355		16,949,831	47 and 490	201,000,100	212,120	15 953 063	84.737.154	nsskii
	Independents, from,	Other Funds											,	Ion period is tis document. To e item of
0	Amounts Paid Against Indebtedness, from	Tax harenest	L	228,168		C10,000		721.290	908.426	34 218	75.047	338.525	3,844,903	nce the reconciliat be included on the each SOI that the differ columns. Co
2	djustraenta	Decrases (Attach Expanction)			000	8							38,815	J flad. However, si Ol Form A is are to per references from Prior Yr, page an
£		Processor Anach Explanation			707		803 145	721 290	2 741,535	80,511	45 314		4,393,288	e current one behi included on the S loge and line rum! enter 'new' in the
¥	Outstanding Debi	At Begiveing Indebiness	30.494.826	28,032	25 53	4,628,690	16,845,517		15,987,380	475,020		15,691,588	84,227,585	A indeblectness to the foot, only those items SOI to the next, use gow to this fiscal year,
	Deta stensification	Description	2008 Tax Affocation Bonds Project 066	Loan From State REDIP Project 055	Loan From State SentariWMB Project 056	Loan From Calif Infrastructure & Economic Development Bank Proj 084	LMI Housing Fund - 20% Set. Aside Obligation	Loan to Agency From City	County Pass Through	Schools Pass Through	Administrative Costs Paid to County	2007 Tax Allocation Bonds Project 067		This form is to recorde the previous Statement of indebtedness to the current one behig floot, However, since the reconciliation period is finited by law to a July 1+ June 30 facest year period, only those terms included on the SOI Form A is are to be included on this decument. To assist in redevelop each item of indebtedness from one SOI to be need, use page and the number references to me each SOI that the item of indebtedness is new to this facet year, enter Yook' in the PYRY YP gage and fine columns. Column F must
	SOI, Page and Line	Current Yr	Che A	23	2 45	Pg 1	Put Live E	2 8	S. Carlo	Pg.7	S. S	Part Line H	ALS	This form Emited by in followsh indebedin
	SOI, Page	Prior Yr	P	Page 1	7. 0. 5. 0. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5.	Part of the second	- E- E-	24	Pa1	L'as C	8 5	Line	GRAND TOTALS	NOTE

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

Name of Agency: Cloverdale Community Development Agency Name of Project Area: Cloverdale Redevelopment Project Area

Tax Year 2008-2009

Reconciliation Dates: From July 1, 2007 to June 30, 2008

			X		2	8			
		Debt Identification	Dehtimber hake	Aches	Adhestment	American David A colored			Comments
Print Page	der V. Page and Line		Al Begirring	thorasses	_	et godfu om J en m m	Treatment and Treatment	Remaining Retenera	
1		Bondinson	hröetitness	(Attach Explanation)	(Attach Equination)	Tax Incoment	Other Funds	(A+BCDE)	
Po 1	Part Lost A	2006 Tax Allocation Bonds Project 058	33.325.332	21 738	2 104 579	rE3 LVL			fincrease to c
P3.1	2 £	Lour From State REDIP Project 055	4305			710'161		30,494,826	indettedness at bond issuance
Pg 1 Lms C	Pg 1	Loan From State Senta/IWMB Project 056	97.105		Ē	14.024		28,032	Adjustment to reconcile belance to current amonuzation
Pod Gend	Pa to the to	Loan From Calif Infrastructure & Economic Development Bank Proj 064	4.817.283			202 781		95,532	#chodule.
P <sub>2.1</sub>	2 m	LMI Housing Fund - 20% Set- Aside Obligation	15 381 787	100		555,101		4,629,630	Adjustment to increase LMI pass through needed to reconcile tements through
25	P. Series	Loan to Agency From City	•	1.113 410		1.113,410		16,845,517	the fits of the Agency Adjustments to increase are to account for the facet year
<u>د</u> و ع	Per.	County Pass Through	14 399,368	2,387,847		819,834		15 967,380	Adjustment to increase County pass through needed to county pass through needed to the county pass through needed to the first fig to be a new to be to be a new to the county to the county to the county the county to the passer.
P 12	2 8	Schools Pags Through	434,674	70,561		30.315		475,000	
232	E I	Administrative Costs Paid to County	•	42,337		42 337			
NEW .	P <sub>2</sub> 1 Une H	2007 Tax Allocation Bonds Project 067	1	15,851,447		159.859		15 691 588	by Sorband County
GRAND TOTALS	ALS		68,477,603	21,698,649	2,106,145	3,842,522		84,227,585	Authorities dus 10 new Dong Laure.
NOTE	This form Emitted by In followin	This form is to recorded the previous Statement of indestratemess to the current one being find, However, shoot the reconciliation period is limited by law to a July 1 - Juno 30 fiscall year period, only those items included on the SOI Form A is are to be included on this document. To assist in Additivelya send item of indestretants from one SOI to the next, use page and the number references from each SOI that the item of indestretances from each SOI that the item of indestretances is now to this facet year, enter how "In the Thirty YC page and the columns. Column F must	of Indebtedness to the riod, only those item SOI to the next, use now to this facet years	he current one bethe succession of the Spage and the numer, enter "new" in the	ig filed, However, si 50! Form A is are to their references from a "Prior Yr" page en	three the reconditation to be included on the meach SOI that the id line columns, Coi	ion period is lis document. To a il item of turns F must	nsin n	

equal the current SOI, Form A Total Outstanding Debt Column.

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

Name of Agency: Cloverdala Community Development Agency Name of Project Area: Cloverdale Radevelopment Project Area

Tax Yeer 2007-2008

Reconciliation Dates: From July 1, 2006 to June 30, 2007

		Dotts transfillenting		•	,		3	-	Commenta
0.00	SOL Page And I low-	Birling little Barbar	Outstanding Debt	AQue	traopte	Amounts Pold Against Indobsomers, frame	Indobbedness, from	Remaining	
Proper 1	Current Ye	ă	Al Beginning Indeblness	Manusca (Alach Explanation)	Deorases (Attach Explanations	Ter lorsement	1	Battance	
Š.	- A	2006 Tax Allocation Bonds Project 066		33.673.136		947 BAC	TIPL SAN	W-BCOE)	
Pg 1	5 H	Loan From State REDIP Project 055	56.084			100		33,325,332	Adjustment due new bond risue.
25	Las C	Loan From State Santa/IWMB	136.001		Ĭ	14,028		42,056	
P. 2.	100	Loan From Call Infrastructure & Economic Development Bank Proj 064	5,004,923			187 640		97,105	Adjustment to correct emortization schoolule of last year.
Part	P. 2	LMI Housing Fund - 20% Set- Aside Obligation	2,688,082	13,298,578		620.851		15 261 787	Adjustment to increase LMI pass through needed to provide the provide from And between the through the face from the second to the second the s
25	25	Loan to Agency From City		335 900		335 900	<u> </u>	101,100	uns sid or the Agency Aquabments to increase are to account for the fiscal year
28	Po1	1995 Tax Allocation Bonds Project 050	1,929,370		819,276		1.110 094		Adjustment due to carly payort of bond, (Paud with new
ēŝ	5.5	County Pass Through	3,623,141	11,683,279		807,054		14 399 368	Portra proceeds; Adjustment to increase County pass through needed to provide terming adjunct to total requirements through the finish a needed.
18 G	L'art Chro	Schools Pass Through	88,222	368.767		30,315		474 K74	Adjustment to decrease School pass through needed to become the majority of the formation between to total nequirements through the fine of the American
25	2 3	Administrative Costs Paid to County		33,853		33,853		,	Adjustments increase is to account for property lax Adjustment of the second for property lax The second for property lax The second for the flat second for property lax The flat second for the flat second
GRAND TOTALS	TALS.		13,433,803	59,389,513	819,357	2,416,262	1,110,094	68,477,603	Annual Million Co.
MOTE:	This form Emitted by in followit indebedin	This form is to recordle the previous Statement of indestredness to the current one heling that, However, since the reconciliation period is finished by twe to a July 1 - June 30 faced year period, only those forms included on the SOI Form A is are to be included on this document. To assist in following each item of indestredness from one SOI to the next, use page arend the number references from each SOI that the item of indebodriess is tisted on. If the hadebackness is new to this faced year, enter "new" in the "Prior Yf page and the columns. Column F must equal the current SOI, Form A Total Outstanding best Column.	of indebtedness to the ried, only those items SOI to the next, use, sew to this flectal year.	o current one bein s'included on the S page and line rum certer "new" in the	g fited. However, si Ol Form A b are to ber references from Prior Yr page an	ince the reconcillation be included on the reach SOI that the differ columns. Col	on period is is document. To a it tern of burn F must	hisa	

### Page 1 of 1

# RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency: Cloverdale Community Development Agency Name of Project Area: Cloverdale Redevelopment Project Area

Tax Year 2006-2007

Reconciliation Dates: From July 1, 2005 to June 30, 2005

	Comments							Adjustment to reconcile with Audited Financial Report of Agency as of 6/30/2006.	Adjustment to increase Littipass through reeded to reconcile remaining balance to total	requirements through the Kie of the Agency Adjustments to increase are to account for the	igency.		Adjustment to increase County pass through reeded to reconcile retraining betance to total	oquirements unough the ite of the Agency Adjustment to decrease School pass through	requirements through the life of the Agency	Adjustments increase is to account for property tax administration fees charged to the	Redevelopment Agency by Sonoma County			
	<u> </u>	Remarking	Balance (A+B-C-D-E)		1,925,880	56,084	136,001	5,004,923 Re-		Add Zab, ubg req	- Age	,	2 E 22 4 44	-	98,222 req	Adj	Red	13,430,313	sist	
	E	indebtadness, from:	Other Funds															-	on pertod is i document. To as them of umn F must	
	Q	Amounts Paid Agamst Indebtechess, from:	Tax increment	60	ROO'SS	14.034	38,813	200,413	574 240		671,800	•	731.482		28,421		150,85	2,397,885	ce the reconciliation in the included on this each SOI that the life columns. Cots	
	٥	nents	Decresses (Attach Explanation)					229,592				1						285,822	filed However, sin I Form A is are to I A references from Prior Yr page and	
	-1	Adjustments	(Attach Explanation)						605,632		671,800		1,440,715		27,422	30 034	2007	2,704,600	s current one being included on the SO age and line numb enter "new" in the "	
V		Outstanding Debt	Pringularia Indebhess	2,025,569	70.118	174 816		5,434,928	2,654,640			•	2,813,908	į	177'88		13 272 200	0.27.2,200	if indebtedness to the od, only those items of to the next, use p w to this fiscal year,	Debt Column.
	Dobt Identification	Brief	Description	Project 050	Loan From State REDIP Project 055	Loan From State Santa/IWMB Project 056	Loan From Calif Infrastructure & Economic Development Bank	Proj 064	LMI Housing Fund - 20% Set- Aside Obligation	Loan to Agency From City		Loan For Computer	County Pass Through	Schools Pace Through		Administrative Costs Paid to County			This form is to reconcile the previous Statement of Indebtedness to the current one being filted. However, since the reconciliation period is limited by law to a July 1 - June 30 fiscal year period, only those items included on the SOI Form A is are to be included on this document. To essist in following each item of indebtedness from one SOI to the next, use page and line number references from each SOI that the item of indebtedness is lasted on. If the indebtedness is new to this fiscal year, enter "hew' in the "Prior Yr" page and line columns. Column F must enter the service of the page and the columns. Column F must	Services Sol, rom A loss Custanding Debt Column.
		SOL Page and Line	Current Yr	Line A	Pa Srop B	Pa 1	ē.	District Control	Pg 1 Line E	Pat		1	Pg1	æ §		2.5	IALS		This form [imited by in followin infollowin indebedra:	
		SOL Pa	Prior Y	Y P	Po di	5.5	2		Pg 1 Line E	Pg 1	Pg 1	5	Pg1 Line H	1 e e		Pg 1	GRAND TOTALS		NO TE	

### MAN 11 11 02/2/2

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

Name of Agency: Cloverdale Community Development Agency Name of Project Arra: Cloverdale Redevelopment Project Arra

Tax Year 2005-2008

Reconciliation Dates: From July 1, 2004 to June 39, 2005

			Y						
		Delst Identification			3	a	_	1	Common
SOL Pag	SOL Page and Line	Buled	Outstanding Dubs	Acthus	dringerits.	Amounts Paid Against Indebtedness, from:	indebeschess, from:	Remarka	
Prior Tr	Current Ve	98	At Beginstrg Indebbness	Mach Estimations	Domesters (All soft Evelendens			Balance	
- ¥	¥	Tax Allocation Bands Project 050	2 121 768			NAME AND ADDRESS OF THE PARTY O	Cibri Furds	(A-B-C-D-E)	
24	Po Se sel	Loun From State REDIP Project 055	84 15G			881,08		2,025,569	
2 4	2	Lour From State SenterIWMB	81.5			14,038		70,118	
		our Error Call Inferred	213,631			38,815		174.816	
25\$	<b>e</b> §	& Economic Development Bank Proj 064	200 0						
			5,637,423			202,495		5,434,928	
28	5 2	UM Housing Fund - 20% Set- Aside Obligation	2,934,131	204,315		483.806		2 CEA BAD	
						200		2,034,040	The Life of the Agency
1.0%	Pgr	Loan to Agency From City	450.977	477,098		928,075		1	Adjustments to increase are to expount for the fiscal year
1.64	2	Loan for Computer							Adjustment decrease because the Redevelopment
	9	rigi des	1.737		579	1,158		•	Agency's share was less than estimated at the close of the prior year
Pari Los H	- E	County Pass Through	3,109,201	250,322		585.615		2 843 070	Adjustment to increase County pass through needed to reconcide tensiting betance to total requirements through
Pari The i	2	Schools Pass Through	404 900					000	Adjustment to decrease School pass through needed to
			34.233		8.448	28,564		99,221	the life of the Agency
2.8	249	Administrative Costs Paid to County		35.362		35 363			Adjustments increase is to account for property tax administration (ess charged to the Redevelopment Agency.
GRAND TOTALS	4								by Sonoma County
			14,667,257	1,007,097	9,027	2412,127	•	13,273,200	
NOTE	This form Ilmited by in followin indebedin	This form is to reconcise the provious Statement of Indestructures to the current one being filed. However, since the reconciliation period is firsted by Javie to a July 1 - June 30 facral year period, only those items included on the SOI Form A is are to be included on this document. To assist in a following each tarm of indestructions from one SOI to the new reconciliation to the conciliation of the following in measurements in measurements in measurements in measurements.	A indebtedness to the fod, only those items 301 to the next, use	e current one being the September on the September of September on the September of September	g filed, Howaver, si IOI Form A is are to ber references from	hos the reconcilution be included on this reach SOI that the	on period is s document. To m item of	Jess	
	equal the	equal the current SOI, Form A Total Outstanding Debit Column.	Debt Column.	, onter how in the	Prior Yr' page an	d line columns. Col	umn F must		

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

Name of Agency: Cloverdale Community Development Agency Name of Project Area: Cloverdale Redevolopment Project Area

Tax Year 2004-2005

Reconciliation Dates: From July 1, 2003 to June 30, 2004

						1007 100 100			
		Days Mandelland	A	В	0	a		L	
804 7	SOI Pans and line	Deduction was	Outstanding Debt	Adjun	Adjustments	Acrounds Proof Acrossors Instituted			Comments
Pror Yr	Current Yr	Description	At Beginning	ncriases	_	TO HOPE AND ADDRESS OF THE PARTY OF THE PART	tocomerse, rom	Remaining	
2	2	Tax Allocation Ronde	OR DA BARRANT	(vener) Expension)	(Attach Explanation)	Tax increment	Other Funds	(A+B-C-D-E)	
A seal	Lme A	Project 050	2.219.319						
- 1	8	Loan From State REDIP				97,551		2,121,768	
	The Co	Project 055	98,198			14 042		,	
o Š	C E 3	Loan From State Santa/IWMB	247 A73					87.48	
ا ع	&	Loan From Calif Infrastructure	404,410			38,842		213,631	
NEW	Grad	& Economic Development Bank Proj 084	5.787.548			•			
, ě						130,125		5,637,423	
ш	Class El	UMI Housing Fund - 20% Set-Aside Obsignation	200						Referror was decreased to correct calculation formula error
ē	2		15,073,680		11,807,495	332,054		2,934,131	Without did not include a provision for outstanding debt. Error
Line F	Line F	Loan to Agency From City	207 705						
P9 1	2	Loan for Committee	501,100	434,375		507,705		434,375 pan	Societies was made to include provis on for FY 03-04 toan
ڻ څ	The G	Proj 063	8.685						
-	-					0.948		1,737	
H	_	County Pass Through	10 388 800						Balance was decreased to correct calculation formula error
-	8		DOC POSTO		15,828,972	448,427		3,109,201	3,109,201 was made on prior year's report preparation.
Line	-	Schools Pass Through	130 000						Belance was decreased to correct calculation formula error
			00000		971,506	24,861		134,233	134,233 large made on pnor year's report presenting debt. Error
GRAND TOTALS	ALS		44 444 808	400					Tarries and a second se
			000	434,3/5	28,607,973	1,600,555	0	14.670,655	
NOTE	This form	This form is to reconcile the previous Statement of Indebtedness to the current one being find Housener along the	Indebtedness to the	Current one being	Flad Houseway s'ra	4			
A	imited by	initiad by law to a July 1 - June 30 feed year period, only those items included on the SOI Form A is are to be included on the SOI Form A is are to be included on the soil of the form the for	d, only those items in	duded on the SO	Form A is are to b	a included on this a	penod is	•	
	Indebedne	in telephones is finded on it has been strom one SOI to the next, use page and the number references from each SOI that the them of	N to the next, use pay	ge and in a numbe	of references from e	each SQI that the H.	m of	<b>7</b>	
	equid the	equid the current SOI, Form A Total Outstanding Debt Column.	obt Column.	lter "new" un lhe l	Prior Yr' page and I	line columns, Colum	in F must		
							200		

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

### Name of Agency: Clovendale Community Development Agency Name of Project Area: Clovendale Redevelopment Project Area

Tax Year 2003-2004

Reconciliation Dates: From July 1, 2002 to June 30, 2003

	Γ		-				Γ	T		T	alam.	T	T	_	T	1	1	75	Т	_	7	
	Comments											Adjustment is a result of new estimate to show the LM	15,073,680 percent through the life of the project until July 2007	507,705 Adjustment is to estimate the FY 03-04 loan serve or	e de la lace	Adjustment is a metal of owner performent in some	19,388,600 Pass Through obligation through the Ete of the project with	Adjustment is a result of an astimute to show the School	DO to ect per unique income and characters and			
	_	Remainde	Batance	(A+B-C-D-E)		2,219,319,		88.188	252 477	Olt Table	d	46 070 600	19,073,680	507,705		6,663	19,386,600	1,130,600		38,677,280	Test	
	#	deblodness, from		Other Funds																0	period is document. To an	tem of mm F must
		Amounts Pald Against Indebtodness, from		TAIR Increment		98,879	7 007	1001	38.842	741000	23,729	255 988	200	407.215	008	2000	395,690	23,074	3	1.258,212	e the reconcitation e included on this	ach SOI that the i
	,		Decreases	Company Calmana		1													•	0	lad. However, sinc Form A is are to b	references from e rior Yr" page and I
		Adjustraction	Attach Enterprised									15,183,786		20/ /02		44 570 443	11.050,11/	1,131,674	24 346 969	707'066'16	Ament one being fi	ge and the number tter "hew" in the "P
Y		Outstanding Date	At Beginning	+	2318 198		108,105		291,315	out ec	59,158	145,900	407 245	217 104	15,575	5 25B 479	211	22,000	8 589 210	0,000,410	ndebtedness to the c I, only those items in	to this fiscal year, er
	Debt identification	Brief	å	Tax Allocation Bonds	Project 050	Losn From State REDIP	Project 055	Lour From State Senta/WMB	rided upp	Developer Participation - Furber Project 054	UMI Housing Fund - 20% Set-Asido	Obl'gation	Loan to Agency From Civ		Loan for Computer	County Pass Through		School District Pass Through			This form is to reconcide the provious Statement of Indextedness to the current one being fined. However, since the reconditioning period is mitted by how to a July 1 June 30 fined year period, only those forms the SOI Form A is the to be hadded on this document. To assist in each	herebens is lated on it the transpondest two note SOI to the mind, use page and the number retremest from each SOI that the first of intellectures is from the fished such that the first VF page and fine columns. Column F must equal the current SOI, Form A Tack Ordered notes on the columns.
		SOL Page and Una	Prior Yr Current Yr	ed.	m A Lin A	2	Jan B Uhre B	2	5	- P	Г	Ilm E	Fed Unit	R	D AND	H cure H	? :	5	RAND TOTALS		NOTE: This form I	Indebedne equil the c
1	_	-	ä	8	5	ē	5	2	L	3	ē	۳ ا	5	ě	D #4	4	1		BRA	L	2	

### 9/2/2014 12 11 PM

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Page 1 of 1

Name of Agency: Cloverdale Community Development Agency Name of Project Area: Cloverdale Redevelopment Project Area

Tax Year 2002-2003

Reconciliation Dates: From July 1, 2001 to June 30, 2002

	D E Communication	Amounts Paid Against Installmental, from Demolation		This incrusional Other Funds (A+B-C-D-E)		100,185 indeptedness as of 6/30,(0)	13,263 108,105 Indebtedness as of 6/30/01	CAR RE		23,729	249.128 14.6 ohn 10 record set-aside obligation for fiscal year		648.592 407.215; for fiscal year 2002-2003	To	279,066 5,259,173 inadvertently omitted from reconciliation		2,316 15,575 To racord Agency Share of Computer Loan	21321	in record Agency Schools Pass-Through	1,376,442 8,567,210	To assist
	,	Adjustments	Decrustes	Author Exponention) Tax Incrument Other Funds	08 830		1,445	38 842	75000	23,729	145,900		407,Z15 648,592		279,056	47 804		21,321			This form is to reconcile the previous Statement of indebtedness to the current one being field. However, since the reconcustion period is finished by taw to a July 1 - June 30 facet year period, only those items included on the SOI Form A is are to be included on this document. To assist in reflowing each item of indebtedness from one SOI to the next, use page and fine number reterences from each SOI that the item of indebtedness is taken or it the indebtedness is the wite this facet year, enter "hew" in the "Prior YF page and fine odurms, Cothmit Finust
A	l	Outstanding Debt	At Baganning Increases	+	2.321.844			330,157	Furber 47.458		249,128 14	074	766'010		a di					5,710,102 6,22	interment of indebtodness to the current of year period, only those items included to from one SOI to the next, use page and if from one SOI to the freet, use page and if these is new to this faced year, enter "new
	Debt Identification	age and Line:	Connect Yr Description	Pg 1 Tax Allocation Bonds	Una A Project 050	Ps Loan From State REDIP	Pa 1 Loan From State Senta/IWMB	†	Pg 1 Developer Participation - Furber Lt∞ D Project 054	Pa 1 LMI Housing Fund - 20% Set Aside	Trus E. Cuspings	ine F & G Live F Loan to Agency From City	Pa1	-	2	Une G Loan for Computer	æ	time   School District Pass Through	TALS		This form is to reconcile the previous Statement of indebtodness limited by law to a Juty 1 - June 30 fiscal year period, only those fill following outsit listen of indebtedness from one SOI to the next indebtodness is fished on. If the indebtodness is new to this fiscal equal the current SOI From a Taxan or the page 1899.
	_	SOL P.	Prior Yr	ě.	A au				2 9	- 1		F &	-	Line Nove	ē	Anna Naw	ē	Line Nove	GRAND TOTALS		NOTE:

### Attachment 3

Oversight Board Resolution

No. OB004-2014

Approving the Appropriation of Funds

as a Loan to the

Cloverdale Community Development Agency

### OVERSIGHT BOARD FOR THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY RESOLUTION NO. OB004-2014

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY RATIFYING AND APPROVING REPAYMENT TO THE CITY OF CLOVERDALE FOR EXPENSES INCURRED ON BEHALF OF THE CLOVERDALE COMMUNITY DEVELOPMENT AGENCY, PURSUANT TO ANNUAL JOINT RESOLUTIONS BETWEEN THE CITY COUNCIL OF THE CITY OF CLOVERDALE AND THE BOARD OF DIRECTORS OF THE CLOVERDALE COMMUNITY DEVELOPMENT AGENCY APPROVING THE APPROPRIATION OF FUNDS AS A LOAN TO THE CLOVERDALE COMMUNITY DEVELOPMENT AGENCY

WHEREAS, Assembly Bill 26 ("ABx1 26") was enacted by the State Legislature and signed by the Governor as of June 29, 2011; and

WHEREAS, on December 29, 2011 the California Supreme Court delivered its decision in California Redevelopment Association v. Matasantos, finding ABx1 26 largely constitutional and resulting in the dissolution of all California redevelopment agencies, including the Cloverdale Community Development Agency ("CCDA"); and

WHEREAS, on January 11, 2012, pursuant to Resolution No. 003-2012, the City Council of the City of Cloverdale ("City Council") elected to serve as the Successor Agency to the CCDA ("Successor Agency") pursuant to Health and Safety Code Section 34177 and other applicable law; and

WHEREAS, the dissolution of the CCDA and all other California redevelopment agencies became effective on February 1, 2012; and

WHEREAS, pursuant to ABx1 26, an oversight board was required to be formed for each jurisdiction where a redevelopment agency previously existed to oversee the dissolution activities managed and administered by the Successor Agency; and

WHEREAS, on April 24, 2012, the Oversight Board for the Successor Agency ("Oversight Board") was established and held its first meeting; and

WHEREAS, on June 27, 2012, AB 1484, a budget trailer bill that made substantial amendments and additions to ABx1 26, was signed into law; and

WHEREAS, on July 11, 2012, pursuant to AB 1484 and Resolution No. SA 1001-2012, the Successor Agency was established as a separate public entity; and

WHEREAS, prior to the dissolution of redevelopment agencies, city loans to redevelopment agencies with insufficient financing capacity were commonplace, and were not only expressly

authorized but encouraged by Health and Safety Code Sections 33220, 33600, 33601 and 33610 and Government Code Section 53600 et seq.; and

WHEREAS, as in prior fiscal years, the CCDA was in need of assistance in funding redevelopment activities in fiscal year 2010-11; and

WHEREAS, as in prior fiscal years, the CCDA adopted Resolution No. CD002-2011 on January 12, 2011, accepting and authorizing a loan from the City of Cloverdale ("City") for project, operating, administrative and overhead expenses for fiscal year 2010-11. The principal amount was \$826,600, bearing simple interest of 12% per year (the "Loan"); and

WHEREAS, the Loan was for public projects specified in the CCDA budget for fiscal year 2010-11 that were of benefit to the CCDA project areas, the surrounding neighborhood, and the entire City, and thus was for a legitimate redevelopment purpose; and

WHEREAS, the Loan Agreement was executed by the City and the CCDA on January 12, 2011; and

WHEREAS, on June 30, 2011 the CCDA repaid the Loan in full, in the amount of \$925,520; and

WHEREAS, the Loan repayment occurred before ABx1 26 was enacted and before the CCDA was dissolved; and

WHEREAS, at the time the Loan was made by the City and repaid by the CCDA, the City and CCDA were in full compliance with all applicable laws; and

WHEREAS, pursuant to AB 1484, the State Department of Finance issued a Finding of Completion to the Successor Agency on May 24, 2013.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Cloverdale Community Development Successor Agency, that the Oversight Board hereby finds, determines and resolves as follows:

- The foregoing Recitals are true and correct, and are incorporated herein by reference.
- The Oversight Board hereby ratifies and approves the Loan, as described in the recitals set forth in this Resolution, and the repayment of the Loan by the former Cloverdale Community Development Agency.
- The funds comprising repayment of the Loan are not and should not be subject to an order by the State Controller to be returned to the Successor Agency.

- 4. The Successor Agency staff is authorized to take such other and further action as necessary to carry out the intent of this Resolution.
- Declares that if any provision, sentence, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts.

It is hereby certified that the foregoing Resolution No. OB004-2014 was duly introduced and adopted by the Oversight Board for the Cloverdale Community Development Successor Agency at a special meeting held on the 21<sup>st</sup> day of April, 2014, by the following vote: 5 ayes - 0 noes - 2 absent

AYES in favor: Vice Chair Mike Nixon, Member Denise Calvert, Member Gus Wolter, Member Carol Russell, Member Karen Massey

NOES:

ABSENT: Chair Carol Giovanatto and Member Ricardo Navarrette

ABSTAIN:

APPROVED:

ATTEST:

Vike Nixon, Vice Chair

2265103.1

Roberto L. Bartoli Ir Acting Secretary

State Controller's Office Division of Audits Post Office Box 942850 Sacramento, CA 94250-5874

http://www.sco.ca.gov