AGENDA

OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY

ANTIOCH COUNCIL CHAMBERS
THIRD & “H” STREETS

December 17, 2012 at 3:00 PM

Board Members:
  Brian Kalinowski, Chair
  Martha Parsons, Vice Chair
  Keith Archuleta
  Tim Forrester
  David Fraser
  Robert Kratochvil
  Tina Wehrmeister

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

ITEMS

1. **Annotated Agenda for October 15, 2012**
   
   **Action:** Motion to approve the Annotated Agenda

2. **Update on prior Property Transfers from the Antioch Development Agency to the City**
   
   **Action:** Provide direction to Successor Agency Staff, if any, regarding the Department of Finance determination on property transfers.

3. **Update on Due Diligence Review of the Low and Moderate Income Housing Fund**
   
   **Action:** Provide direction to Successor Agency Staff, if any, regarding the Department of Finance review of the Due Diligence Review of Low and Moderate Income Housing Fund

4. **Due Diligence Review of Other Redevelopment Funds**
   
   **Action:** Receive public comments regarding the attached Due Diligence Review of Other Redevelopment Funds of the former Antioch Development Agency
5. Meeting Schedule

ORAL COMMUNICATIONS

WRITTEN COMMUNICATIONS

BOARD REPORTS

ADJOURNMENT

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 Thursday 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 December 17, 2012

Prepared By: Cheryl Hammers, Planning Secretary

Date: December 4, 2012

Subject: October 15, 2012 Annotated Agenda Approval

RECOMMENDED ACTION

Motion to approve the annotated agenda from the meeting of October 15, 2012

DISCUSSION

The annotated agenda from the meeting of the Oversight Board on October 15, 2012 is attached for review and approval of the board.

ATTACHMENT

Annotated Agenda from the meeting of October 15, 2012
ANOTATED
AGENDA
OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY

ANTIOCH COUNCIL CHAMBERS
THIRD & “H” STREETS

October 15, 2012 at 3:00 PM (3:03)

ROLL CALL

Board Members:
   Brian Kalinowski, Chair
   Martha Parsons, Vice Chair
   Keith Archuleta
   Tim Forrester
   David Fraser (arrived 3:05 pm)
   Francisco Hinojoso (absent)
   Tina Wehrmeister

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

ITEMS

1. Annotated Agenda for October 8, 2012
   
   **Action:** Motion to approve the Annotated Agenda
   
   **APPROVED:** 5/0
   1 Abstention - Forrester

2. Due Diligence Review of the Low and Moderate Income Housing Fund
   
   **Action:** Adopt a Resolution approving the Due Diligence Review for the Low and Moderate Income Housing Fund with direction regarding retention of administrative funds
   
   **OB RESOLUTION 2012-07; 6/0**

3. Administrative Cost Allowance
   
   **Action:** Adopt a Resolution requesting the Contra Costa Auditor-Controller to pay the City of Antioch as Successor Agency to the Antioch Development Agency the full administrative cost allowance per the Recognized Obligation Payment Schedule and supporting the City as Successor Agency’s action to invoke the meet and confer process with the State Department of Finance
   
   **OB RESOLUTION 2012-08; 6/0**
4. Update on Property Transfers

NO UPDATE AT THIS TIME

ORAL COMMUNICATIONS

WRITTEN COMMUNICATIONS

BOARD REPORTS

ADJOURNMENT (3:18 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 Thursday 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 DECEMBER 17, 2012

Prepared By: Dawn Merchant, City of Antioch Finance Director

Date: December 11, 2012

Subject: Update on Property Transfers

RECOMMENDED ACTION

Provide direction to Successor Agency Staff, if any, regarding the Department of Finance determination on property transfers.

DISCUSSION

At the Oversight Board meeting of August 20, 2012, the Board approved the prior transfer of 19 parcels from the Successor Agency to the City of Antioch ("Successor Agency"). These properties were deemed to be for governmental purposes by the Successor Agency and the Oversight Board concurred. Resolution 2012-05, as adopted by the Board was sent to the Department of Finance (DOF) as all actions taken by the Board are subject to approval by the DOF.

On November 2nd, the Successor Agency received a letter from DOF regarding their findings (see Attachment A). Per the letter, the DOF did not approve any of the transfers due to the fact that the DOF does not believe that any of the properties qualify as being used for governmental purposes, even though one of the parcels is the City Hall parking lot. The DOF letter provides little explanation. The Successor Agency filed a meet and confer request with the DOF (see Attachment B) to oppose the decision. We have yet to receive a meet and confer request date, and do not expect to hear from the DOF about a date until January at the earliest.

ATTACHMENT

A. November 2, 2012 letter from Department of Finance
B. Meet and Confer Request
November 2, 2012

Ms. Dawn Merchant, Finance Director
City of Antioch
PO Box 5007
Antioch, CA 94531-5007

Dear Ms. Merchant:

Subject: Objection to Oversight Board Action

The City of Antioch Successor Agency (Agency) notified the California Department of Finance (Finance) on August 21, 2012 of its oversight board (OB) action on August 20, 2012. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB resolution 2012-05, which authorizes the Agency to transfer 19 redeveloped parcels to the City, is not allowed. The 19 properties, previously conveyed to the City in an agreement dated March 9, 2011, include 15 public parking lots, the condemned and uninhabitable Hard House building parcel, two boat launch facilities, and a parcel adjacent to the Amtrak Station.

HSC section 34181 (a) lists governmental purpose assets to include roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings.

The properties subject to this review were assets of the former redevelopment agency, which are currently not being used for a governmental purpose. HSC section 34191.3 suspended the requirements of HSC section 34181 (a) and the successor agency’s ability to dispose of assets for non-governmental purposes, until Finance has issued a finding of completion and has approved a long range property management plan.

HSC section 34177 (e) directs successor agencies on the steps to dispose of non-governmental purpose assets. Because the Agency has not met all statutory requirements, the transfer of the 19 redeveloped parcels to the City is not permitted.

The process and guidelines related to the disposition of former RDA assets are available at Finance’s website below:

http://www.dof.ca.gov/redevelopment/property_disposition/

Furthermore, as authorized in HSC section 34167.5, the State Controller may audit asset transfers that occurred after January 1, 2011 between the RDA and the city that created the RDA, and may order the return of the assets if they are not contractually committed to a third party for the encumbrance or expenditures of these assets.
As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

Please direct inquiries to Justyn Howard, Assistant Program Budget Manager, at (916) 445-1546.

Sincerely,

[Signature]

STEVE SZALAY  
Local Government Consultant

cc: Lynn Tracy Nerland, City Attorney, City of Antioch  
Bob Campbell, Auditor-Controller, Contra Costa County
MEET AND CONFER REQUEST FORM

**Instructions:** Please fill out this form in its entirety to initiate a Meet and Confer session. Additional supporting documents may be included with the submittal of this form—as justification for the disputed item(s). Upon completion, email a PDF version of this document (including any attachments) to:

 Redevelopment_Administration@dof.ca.gov

The subject line should state "[Agency Name] Request to Meet and Confer". Upon receipt and determination that the request is valid and complete, the Department of Finance (Finance) will contact the requesting agency within ten business days to schedule a date and time for the Meet and Confer session.

To be valid, all Meet and Confer requests must be specifically related to a determination made by Finance and submitted within the required statutory time frame. The requirements are as follows:

- **Housing Asset Transfer** Meet and Confer requests must be made within five business days of the date of Finance's determination letter per HSC Section 34176 (a) (2).
- **Due Diligence Review** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter, and no later than November 16, 2012 for the Low and Moderate Income Housing Fund due diligence review per HSC Section 34179.6 (e).
- **Recognized Obligation Payment Schedule (ROPS)** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34177 (m).

Agencies should become familiar with the Meet and Confer Guidelines located on Finance’s website. Failure to follow these guidelines could result in termination of the Meet and Confer session. Questions related to the Meet and Confer process should be directed to Finance’s Dispute Resolution Coordinator at (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

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**AGENCY (SELECT ONE):**

☑ Successor Agency ☐ Housing Entity

**AGENCY NAME:** City of Antioch as Successor Agency to the Antioch Development Agency

**TYPE OF MEET AND CONFER REQUESTED (SELECT ONE):**

☐ Housing Assets Transfers ☐ Due Diligence Reviews ☐ ROPS Period

**DATE OF FINANCE’S DETERMINATION LETTER:** Department of Finance Determination letter dated 11/2/2012 regarding Objection to Oversight Board Action

**REQUESTED FORMAT OF MEET AND CONFER SESSION (SELECT ONE):**
Meeting at Finance

Conference Call
DETAILED REQUEST

A. Summary of Disputed Issue(s) (Must be specific.)

Determination by the Department of Finance that all 19 redeveloped parcels transferred to the City in an agreement dated March 9, 2011 and confirmed by Oversight Board on August 20, 2012 are not being used for a governmental purpose.

B. Background/History (Provide relevant background/history, if applicable.)

In March 2011, the Antioch Development Agency conveyed 25 parcels to the City of Antioch. Of the 25, 19 are considered "developed" properties in City use. These assets were reported to the State Controller's Office on April 12, 2012 on the Asset Transfer Assessment Form and as notated on the form, several assets had been transferred to the City in fiscal year 2002 based on an audit recommendation, but the corresponding deeds to confirm the transfer were not completed. The asset transfer form is attached for your reference. In August 2012, the Successor Agency requested the Oversight Board's confirmation of the transfer of the 19 "developed" properties to the City and they affirmed the transfer via Oversight Board resolution 2012-05. On October 24, 2012, we received a request from the Department of Finance for further information on three parcels. We provided title reports and Contra Costa County parcel reports.

C. Justification (Provide additional attachments to this form, as necessary.)

We believe the 19 parcels approved by the Oversight Board qualify as assets for governmental purpose. While Health and Safety Code Section 34181 (a) lists examples of government assets using the term "such as", this is meant to provide examples and not be an inclusive list of the only types of governmental assets. For example, parcel 066-072-020 is the City Hall parking lot. While this is not limited exclusively to parking for City employees, it is used in large part for City employees and officials. Members of the public do use it when they come to pull a permit, pay a water bill, attend a City Council meeting, etc, so we do not understand how this would not qualify as a governmental purpose as it is used for City employees and to allow our public to interact with City government. Another example of this would be for parcel 066-053-002 for public parking at Nick Rodriguez Community Center. The City owns the community center so employees park in that lot, but it is also used by the public that may be attending classes at the center. We are looking for guidance on what specific documents we can submit to demonstrate that the rejected parcels do indeed qualify as governmental assets. A copy of the staff report from the March 2011 conveyance is also attached for reference to provide some more background on the transfers.
<table>
<thead>
<tr>
<th>Agency Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name:</strong> Dawn Merchant</td>
</tr>
<tr>
<td><strong>Title:</strong> Finance Director</td>
</tr>
<tr>
<td><strong>Phone:</strong> (925) 779-6135</td>
</tr>
<tr>
<td><strong>Email:</strong> <a href="mailto:dmerchant@ci.antioch.ca.us">dmerchant@ci.antioch.ca.us</a></td>
</tr>
<tr>
<td><strong>Date:</strong> 11/8/12</td>
</tr>
</tbody>
</table>

| **Name:** Lynn Tracy Nerland |
| **Title:** City Attorney    |
| **Phone:** (925) 779-7015   |
| **Email:** lnerland@ci.antioch.ca.us |
| **Date:** 11/8/12          |

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**Department of Finance Local Government Unit Use Only**

REQUEST TO MEET AND CONFER DATE:  □ APPROVED  □ DENIED

REQUEST APPROVED/DENIED BY: __________________________ DATE: __________________________

MEET AND CONFER DATE/TIME/LOCATION: __________________________

MEET AND CONFER SESSION CONFIRMED: □ YES  DATE CONFIRMED: __________________________

DENIAL NOTICE PROVIDED: □ YES  DATE AGENCY NOTIFIED: __________________________
PROPERTY CONVEYANCE AGREEMENT

This Property Conveyance Agreement (the "Agreement") is entered into as of March 9, 2011, by and between the Antioch Development Agency, a public body corporate and politic (the "Agency"), and the City of Antioch, a municipal corporation (the "City"). The City and Agency are sometimes hereafter referred to collectively as the "Parties" and individually as a "Party." The Parties enter into this Agreement, with reference to the following facts and purposes:

RECITALS

A. The City adopted the Redevelopment Plan for the Antioch Community Redevelopment Project Area, establishing the project area (the "Project Area"), in accordance with the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.; the "Redevelopment Law").

B. The Agency is responsible for administering the Redevelopment Plan to cause the redevelopment of the Project Area, including the development of affordable housing for low and moderate-income households.

C. To assist in implementing the Redevelopment Plan, the Agency has adopted a five-year implementation plan (the "Implementation Plan") pursuant to Section 33490 of the Redevelopment Law.

D. In accordance with the Redevelopment Plan, the Agency has acquired certain parcels of real property within the Project Area (each of which is referred to as a "Parcel," and, collectively, are referred to as the "Property"), as more particularly described in the attached Exhibit A.

E. In furtherance of the goals and objectives of the Redevelopment Plan and the Implementation Plan, the Agency desires to convey the Property to the City, and the City desires to acquire the Property from the Agency. The Agency and the City desire to enter into this Agreement to effectuate the transfer of the Property by the Agency to the City and to establish the Parties' mutual agreement regarding the redevelopment of the Property.

F. Following the conveyance of the Property to the City, the City intends to (i) continue the use of the Parcels that are consistent with the Redevelopment Plan for those Parcels that have been redeveloped by the Agency and/or City ("Redeveloped Parcels") and (ii) cause the redevelopment of any other Parcel ("Development Parcels") in a manner consistent with the Redevelopment Plan and the Implementation Plan (each a "Future Development"). To cause the development of the Future Development on each Development Parcel, the City intends to: (i) establish the parameters and proposed scope of development for the Future Development on the Development Parcel, and (ii) seek and select a reputable third-party developer for the ultimate development of each Future Development, which remains subject to compliance with the California Environmental Quality Act ("CEQA") and all other applicable requirements of the City's land use entitlement process.
G. Pursuant to Section 15004(b)(2)(A) of the Guidelines for the implementation of the California Environmental Quality Act ("CEQA"), this Agreement is exempt from the requirements of CEQA because the future use of the Development Parcels for the Future Development is conditioned upon CEQA compliance as more particularly set forth below. In addition, pursuant to Section 15061(b)(3) of the CEQA Guidelines, CEQA review of this Agreement is not required because it can be seen with certainty that conveyance of the Redeveloped Parcels pursuant to this Agreement will not alter the existing use of the Redeveloped Parcels.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Agency and the City agree as follows:

Section 1. Conveyance. Subject to the terms and conditions set forth below, the Agency agrees to convey, and the City agrees to accept conveyance of, the Property. Conveyance of the Property includes the assignment of any current and lawful leases on the Property from the Agency to the City.

Section 2. Consideration for Conveyance.

(a) Development Parcels. The Agency shall convey the Development Parcels to the City in consideration for the City's agreement to cause the development of the Future Development on each Development Parcel, in accordance with the terms and conditions of this Agreement. The Agreement evidences the obligation of the City to pay to the Agency the value received by the City for each Development Parcel from the Third Party Developer (as defined below). This amount received by the City will be the greater of the fair market value of the Development Parcel, or the fair reuse value of the Development Parcel (as of the date of the conveyance by the City to the Third Party Developer either as a fee conveyance or as a ground lease conveyance) based on the use of the Development Parcel for the Future Development, and with the covenants and conditions and development costs imposed by the City on the Third Party Developer in connection with the Future Development (the "Parcel Consideration"). Such amount, if any, will be paid by the City to the Agency upon the City receiving such consideration from the Third Party Developer. The Agency acknowledges that the Parcel Consideration for each Development Parcel may be as little as One Dollar ($1.00) depending on the specific limitations imposed by the City on the Third Party Developer that the Development Parcel be used for the Future Development, and the other covenants and conditions and development costs imposed by the City on the Third Party Developer in connection with the Future Development. The provisions of this Section 2 shall survive the recordation of the Grant Deed, defined below.

(b) Redeveloped Parcels. The Agency shall convey the Redeveloped Parcels to the City in consideration for the City agreeing to continue the uses of such Redeveloped Parcels for the uses set forth in the Grant Deed, defined below, for such Redeveloped Parcels.

Section 3. Method of Conveyance. As soon as practicable following execution of this Agreement, the Agency shall convey the Property to the City by grant deed or quitclaim
deed depending on the nature of the interest held by the Agency (the “Grant Deed”), substantially in the form of the attached Exhibit B, provided, however, the Grant Deed for the Redeveloped Parcels shall include deed restrictions limiting the uses for such Parcels to those required by the Agency in its agreements regarding the Redeveloped Parcels, to be recorded in the official records of the Clerk Recorder of the County of Contra Costa. The date of execution of the Grant Deed is referred to in this Agreement as the “Conveyance Date.” Ad valorem property taxes and assessments, if any, shall be prorated as of the Conveyance Date. The Agency shall pay all costs of conveyance.

Unless the Parties agree otherwise, the City and the Agency shall establish an escrow with a mutually acceptable title company (the “Title Company”) to effectuate the conveyance of the Property. The Agency and the City shall execute any and all documents reasonably necessary or appropriate to close the conveyance of the Property pursuant to the terms of this Agreement.

Section 4. **Condition of Title.** The condition of title on the Conveyance Date shall be as set forth in the preliminary title report for each Parcel issued by the Title Company (collectively, the “Preliminary Title Reports”). In connection with and as a condition of closing, and unless otherwise waived by the City, the Agency shall cause to be delivered by the Title Company to the City a commitment for (and promptly after closing shall cause delivery by the Title Company to the City of) an ALTA extended owners title policy for the Property consistent with the terms of the Preliminary Title Reports. The costs of the title policy shall beborne by the Agency.

Section 5. **Condition of Property.** In fulfillment of the purposes of Health and Safety Code Section 25359.7(a), the Parties acknowledge and agree that the Agency has provided the City with all information in its possession regarding the existence and/or release of hazardous substances on or beneath the Property, and that the provision of such information constitutes the written notice required to be given by the Agency to the City pursuant to Health and Safety Code Section 25359.7(a).

Section 6. **Indemnification.** The Agency shall indemnify, defend and hold the City, its officials, officers, employees and agents harmless from any any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney’s fees and expenses) imposed upon or incurred by or asserted against the City and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any presence of any hazardous materials in, on, above, or under any Parcel prior to the time of the Conveyance Date; (b) any actual or proposed investigation, assessment, remediation or monitoring of any hazardous materials, under, on or above any Parcel prior to the Conveyance Date, whether or not any such activity is voluntary or pursuant to court or administrative order; (c) any past, present or threatened non-compliance or violations of any hazardous materials laws, any order of any governmental authority issued under any hazardous materials laws as a result of any hazardous materials in, on, above, or under any Parcel prior to the time of the Conveyance Date; (d) third party claims concerning hazardous material relating to matters that initially arose
prior to the time of the Conveyance Date; (e) any third party claims relating to matters that arose before Conveyance Date; or (e) any actions challenging the Agency’s conveyance and City’s acceptance of the Property. Each indemnified party may make all reasonable decisions with respect to their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). The Agency shall pay immediately upon the City’s demand any amounts owing under this indemnity.

Section 7. **Representations and Warranties.** The Agency represents, warrants and covenants to the City, as of the date of this Agreement and as of the Conveyance Date, as follows:

(a) **No Condemnation.** To the best of the Agency’s knowledge, there is no pending or threatened condemnation or similar proceeding affecting the Property, or any portion thereof, nor does the Agency have any knowledge that any such action is contemplated.

(b) **No Proceedings.** To the best of the Agency’s knowledge, there are no legal actions, suits, or other legal or administrative proceedings, including condemnation cases pending or threatened against or affecting the Property or the Agency’s title to the Property. The Agency has not received notice from any public agency or entity with respect to any future proceeding or basis for any future proceeding against or affecting the Property or any part of the Property, or concerning any existing or potential, past, present or future toxic or hazardous material or conditions at the Property.

(c) **Clear Title.** The Agency is the owner of the Property and has marketable and insurable fee simple title to the Property free of restrictions, leases, liens and other encumbrances, except for the matters set forth in the Preliminary Title Reports. During the term of this Agreement, the Agency shall not convey or accept any offer to convey the Property or any portion of the Property nor shall the Agency encumber or permit encumbrance of the Property in any way nor grant any property, contract or occupancy right relating to the Property or any portion thereof without the prior written consent of the City, which may be withheld in the City’s sole and absolute discretion.

Section 8. **Operation of the Property.**

(a) **Prior to the Conveyance Date.** Prior to the Conveyance Date, the Agency shall maintain the Property in its current condition unless other arrangements are in place with the City regarding maintenance responsibilities.

(b) **After the Conveyance Date.** After the Conveyance Date, and prior to the disposition of the Development Parcels to the Third Party Developer, the City shall maintain the Development Parcels in their respective current conditions. After the Conveyance Date, the City shall cause the applicable occupant (if any) of the Redeveloped Parcels to maintain each such Parcel in accordance with all applicable agreements governing such Parcel.

Section 9. **No Brokers.** Each Party represents to the other that it has not had any contact or dealings regarding the Property, or any communication in connection with the subject
matter of this transaction, through any real estate broker or other person who can claim a right to a commission or finder's fee. If any broker or finder makes a claim for a commission or finder's fee based upon a contact, dealings, or communications, the party through whom the broker or finder makes this claim shall indemnify, defend with counsel of the indemnified Party's choice, and hold the indemnified Party harmless from all expense, loss, damage and claims, including the indemnified Party's attorneys' fees, if necessary, arising out of the broker's or finder's claim.


(a) Development Process. Promptly following the recordation of the Grant Deed, the City shall commence, and thereafter diligently pursue, in a commercially reasonable manner, as determined by the City, the redevelopment of each Development Parcel by pursuing the development of the Future Development. The City shall establish the parameters and the proposed scope of development for the Future Development on each Development Parcel of the Property based on, among other things, prevailing economic and market conditions, community input, and the goals and objectives of the Redevelopment Plan and the Implementation Plan. The City shall comply with all applicable requirements of CEQA in connection with the Future Development. Prior to the consideration of a proposed DDA, as defined below, by the City Council of the City, all necessary environmental review required by CEQA shall be completed.

For each Development Parcel, the City shall identify potential developers (including for-profit developers, non-profit developers, or a joint venture between a for-profit developer and a non-profit developer) capable of developing the Future Development, and thereafter select a particular reputable developer with the necessary skill and ability (including, but not limited to, financial capability) to cause the timely development of the Future Development (each a "Third Party Developer").

(b) DDA. To ensure the proper redevelopment of each Development Parcel of the Property, the City shall execute a disposition and development agreement with the Third Party Developer (the "DDA") which will, among other things, impose the necessary and appropriate conditions on the conveyance of the Development Parcel by the City to the Third-Party Developer to insure that the Development Parcel is developed in a timely manner. In the reasonable discretion of the City, the DDA may contain any, or all, of the following conditions precedent to the City's conveyance of the Development Parcel to the Third Party Developer: (i) obtaining all necessary land-use approvals for the Future Development, including, but not limited to, the satisfaction of all applicable requirements of CEQA, (ii) obtaining the City's approval of the schematic drawings, design development drawings, and final construction drawings for the Future Development, (iii) obtaining a building permit for the construction of the Future Development, (iv) obtaining sufficient financing for the Future Development, and (v) satisfying such other conditions the City deems appropriate given the particular scope of development for the Future Development. The DDA shall require the Developer to pay the Parcel Consideration as the purchase price (or as lease payments) for the Parcel. In the discretion of the City, the DDA may also impose (a) insurance requirements and indemnification obligations on the Third Party Developer, (b) a schedule of performance for the satisfaction of the conditions precedent to the conveyance of the Development Parcel, and for the commencement and completion of
construction of the Future Development, (c) the right of the City to approve proposed transfers of interests in the Parcel or of the Third Party Developer, and (d) the right for the Development Parcel to revert back to, and revest in, the City in the event the Third Party Developer is in breach of its obligations to complete construction of the Future Development within the timeframe established in the DDA. The DDA approved by the City, if any, must be consistent with CEQA. Notwithstanding any provision herein to the contrary, each conveyance of a Development Parcel by the City to a Third Party Developer shall be done in accordance with all applicable laws, including, but not limited to, California Health & Safety Code Section 33432 as it exists on the date of this Agreement, and any other applicable provision of the Redevelopment Law.

Section 11. City Discretion. Nothing in this Agreement, including, but not limited to, the conveyance of the Property by the Agency to the City, limits the City's discretion in complying with all applicable requirements of CEQA, or considering any requested land use or other approvals related to the development of the Property, whether by the Third Party Developer, or otherwise. The City Council retains ultimate discretion in approving, denying, or conditioning any approval needed for the Future Development by the Third-Party Developer, or otherwise.


(a) Headings. The title and headings of the various sections hereof are intended for means of reference and are not intended to place any construction on the provisions hereof.

(b) Invalidity. If any provision of this Agreement shall be invalid or unenforceable the remaining provisions shall not be affected thereby, and every provision hereof shall be valid and enforceable to the fullest extent permitted by law.

(c) Entire Agreement. The terms of this Agreement are intended by the Parties as a final expression of their agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. The Parties further intend that this Agreement constitute the exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceedings involving this Agreement. No provision of this Agreement may be amended except by an agreement in writing signed by the Parties hereto or their respective successors in interest. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(d) Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto.

(e) Time of the Essence. Time is of the essence in this Agreement.
(f) **Exhibits.** All exhibits attached hereto are incorporated in this Agreement by this reference.

(g) **Actions of the Parties.** Whenever this Agreement calls for or permits an Agency approval, determination, consent, election, or waiver, the written approval, determination, consent, election, or waiver of the Agency Executive Director or the Executive Director's designee shall constitute the approval, determination, consent, election, or waiver of the Agency, without further authorization required from the Agency Board. Whenever this Agreement calls for or permits City approval, determination, consent, election, or waiver, the written approval, determination, consent, election, or waiver of the City Manager or the City Manager's designee shall constitute the approval, determination, consent, election, or waiver of the City, without further authorization required from the City Council.

*Remainder of Page Left Intentionally Blank*
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

ANTIOCH DEVELOPMENT AGENCY, a public body, corporate and politic

By:  
Name: James Jakei  
Its: Executive Director

Approved as to form:
By:  
Name: Lynn Tracy Nerland  
Its: Agency General Counsel

Attest:
By:  
L. Jolene Martin, Board Secretary

CITY OF ANTIIOCH, a municipal corporation

By:  
Name: James Jakei  
Its: City Manager

Approved as to form:
By:  
Name: Lynn Tracy Nerland  
Its: City Attorney

Attest:
By:  
L. Jolene Martin, City Clerk
EXHIBIT A

DESCRIPTION OF THE PROPERTY

Future Development Parcels (6 Parcels)

<table>
<thead>
<tr>
<th>APN</th>
<th>Address</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>065-010-006</td>
<td>209 Fulton Shipyard Rd.</td>
<td>Vacant parcel near existing Boat Ramp known as “Rodger’s Point”</td>
</tr>
<tr>
<td>066-051-001</td>
<td>“F” St., west of Birthplace of Antioch monument</td>
<td>Vacant parcel</td>
</tr>
<tr>
<td>066-051-002</td>
<td>500 W. Second St., corner of W. Second and “F” Streets</td>
<td>Vacant parcel</td>
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<tr>
<td>066-092-001</td>
<td>801 W. Second St.</td>
<td>Vacant parcel known as “Old Hotel” site</td>
</tr>
<tr>
<td>066-092-014</td>
<td>W. Second St.</td>
<td>Vacant parcel known as “Old Hotel” site</td>
</tr>
<tr>
<td>066-102-010</td>
<td>Prospects Way</td>
<td>Wetlands behind former Antioch Radiator Shop at intersection of W. Second St. and Prospects Way</td>
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Remainder of Page Left Intentionally Blank
## Redeveloped Parcels (19 Parcels)

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<tr>
<td>066-010-005</td>
<td>“L” St. and Marina Plaza</td>
<td>Formerly Barbara Price Park, in progress Boat Launch Facility</td>
</tr>
<tr>
<td>066-010-007</td>
<td>“L” St. and Marina Plaza</td>
<td>Formerly Barbara Price Park, in progress Boat Launch Facility</td>
</tr>
<tr>
<td>066-010-014</td>
<td>W. First St.</td>
<td>Amtrak Station</td>
</tr>
<tr>
<td>066-020-010</td>
<td>None</td>
<td>Public Parking – Pier at Riverview Lodge</td>
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<td>W. Third St.</td>
<td>Public Parking – Nick Rodriguez Community Center Lot</td>
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<tr>
<td>066-061-009</td>
<td>“I” St.</td>
<td>Public Parking – Gravel lot behind Delta Beauty College and Old Garage Building</td>
</tr>
<tr>
<td>066-061-010</td>
<td>W. Third St.</td>
<td>Public Parking – Gravel lot behind Delta Beauty College and Old Garage Building</td>
</tr>
<tr>
<td>066-062-016</td>
<td>W. Third St.</td>
<td>Public Parking – Lot between Odd Fellows Hall and former La Fontana building</td>
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<tr>
<td>066-071-005</td>
<td>W. Second St.</td>
<td>Public Parking – “Palms” Lot by El Campanil Theatre</td>
</tr>
<tr>
<td>066-072-020</td>
<td>608 W. Third St.</td>
<td>Public Parking – Portion of City Hall Lot</td>
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<tr>
<td>066-082-003</td>
<td>101 “I” St.</td>
<td>Public Parking – Waldie Plaza Lot</td>
</tr>
<tr>
<td>066-082-006</td>
<td>“I” St.</td>
<td>Public Parking – Waldie Plaza Lot</td>
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<td>066-082-007</td>
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<td>066-091-015</td>
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<td>Lynn/Hard House parcel</td>
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<td>066-107-001</td>
<td>308 “I” St.</td>
<td>Public Parking – “I” St. Lot between W. Second and W. Third Streets</td>
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<tr>
<td>066-107-003</td>
<td>314 “I” St.</td>
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<td>066-107-010</td>
<td>807 W. Third St.</td>
<td>Public Parking – “I” St. Lot between W. Second and W. Third Streets</td>
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</table>
EXHIBIT B
FORM OF GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Antioch
City Hall
Third and H Streets
Antioch, California 94509
Attn: City Manager

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

The Antioch Development Agency, a public body, corporate and politic, of the State of California (the "Grantor"), acting to carry out redevelopment purposes pursuant to the Community Redevelopment Law of the State of California, hereby grants to the City of Antioch, a municipal corporation (the "Grantee"), the real property (the "Property") described in Attachment No. 1 attached hereto and incorporated in this Grant Deed by this reference.

1. The Property is located within the Antioch Community Redevelopment Project Area, (the "Project Area") and is subject to the Antioch Community Redevelopment Plan (the "Redevelopment Plan").

2. In accordance with the terms of the Conveyance Agreement between the Grantor and Grantee dated as of ____________, 2011 (the "Agreement"), the Grantee hereby covenant and agrees, for itself and its successors and assigns, to pursue the redevelopment of the Property in furtherance of the Re development Plan.

3. The Grantee covenants and agrees, for itself and its successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, age, marital status, national or gender, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property and the improvements thereon.
All deeds, leases or contracts made relative to the Property thereon or any part thereof, shall contain or be subject to substantially the following non-discrimination clauses:

In Deeds:

“(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

In Leases:

“(1) Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”
In Contracts:

“(1) There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

4. The covenant contained in Section 2 regarding the use of the Property shall remain in effect until the expiration of the effectiveness of the Redevelopment Plan. The covenants contained in Section 3 regarding non-discrimination shall remain in effect in perpetuity.

5. The covenants contained in this Grant Deed shall, without regard to technical classification or designation, legal or otherwise specifically provided in this Grant Deed, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of and enforceable by the Grantor, its successors and assigns, and any successor in interest to the Property or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. In the event of any breach of any of such covenants, the Grantor and such aforementioned parties shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and such aforementioned parties.

6. Only the Grantor, its successors and assigns, and the Grantee and the successors and assigns of the Grantee in and to all or any part of the fee title to the Property shall have the rights to consent and agree to changes or to eliminate in whole or in part any of the covenants contained in this Grant Deed or to subject the Property to additional covenants, easements, or other restrictions. For purposes of this Section, successors and assigns of the Grantee shall be defined to include only those parties who hold all or any part of the Property in fee title, and
not to include a tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under
deed of trust, or any other person or entity having an interest less than a fee in the Property.

7. This Grant Deed may be executed in multiple originals, each of which is deemed
to be an original, and may be signed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Grant Deed as of this

GRANTOR:

ANTIOCH DEVELOPMENT AGENCY, a public
body, corporate and politic

By: __________________________
Name: _________________________
Its: __________________________

CITY OF ANTIOCH, a municipal corporation

By: __________________________
Name: _________________________
Its: __________________________
ATTACHMENT NO. 1

PROPERTY DESCRIPTION
STATE OF CALIFORNIA
   )
COUNTY OF CONTRA COSTA
   )

On ____________________, before me, ____________________________, Notary Public, personally appeared ____________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

______________________________________________
Notary Public

STATE OF CALIFORNIA
   )
COUNTY OF CONTRA COSTA
   )

On ____________________, before me, ____________________________, Notary Public, personally appeared ____________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

______________________________________________
Notary Public
CERTIFICATE OF ACCEPTANCE
(Pursuant to Government Code 27281)

This is to certify that the interest in real property conveyed by the Grant Deed from the Antioch Development Agency, dated March 8, 2011 to the City of Antioch, a municipal corporation (the "City"), is hereby accepted on March 8, 2011, by the undersigned officer or agent on behalf of the City pursuant to authority conferred by resolution of the City Council adopted on March 8, 2011, and the City Council consents to the recordation of said document in the Office of the Recorder of Contra Costa, State of California.

Dated: March 10, 2011

By: ____________________________
Its Authorized Representative
STAFF REPORT TO THE CITY COUNCIL AND THE ANTIOCH DEVELOPMENT AGENCY FOR CONSIDERATION AT THE MEETING OF MARCH 8, 2011

From: Lynn Tracy Nerland, City Attorney/Agency General Counsel
      Jim Jakel, City Manager/Agency Executive Director

Date: March 8, 2011

Subject: Conveyance of Antioch Development Agency property to the City of Antioch

RECOMMENDATIONS:

AGENCY:

1. Determine by 2/3 vote that this item needs to be placed as an urgency item on the agenda because there is a need for immediate action that came to the attention of the Agency after the agenda was posted in that the Governor’s budget bill may be approved before the Agency’s next meeting and that the bill would suspend actions of the Agency immediately other than paying existing obligations and would abolish the Agency effective July 1, 2011 and certain Agency parcels were acquired for existing or future publicly owned buildings, facilities, structures or other improvements within or contiguous to the Project Area or other development

2. Adopt a Resolution of the Antioch Development Agency authorizing the conveyance of certain real property from the Antioch Development Agency to the City of Antioch

COUNCIL:

1. Determine by 2/3 vote that this item needs to be placed as an urgency item on the agenda because there is a need for immediate action that came to the attention of the Agency after the agenda was posted in that the Governor’s budget bill may be approved before the Agency’s next meeting and that the bill would suspend actions of the Agency immediately other than paying existing obligations and would abolish the Agency effective July 1, 2011 certain Agency parcels were acquired for existing or publicly owned buildings, facilities, structures or other improvements within or contiguous to the Project Area or other development

2. Adopt a Resolution of the City Council approving and accepting the conveyance of certain real property from the Antioch Development Agency to the City of Antioch

BACKGROUND:

In implementing Redevelopment Plan, the Antioch Development Agency has acquired a number of parcels within the various Project Areas, but mainly in the downtown area (see
Exhibit A). Pursuant to Sections 33430 and 33432 of the California Community Redevelopment Law (California Health and Safety Code section 33000 et seq.), the Agency is required to dispose of real property that it has acquired. For real property that has been acquired for publicly owned buildings, facilities, structures or other improvements within or contiguous to the Project Area, Health and Safety Code Section 33445 permits the Agency to pay for the acquisition of property and construction of such improvements.

In reviewing the attached list of Agency property, some of these parcels were acquired for street/utility improvements, which have occurred or are scheduled to occur in the future. Some parcels have been functioning as improved parking lots with City staff providing maintenance. These parking lots are necessary not only for City facilities, but because of reduced parking requirements in the Downtown area pursuant to the zoning ordinance in the Antioch Municipal Code on the expectation that these parking lots are in existence. The Amtrak Station and historic Hard House/Lynn House are also on the list of Agency properties. Barbara Price Park at the Marina appears to be owned by the Antioch Development Agency, but operates as a City park and is maintained by the City. A number of parcels have already been moved from the Agency’s list of assets to the City’s list of assets pursuant to the direction of the City’s Financial Auditor. Staff continues to research the issues to ensure that parcels are appropriately listed as either Agency or City property.

All of the Agency parcels were acquired by the Agency for the purpose of eliminating blight and other permitted purposes under redevelopment law. Some of the parcels were acquired for street improvements, needed parking in the downtown to encourage reinvestment in the area, transit station, city park and cultural/arts/historical center. The Agency acquired the parcels over a number of years, even decades. Both at the time of acquisition of the parcels and now, the City’s General Fund lacked the capacity to provide for the acquisition or improvements on the parcels. These acquisitions were consistent with the Agency’s Implementation Plan to provide needed infrastructure and public facilities to the Project Areas to strengthen the commercial and economic base of the Project Areas.

Under the attached resolutions, the City Council and Antioch Development Agency are authorizing the conveyance of the properties listed in Attachment A by grant deed or quitclaim deed depending on the nature of the interest held by the Agency. Any current and lawful leases are also being assigned by the Agency to the City.

**FINANCIAL IMPACT**

For those parcels that the Agency is conveying to the City that have been redeveloped by the Agency and/or City or otherwise put into final use, the consideration for the conveyance is the City agreeing to continue the uses of such parcels.

As to those parcels that the Agency is conveying to the City that have not been redeveloped by the Agency or City or not put into final use, the consideration for the
conveyance is the City's agreement to agree to develop such parcels at some point and to pay the Agency the value received by the City for each parcel from any third party developer, which is the greater of the fair market value of the parcel or the fair use value of the parcel with the covenants and conditions and development costs imposed by the City on the developer considered.

OPTIONS

Under the current version of the Governor's budget bill, on the day the bill is signed, redevelopment activity would be significantly restricted and redevelopment agencies would abolished on July 1, 2011. On that day, successor agencies (likely the City) would be required to wrap-up the operations of the former redevelopment agency under direction of an oversight board of seven members: one appointed by the County Board of Supervisors; one selected by the City Council; one appointed by the largest non-enterprise special district; one appointed by the County Superintendent of Education to represent schools; one appointed by the County Superintendent of Education to represent community college district; one appointed by the County Superintendent of Education to represent the general public; and one appointed by the County to represent the general public. The budget bill requires the oversight board to direct the successor agency to dispose of all assets and properties of the former redevelopment agency, except those deemed part of an approved development project. The County Auditor-Controller would control the funds of the successor agency.

As an example, whether the oversight board would require the sale of former Agency property that is currently in use as a City parking lot or the Amtrak Station is unknown at this time.

It is also unknown whether the State or appointed oversight board would demand the unwinding of this proposed transaction even if taken before the budget bill is approved. Additional information and possible action may be coming forward at your March 22, 2011 meeting.

ATTACHMENTS

Attachments A – List of Properties
Attachment B-- City Council Resolution
Attachment C-- Agency Resolution
Attachment D – Property Conveyance Agreement
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<th>S. House #</th>
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<th>S. Str/Dir</th>
<th>S. Str Name</th>
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<td>066-010-006-8</td>
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*** The information provided here is deemed reliable, but is not guaranteed. ***
RESOLUTION NO. 2011/17

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
AUTHORIZING THE EXECUTION OF A PROPERTY CONVEYANCE AGREEMENT
WITH THE ANTIOCH DEVELOPMENT AGENCY FOR THE CONVEYANCE OF
CERTAIN REAL PROPERTY LOCATED IN THE ANTIOCH COMMUNITY
REDEVELOPMENT PROJECT AREA

WHEREAS, the City Council (the "City Council") of the City of Antioch (the "City") has adopted the Antioch Community Redevelopment Plan (as amended, the "Redevelopment Plan"). The Redevelopment Plan sets forth a plan for redevelopment of the Antioch Community Redevelopment Project Area (the "Project Area"); and

WHEREAS, the Antioch Development Agency (the "Agency") is responsible for administering the Redevelopment Plan to cause redevelopment of the Project Area; and

WHEREAS, the Agency owns certain real property within the Project Area (the "Property") certain portions of which have previously been developed by, or on behalf of, the Agency, in accordance with the Redevelopment Plan (the "Redeveloped Parcels") and certain portions of which have not yet been developed (the "Development Parcels"); and

WHEREAS, the City desires to enter into a property conveyance agreement (the "Agreement") with the Agency, substantially in the form on file with the City Clerk and the Agency Secretary, under which the Agency would convey to the City, and the City would accept the Property from the Agency; and

WHEREAS, following such conveyance, the City would take such actions necessary to identify a third-party developer for each Development Parcel (the "Third Party Developer") to serve as the developer of each Development Parcel and develop on each such Development Parcel a development consistent with the Redevelopment Plan (each a "Proposed Development"), and the City would continue the existing use for each Redeveloped Parcel; and

WHEREAS, the Property is more particularly described in the Agreement, and the conveyance of the Property by the Agency to the City is authorized by California Health & Safety Code Section 33432; and

WHEREAS, pursuant to Section 15004(b)(2)(A) of the Guidelines for the implementation of the California Environmental Quality Act ("CEQA"), the Agreement is exempt from the requirements of CEQA because the future use of the Development Parcels for the Proposed Development is conditioned upon CEQA compliance as more particularly set forth in the Agreement, and the City Council retains full discretion in approving, denying, or conditioning any land use entitlement, or any other planning approval, necessary for the development of the Proposed Development by the Third Party Developer; and

WHEREAS, pursuant to Section 15061(b)(3) of the CEQA Guidelines, the Agreement is exempt from the requirements of CEQA because the use of the Redeveloped Parcels will not
change or otherwise be modified following the conveyance by the Agency to the City pursuant to the Agreement; and

WHEREAS, by staff report accompanying this Resolution and incorporated into this Resolution by this reference (the "Staff Report"), the City Council has been provided with additional information upon which the actions set forth in this Resolution are based;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City Council finds that the above recitals are accurate.

2. The City Manager is hereby authorized and directed to file a Notice of Exemption with respect to the Agreement in accordance with the applicable provisions of CEQA.

3. Pursuant to Health and Safety Code Section 33432, the City Council hereby approves the Agreement and all ancillary documents, including but not limited to, grant or quitclaim deeds (the "Grant Deeds"); approves execution of the Agreement by the City Manager, approves the execution by the City Manager of the Grant Deeds, certificates of acceptance, and all ancillary documents in substantially the form on file with the City Clerk and the Agency Secretary, with such changes as are approved by the City signatory (such approval to be conclusively evidenced by the execution of the Agreement); and approves the acceptance of the Property by the City pursuant to the provisions of the Agreement.

4. Nothing in this Resolution shall affect the City's policy discretion in granting or denying the land use entitlements, or any other planning approvals necessary for the development of the Proposed Development by the Third Party Developer on any particular Development Parcel.

5. This Resolution shall take immediate effect upon its adoption.

* * * * *

I, HEREBY CERTIFY that the above and foregoing resolution was duly and regularly passed and adopted at a meeting of the City Council of the City of Antioch on the 8th day of March, 2011, by the following vote:

AYES: Councilmembers Kalinowski, Harper, Rocha, Agopian and Mayor Davis

NOES: None

ABSENT: None

[Signature]
L. JOLENE MARTIN, City Clerk
RESOLUTION NO. ADA-442

A RESOLUTION OF THE ANTIOCH DEVELOPMENT AGENCY AUTHORIZING THE EXECUTION OF A PROPERTY CONVEYANCE AGREEMENT WITH THE CITY OF ANTIOCH FOR THE CONVEYANCE OF CERTAIN REAL PROPERTY LOCATED IN THE ANTIOCH COMMUNITY REDEVELOPMENT PROJECT AREA

WHEREAS, the City Council (the "City Council") of the City of Antioch (the "City") has adopted the Antioch Community Redevelopment Plan (as amended, the "Redevelopment Plan"). The Redevelopment Plan sets forth a plan for redevelopment of the Antioch Community Redevelopment Project Area (the "Project Area"); and

WHEREAS, the Antioch Development Agency (the "Agency") is responsible for administering the Redevelopment Plan to cause redevelopment of the Project Area; and

WHEREAS, the Agency owns certain real property within the Project Area (the "Property") certain portions of which have previously been developed by, or on behalf of, the Agency, in accordance with the Redevelopment Plan (the "Redeveloped Parcels") and certain portions of which have not yet been developed (the "Development Parcels"); and

WHEREAS, the Agency desires to enter into a property conveyance agreement (the "Agreement") with the City, substantially in the form on file with the City Clerk and the Agency Secretary, under which the Agency would convey to the City, and the City would accept the Property from the Agency; and

WHEREAS, following such conveyance, the City would take such actions necessary to identify a third-party developer for each Development Parcel (the "Third Party Developer") to serve as the developer of each Development Parcel and develop on each such Development Parcel a development consistent with the Redevelopment Plan (each a "Proposed Development"), and the City would continue the existing use for each Redeveloped Parcel; and

WHEREAS, the Property is more particularly described in the Agreement, and the conveyance of the Property by the Agency to the City is authorized by California Health & Safety Code Section 33432; and

WHEREAS, pursuant to Section 15004(b)(2)(A) of the Guidelines for the implementation of the California Environmental Quality Act ("CEQA"), the Agreement is exempt from the requirements of CEQA because the future use of the Development Parcels for the Proposed Development is conditioned upon CEQA compliance as more particularly set forth in the Agreement, and the City Council retains full discretion in approving, denying, or conditioning any land use entitlement, or any other planning approval, necessary for the development of the Proposed Development by the Third Party Developer; and

WHEREAS, pursuant to Section 15061(b)(3) of the CEQA Guidelines, the Agreement is exempt from the requirements of CEQA because the use of the Redeveloped Parcels will not
G. Pursuant to Section 15004(b)(2)(A) of the Guidelines for the implementation of the California Environmental Quality Act ("CEQA"), this Agreement is exempt from the requirements of CEQA because the future use of the Development Parcels for the Future Development is conditioned upon CEQA compliance as more particularly set forth below. In addition, pursuant to Section 15061(b)(3) of the CEQA Guidelines, CEQA review of this Agreement is not required because it can be seen with certainty that conveyance of the Redeveloped Parcels pursuant to this Agreement will not alter the existing use of the Redeveloped Parcels.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Agency and the City agree as follows:

Section 1. Conveyance. Subject to the terms and conditions set forth below, the Agency agrees to convey, and the City agrees to accept conveyance of, the Property. Conveyance of the Property includes the assignment of any current and lawful leases on the Property from the Agency to the City.

Section 2. Consideration for Conveyance.

(a) Development Parcels. The Agency shall convey the Development Parcels to the City in consideration for the City’s agreement to cause the development of the Future Development on each Development Parcel, in accordance with the terms and conditions of this Agreement. The Agreement evidences the obligation of the City to pay to the Agency the value received by the City for each Development Parcel from the Third Party Developer (as defined below). This amount received by the City will be the greater of the fair market value of the Development Parcel, or the fair reuse value of the Development Parcel (as of the date of the conveyance by the City to the Third Party Developer either as a fee conveyance or as a ground lease conveyance) based on the use of the Development Parcel for the Future Development, and with the covenants and conditions and development costs imposed by the City on the Third Party Developer in connection with the Future Development (the “Parcel Consideration”). Such amount, if any, will be paid by the City to the Agency upon the City receiving such consideration from the Third Party Developer. The Agency acknowledges that the Parcel Consideration for each Development Parcel may be as little as One Dollar ($1.00) depending on the specific limitations imposed by the City on the Third Party Developer that the Development Parcel be used for the Future Development, and the other covenants and conditions and development costs imposed by the City on the Third Party Developer in connection with the Future Development. The provisions of this Section 2 shall survive the recordation of the Grant Deed, defined below.

(b) Redeveloped Parcels. The Agency shall convey the Redeveloped Parcels to the City in consideration for the City agreeing to continue the uses of such Redeveloped Parcels for the uses set forth in the Grant Deed, defined below, for such Redeveloped Parcels.

Section 3. Method of Conveyance. As soon as practicable following execution of this Agreement, the Agency shall convey the Property to the City by grant deed or quitclaim
deed depending on the nature of the interest held by the Agency (the "Grant Deed"), substantially in the form of the attached Exhibit B, provided, however, the Grant Deed for the Redeveloped Parcels shall include deed restrictions limiting the uses for such Parcels to those required by the Agency in its agreements regarding the Redeveloped Parcels, to be recorded in the official records of the Clerk Recorder of the County of Contra Costa. The date of execution of the Grant Deed is referred to in this Agreement as the "Conveyance Date." Ad valorem property taxes and assessments, if any, shall be prorated as of the Conveyance Date. The Agency shall pay all costs of conveyance.

Unless the Parties agree otherwise, the City and the Agency shall establish an escrow with a mutually acceptable title company (the "Title Company") to effectuate the conveyance of the Property. The Agency and the City shall execute any and all documents reasonably necessary or appropriate to close the conveyance of the Property pursuant to the terms of this Agreement.

Section 4. **Condition of Title.** The condition of title on the Conveyance Date shall be as set forth in the preliminary title report for each Parcel issued by the Title Company (collectively, the "Preliminary Title Reports"). In connection with and as a condition of closing, and unless otherwise waived by the City, the Agency shall cause to be delivered by the Title Company to the City a commitment for (and promptly after closing shall cause delivery by the Title Company to the City of) an ALTA extended owners title policy for the Property consistent with the terms of the Preliminary Title Reports. The costs of the title policy shall be borne by the Agency.

Section 5. **Condition of Property.** In fulfillment of the purposes of Health and Safety Code Section 25359.7(a), the Parties acknowledge and agree that the Agency has provided the City with all information in its possession regarding the existence and/or release of hazardous substances on or beneath the Property, and that the provision of such information constitutes the written notice required to be given by the Agency to the City pursuant to Health and Safety Code Section 25359.7(a).

Section 6. **Indemnification.** The Agency shall indemnify, defend and hold the City, its officials, officers, employees and agents harmless from any any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses) imposed upon or incurred by or asserted against the City and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any presence of any hazardous materials in, on, above, or under any Parcel prior to the time of the Conveyance Date; (b) any actual or proposed investigation, assessment, remediation or monitoring of any hazardous materials, under, on or above any Parcel prior to the Conveyance Date, whether or not any such activity is voluntary or pursuant to court or administrative order; (c) any past, present or threatened non-compliance or violations of any hazardous materials laws, any order of any governmental authority issued under any hazardous materials laws as a result of any hazardous materials in, on, above, or under any Parcel prior to the time of the Conveyance Date; (d) third party claims concerning hazardous material relating to matters that initially arose
prior to the time of the Conveyance Date; (e) any third party claims relating to matters that arose before Conveyance Date; or (e) any actions challenging the Agency's conveyance and City's acceptance of the Property. Each indemnified party may make all reasonable decisions with respect to their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). The Agency shall pay immediately upon the City's demand any amounts owing under this indemnity.

Section 7. **Representations and Warranties.** The Agency represents, warrants and covenants to the City, as of the date of this Agreement and as of the Conveyance Date, as follows:

(a) **No Condemnation.** To the best of the Agency's knowledge, there is no pending or threatened condemnation or similar proceeding affecting the Property, or any portion thereof, nor does the Agency have any knowledge that any such action is contemplated.

(b) **No Proceedings.** To the best of the Agency's knowledge, there are no legal actions, suits, or other legal or administrative proceedings, including condemnation cases pending or threatened against or affecting the Property or the Agency's title to the Property. The Agency has not received notice from any public agency or entity with respect to any future proceeding or basis for any future proceeding against or affecting the Property or any part of the Property, or concerning any existing or potential, past, present or future toxic or hazardous material or conditions at the Property.

(c) **Clear Title.** The Agency is the owner of the Property and has marketable and insurable fee simple title to the Property free of restrictions, leases, liens and other encumbrances, except for the matters set forth in the Preliminary Title Reports. During the term of this Agreement, the Agency shall not convey or accept any offer to convey the Property or any portion of the Property nor shall the Agency encumber or permit encumbrance of the Property in any way nor grant any property, contract or occupancy right relating to the Property or any portion thereof without the prior written consent of the City, which may be withheld in the City's sole and absolute discretion.

Section 8. **Operation of the Property.**

(a) **Prior to the Conveyance Date.** Prior to the Conveyance Date, the Agency shall maintain the Property in its current condition unless other arrangements are in place with the City regarding maintenance responsibilities.

(b) **After the Conveyance Date.** After the Conveyance Date, and prior to the disposition of the Development Parcels to the Third Party Developer, the City shall maintain the Development Parcels in their respective current conditions. After the Conveyance Date, the City shall cause the applicable occupant (if any) of the Redeveloped Parcels to maintain each such Parcel in accordance with all applicable agreements governing such Parcel.

Section 9. **No Brokers.** Each Party represents to the other that it has not had any contact or dealings regarding the Property, or any communication in connection with the subject
matter of this transaction, through any real estate broker or other person who can claim a right to a commission or finder’s fee. If any broker or finder makes a claim for a commission or finder’s fee based upon a contact, dealings, or communications, the party through whom the broker or finder makes this claim shall indemnify, defend with counsel of the indemnified Party’s choice, and hold the indemnified Party harmless from all expense, loss, damage and claims, including the indemnified Party’s attorneys’ fees, if necessary, arising out of the broker’s or finder’s claim.


(a) Development Process. Promptly following the recordation of the Grant Deed, the City shall commence, and thereafter diligently pursue, in a commercially reasonable manner, as determined by the City, the redevelopment of each Development Parcel by pursuing the development of the Future Development. The City shall establish the parameters and the proposed scope of development for the Future Development on each Development Parcel of the Property based on, among other things, prevailing economic and market conditions, community input, and the goals and objectives of the Redevelopment Plan and the Implementation Plan. The City shall comply with all applicable requirements of CEQA in connection with the Future Development. Prior to the consideration of a proposed DDA, as defined below, by the City Council of the City, all necessary environmental review required by CEQA shall be completed.

For each Development Parcel, the City shall identify potential developers (including for-profit developers, non-profit developers, or a joint venture between a for-profit developer and a non-profit developer) capable of developing the Future Development, and thereafter select a particular reputable developer with the necessary skill and ability (including, but not limited to, financial capability) to cause the timely development of the Future Development (each a “Third Party Developer”).

(b) DDA. To ensure the proper redevelopment of each Development Parcel of the Property, the City shall execute a disposition and development agreement with the Third Party Developer (the “DDA”) which will, among other things, impose the necessary and appropriate conditions on the conveyance of the Development Parcel by the City to the Third Party Developer to insure that the Development Parcel is developed in a timely manner. In the reasonable discretion of the City, the DDA may contain any, or all, of the following conditions precedent to the City’s conveyance of the Development Parcel to the Third Party Developer: (i) obtaining all necessary land-use approvals for the Future Development, including, but not limited to, the satisfaction of all applicable requirements of CEQA, (ii) obtaining the City’s approval of the schematic drawings, design development drawings, and final construction drawings for the Future Development, (iii) obtaining a building permit for the construction of the Future Development, (iv) obtaining sufficient financing for the Future Development, and (v) satisfying such other conditions the City deems appropriate given the particular scope of development for the Future Development. The DDA shall require the Developer to pay the Parcel Consideration as the purchase price (or as lease payments) for the Parcel. In the discretion of the City, the DDA may also impose (a) insurance requirements and indemnification obligations on the Third Party Developer, (b) a schedule of performance for the satisfaction of the conditions precedent to the conveyance of the Development Parcel, and for the commencement and completion of
construction of the Future Development, (c) the right of the City to approve proposed transfers of interests in the Parcel or of the Third Party Developer, and (d) the right for the Development Parcel to revert back to, and revest in, the City in the event the Third Party Developer is in breach of its obligations to complete construction of the Future Development within the timeframe established in the DDA. The DDA approved by the City, if any, must be consistent with CEQA. Notwithstanding any provision herein to the contrary, each conveyance of a Development Parcel by the City to a Third Party Developer shall be done in accordance with all applicable laws, including, but not limited to, California Health & Safety Code Section 33432 as it exists on the date of this Agreement, and any other applicable provision of the Redevelopment Law.

Section 11. City Discretion. Nothing in this Agreement, including, but not limited to, the conveyance of the Property by the Agency to the City, limits the City’s discretion in complying with all applicable requirements of CEQA, or considering any requested land use or other approvals related to the development of the Property, whether by the Third Party Developer, or otherwise. The City Council retains ultimate discretion in approving, denying, or conditioning any approval needed for the Future Development by the Third-Party Developer, or otherwise.


(a) Headings. The title and headings of the various sections hereof are intended for means of reference and are not intended to place any construction on the provisions hereof.

(b) Invalidity. If any provision of this Agreement shall be invalid or unenforceable the remaining provisions shall not be affected thereby, and every provision hereof shall be valid and enforceable to the fullest extent permitted by law.

(c) Entire Agreement. The terms of this Agreement are intended by the Parties as a final expression of their agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. The Parties further intend that this Agreement constitute the exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceedings involving this Agreement. No provision of this Agreement may be amended except by an agreement in writing signed by the Parties hereto or their respective successors in interest. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(d) Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto.

(e) Time of the Essence. Time is of the essence in this Agreement.
(f) **Exhibits.** All exhibits attached hereto are incorporated in this Agreement by this reference.

(g) **Actions of the Parties.** Whenever this Agreement calls for or permits an Agency approval, determination, consent, election, or waiver, the written approval, determination, consent, election, or waiver of the Agency Executive Director or the Executive Director’s designee shall constitute the approval, determination, consent, election, or waiver of the Agency, without further authorization required from the Agency Board. Whenever this Agreement calls for or permits City approval, determination, consent, election, or waiver, the written approval, determination, consent, election, or waiver of the City Manager or the City Manager’s designee shall constitute the approval, determination, consent, election, or waiver of the City, without further authorization required from the City Council.

*Remainder of Page Left Intentionally Blank*
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

ANTIOCH DEVELOPMENT AGENCY, a public body, corporate and politic

By: __________________________

Name: _________________________

Its: ___________________________

Approved as to form:
By: __________________________

Name: _________________________

Its: ___________________________

Attest:
By: __________________________

L. Jolene Martin, Board Secretary

CITY OF ANTIOCH, a municipal corporation

By: __________________________

Name: _________________________

Its: ___________________________

Approved as to form:
By: __________________________

Name: _________________________

Its: ___________________________

Attest:
By: __________________________

L. Jolene Martin, City Clerk
EXHIBIT A

DESCRIPTION OF THE PROPERTY

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EXHIBIT B
FORM OF GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Antioch
City Hall
Third and H Streets
Antioch, California 94509
Attn: City Manager

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

The Antioch Development Agency, a public body, corporate and politic, of the State of California (the "Grantor"), acting to carry out redevelopment purposes pursuant to the Community Redevelopment Law of the State of California, hereby grants to the City of Antioch, a municipal corporation (the "Grantee"), the real property (the "Property") described in Attachment No. 1 attached hereto and incorporated in this Grant Deed by this reference.

1. The Property is located within the Antioch Community Redevelopment Project Area, (the "Project Area") and is subject to the Antioch Community Redevelopment Plan (the "Redevelopment Plan").

2. In accordance with the terms of the Conveyance Agreement between the Grantor and Grantee dated as of _________________, 2011 (the "Agreement"), the Grantee hereby covenants and agrees, for itself and its successors and assigns, to pursue the redevelopment of the Property in furtherance of the Redevelopment Plan.

3. The Grantee covenants and agrees, for itself and its successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, age, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property and the improvements thereon.

B-1
All deeds, leases or contracts made relative to the Property thereon or any part thereof, shall contain or be subject to substantially the following non-discrimination clauses:

In Deeds:

“(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

In Leases:

“(1) Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”
In Contracts:

“(1) There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

4. The covenant contained in Section 2 regarding the use of the Property shall remain in effect until the expiration of the effectiveness of the Redevelopment Plan. The covenants contained in Section 3 regarding non-discrimination shall remain in effect in perpetuity.

5. The covenants contained in this Grant Deed shall, without regard to technical classification or designation, legal or otherwise specifically provided in this Grant Deed, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of and enforceable by the Grantor, its successors and assigns, and any successor in interest to the Property or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. In the event of any breach of any of such covenants, the Grantor and such aforementioned parties shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and such aforementioned parties.

6. Only the Grantor, its successors and assigns, and the Grantee and the successors and assigns of the Grantee in and to all or any part of the fee title to the Property shall have the rights to consent and agree to changes or to eliminate in whole or in part any of the covenants contained in this Grant Deed or to subject the Property to additional covenants, easements, or other restrictions. For purposes of this Section, successors and assigns of the Grantee shall be defined to include only those parties who hold all or any part of the Property in fee title, and
not to include a tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under deed of trust, or any other person or entity having an interest less than a fee in the Property.

7. This Grant Deed may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Grant Deed as of this ____________

GRANTOR:

ANTIOCH DEVELOPMENT AGENCY, a public body, corporate and politic

By: __________________________

Name: _________________________

Its: ___________________________

CITY OF ANTIOCH, a municipal corporation

By: __________________________

Name: _________________________

Its: ___________________________
ATTACHMENT NO. 1

PROPERTY DESCRIPTION
STATE OF CALIFORNIA

COUNTY OF CONTRA COSTA

On ________________, before me, __________________________________, Notary Public, personally appeared __________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

________________________________________________________________________

Notary Public

STATE OF CALIFORNIA

COUNTY OF CONTRA COSTA

On ________________, before me, __________________________________, Notary Public, personally appeared __________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

________________________________________________________________________

Notary Public

109601953744.2
CERTIFICATE OF ACCEPTANCE
(Pursuant to Government Code 27281)

This is to certify that the interest in real property conveyed by the Grant Deed from the Antioch Development Agency, dated March 8, 2011 to the City of Antioch, a municipal corporation (the "City"), is hereby accepted on March 8, 2011, by the undersigned officer or agent on behalf of the City pursuant to authority conferred by resolution of the City Council adopted on March 8, 2011, and the City Council consents to the recordation of said document in the Office of the Recorder of Contra Costa, State of California.

Dated: March 8, 2011

By: ____________________________

Its Authorized Representative
REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY FOR CONSIDERATION AT THE MEETING OF DECEMBER 17, 2012

Prepared By: Dawn Merchant, City of Antioch Finance Director

Date: December 11, 2012

Subject: Update on Due Diligence Review of Low and Moderate Income Housing Fund

RECOMMENDED ACTION

Provide direction to Successor Agency Staff, if any, regarding the Department of Finance review of the Due Diligence Review of Low and Moderate Income Housing Fund.

DISCUSSION

At the Oversight Board meeting of October 15th, the Board approved the Due Diligence Review (DDR) of the Low and Moderate Income Housing Fund of the former Antioch Development Agency. The approved report and Oversight Board Resolution were submitted to the Department of Finance (DOF). The DOF had until November 9th to inform the City as Successor Agency (Successor Agency) the results of their review of the approved report. DOF had the option to support the amount calculated for retention by the Successor Agency and amount to remit to the Contra Costa County Auditor-Controller (as approved by the Oversight Board) or to adjust the amounts.

On November 9th, the City received a letter from DOF regarding their findings (see Attachment A). Per the letter, the DOF adjusted the amount the Successor Agency can retain from $140,560 down to $32,516, thus requiring the Successor Agency to remit an additional $108,044 in funds to the County. This is money the Oversight Board authorized the Agency to retain to fund administration of housing loans until a sufficient revenue stream is available. The Agency filed a meet and confer request with the DOF (see Attachment B) to oppose the decision. Agency staff had a conference call with the DOF on November 28th to further explain our position. We expect to receive a final DOF decision by December 15th, 2012. Agency staff will provide the Board with an update at the meeting.

Although the Agency is contesting the DOF decision, the Agency did remit $1,236,650 to the Contra Costa County-Auditor Controller as calculated in the
DDR with a letter stating that the additional $108,044 as determined by DOF was not being remitted pending the outcome of a meet and confer.

ATTACHMENT

A. November 9, 2012 letter from Department of Finance
B. Meet and Confer Request
November 9, 2012

Ms. Dawn Merchant, Finance Director
City of Antioch
PO Box 5007
Antioch, CA 94531-5007

Dear Ms. Merchant:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Antioch Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 15, 2012. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Pursuant to HSC section 34179.6 (d), Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

HSC section 34179.6 (d) authorizes Finance to adjust the DDR’s stated balance of Low and Moderate Income Housing Fund (LMIHF) available for distribution to the taxing entities. Based on our review of your DDR, the following adjustments were made:

Administration fees for housing program monitoring in the amount of $108,044. The Agency reported the total outstanding obligation of $140,650 for this item on the January through June 2013 Recognized Obligation Payment Schedule (ROPS). However, the amount approved to meet obligations for fiscal year 2012-13 was only $32,516, not the $140,560. Based on our review of your DDR, the Agency has not adequately proven there will be insufficient property tax revenues. Therefore, your request to retain LMIHF balances for future obligations is denied and the LMIHF available for distribution to the affected taxing entities will be adjusted by $108,044.

HSC section 34179.5 (c) (5) (D) states that a successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a DDR review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention.

The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.
It is not evident the thorough analysis required by HSC section 34179.5 (c) (5) (D) was conducted. Further, it is not evident that future property tax revenues will be insufficient.

If you disagree with Finance's adjusted amount of LMIHF balances available for distribution to the taxing entities, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's LMIHF balance available for distribution to the affected taxing entities is $1.3 million (see table below). Pursuant to HSC 34179.6 (h) (1) (B), any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

<table>
<thead>
<tr>
<th>LMIHF Balances Available For Distribution To Taxing Entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Balance per DDR:</td>
</tr>
<tr>
<td>$ 1,236,650</td>
</tr>
<tr>
<td>Finance Adjustments</td>
</tr>
<tr>
<td>Add:</td>
</tr>
<tr>
<td>Requested retained balance not supported</td>
</tr>
<tr>
<td>$ 108,044</td>
</tr>
<tr>
<td>Total LMIHF available to be distributed:</td>
</tr>
<tr>
<td>$ 1,344,694</td>
</tr>
</tbody>
</table>

Absent a Meet and Confer request, HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, that taxing entity's failure to remit those funds may result in offsets to its sales and use tax allocation or to its property tax allocation.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.
Pursuant to HSC section 34167.5 and 34178.8, the California State Controller’s Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance’s Housing Assets Transfer letter dated August 25, 2012 do not in any way eliminate the Controller’s authority.

Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Lynn Tracy Nerland, City Attorney
    Bob Campbell, Auditor-Controller, Contra Costa County
    California State Controller’s Office
MEET AND CONFER REQUEST FORM

Instructions: Please fill out this form in its entirety to initiate a Meet and Confer session. Additional supporting documents may be included with the submittal of this form—as justification for the disputed item(s). Upon completion, email a PDF version of this document (including any attachments) to:

Redevelopment_Administration@dof.ca.gov

The subject line should state “[Agency Name] Request to Meet and Confer”. Upon receipt and determination that the request is valid and complete, the Department of Finance (Finance) will contact the requesting agency within ten business days to schedule a date and time for the Meet and Confer session.

To be valid, all Meet and Confer requests must be specifically related to a determination made by Finance and submitted within the required statutory time frame. The requirements are as follows:

- **Housing Asset Transfer** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34176 (a) (2).
- **Due Diligence Review** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter, and no later than November 16, 2012 for the Low and Moderate Income Housing Fund due diligence review per HSC Section 34179.6 (e).
- **Recognized Obligation Payment Schedule (ROPS)** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34177 (m).

Agencies should become familiar with the Meet and Confer Guidelines located on Finance’s website. Failure to follow these guidelines could result in termination of the Meet and Confer session. Questions related to the Meet and Confer process should be directed to Finance’s Dispute Resolution Coordinator at (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

---

**AGENCY (SELECT ONE):**

☐ Successor Agency  ☒ Housing Entity

**AGENCY NAME:** City of Antioch as Housing Successor to the Antioch Development Agency

---

**TYPE OF MEET AND CONFER REQUESTED (SELECT ONE):**

☐ Housing Assets Transfers  ☒ Due Diligence Reviews  ☐ ROPS Period

**DATE OF FINANCE’S DETERMINATION LETTER:** Department of Finance Determination letter dated 11/9/2012

---

**REQUESTED FORMAT OF MEET AND CONFER SESSION (SELECT ONE):**
Meeting at Finance  Conference Call
DETAIL OF REQUEST

A. Summary of Disputed Issue(s) (Must be specific.)
   Determination by the Department of Finance that only $32,516 of housing fund balance could be retained for fiscal year 12/13 housing loan administration versus the $140,560 the City reported in the DDR to retain for several years of administration. The DOF has increased the amount to remit to the Contra Costa County Auditor-Controller by $108,044 as it was determined the need to retain balances for future years was unsupported. In addition, the amount listed as the finance determination letter of $32,516 is incorrect based on the approved ROPS; the amount for 12/13 is actually $34,236.

B. Background/History (Provide relevant background/history, if applicable.)
   The City's approved ROPS lists total enforceable obligations until satisfied of $937,428 related to administration of housing programs. The amount due in fiscal year 2012-13 as approved totals $34,236, not $32,516 as stated in the DOF letter. Please refer to lines 9-11 on the attached ROPS III. As part of the DDR review completed by Badawi and Associates CPA's, the City provided a schedule of approved enforceable obligations that included a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. This worksheet is attached for reference. Based upon the projections, sufficient revenues from loan repayments to cover annual obligations will not be available until fiscal year 2023. The $140,560 the City claimed represents the shortfall in revenues verses obligations until that time. The Housing Fund required to be established under the legislation to account for housing assets/activities of the former Low and Moderate Income Housing Fund taken over by the City does not appear to be entitled to future property tax revenues. There also appears to no longer be a requirement for a 20% set-aside to the fund. Therefore, the only source of revenue to the Housing Fund is loan repayments, which will then be used to satisfy the enforceable obligations related to housing loan administration. The City did not request to retain the entire amount of outstanding obligation, rather the amount needed to satisfy obligations until sufficient revenue sources were available, which begins in fiscal year 2023 as demonstrated in the attached projections.

C. Justification (Provide additional attachments to this form, as necessary.)
   Based on the estimated projections prepared by the City and provided as part of the DDR, the City believes we should be able to retain the full $140,560 for housing loan administration that represents the revenue shortfall for estimated obligations to be paid through fiscal year 2022 per the attached projection worksheet. There is no projected property tax allocation to this fund as it is not part of the RPTTF.
## Agency Contact Information

<table>
<thead>
<tr>
<th>Name</th>
<th>Lynn Tracy Nerland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>City Attorney</td>
</tr>
<tr>
<td>Phone</td>
<td>(925)779-7015</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:lnerland@ci.antioch.ca.us">lnerland@ci.antioch.ca.us</a></td>
</tr>
<tr>
<td>Date</td>
<td>11/14/12</td>
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## Department of Finance Local Government Unit Use Only

<table>
<thead>
<tr>
<th>REQUEST TO MEET AND CONFER DATE:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>□ APPROVED</td>
<td>□ DENIED</td>
<td></td>
</tr>
</tbody>
</table>

REQUEST APPROVED/DENIED BY: ___________________________ DATE: ______________

MEET AND CONFER DATE/TIME/LOCATION: ________________________________

MEET AND CONFER SESSION CONFIRMED: □ YES DATE CONFIRMED: ______________

DENIAL NOTICE PROVIDED: □ YES DATE AGENCY NOTIFIED: ______________
### Successor Agency Contact Information

<table>
<thead>
<tr>
<th>Name of Successor Agency:</th>
<th>City of Antioch</th>
</tr>
</thead>
<tbody>
<tr>
<td>County:</td>
<td>Contra Costa</td>
</tr>
<tr>
<td>Primary Contact Name:</td>
<td>Dawn Merchant, Finance Director</td>
</tr>
<tr>
<td>Primary Contact Title:</td>
<td>P.O. Box 5007, Antioch, CA 94531-5007</td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>Contact Phone Number:</td>
<td>(925) 779-6135</td>
</tr>
<tr>
<td>Contact E-Mail Address:</td>
<td><a href="mailto:dmerchant@ci.antioch.ca.us">dmerchant@ci.antioch.ca.us</a></td>
</tr>
</tbody>
</table>

<p>| Secondary Contact Name:   | Lynn Tracy Nerland |
| Secondary Contact Title:  | City Attorney     |
| Secondary Contact Phone Number: | (925) 779-7015 |
| Secondary Contact E-Mail Address: | <a href="mailto:lnerland@ci.antioch.ca.us">lnerland@ci.antioch.ca.us</a> |</p>
<table>
<thead>
<tr>
<th>K</th>
<th>Adjustment to PPTF</th>
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<tbody>
<tr>
<td>0</td>
<td>Agreement to Reinvestment Obligation Payment Fund (G - H) (i)</td>
</tr>
<tr>
<td>1</td>
<td>Enter Actual Obligations Paid with PPTF</td>
</tr>
<tr>
<td>2</td>
<td>Enter Actual Adjustments Paid with PPTF</td>
</tr>
<tr>
<td>0</td>
<td>Enter Estimated Obligations Funded by PPTF (should be same amount as PPTF fund)</td>
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**Prior Period (January 1, 2012 through June 30, 2012)**

**Estimated vs. Actual Payments**

<table>
<thead>
<tr>
<th>K</th>
<th>Estimated</th>
<th>Actual</th>
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<tbody>
<tr>
<td>E</td>
<td>$1,750,698</td>
<td>$1,743,355</td>
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<tr>
<td>F</td>
<td>$99,998</td>
<td>$99,998</td>
</tr>
<tr>
<td>G</td>
<td>$1,949,725</td>
<td>$1,943,355</td>
</tr>
<tr>
<td>H</td>
<td>$1,899,725</td>
<td>$1,893,355</td>
</tr>
<tr>
<td>I</td>
<td>$1,961,725</td>
<td>$1,955,355</td>
</tr>
</tbody>
</table>

**Six-Month Total**

<table>
<thead>
<tr>
<th>K</th>
<th>Total Obligation Amount (A + B + C + D)</th>
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</thead>
<tbody>
<tr>
<td>0</td>
<td>$1,961,725</td>
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<tr>
<td>0</td>
<td>$1,955,355</td>
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<td>0</td>
<td>$1,943,355</td>
</tr>
<tr>
<td>0</td>
<td>$1,937,355</td>
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</table>

**Cumulative Obligation Amount**

<table>
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<tr>
<th>K</th>
<th>Cumulative Obligation Amount</th>
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</table>

**Outstanding Debt of Obligation**

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<tr>
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<tbody>
<tr>
<td>0</td>
<td>$6,558,903</td>
</tr>
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</table>

**Name of Successor Agent**: CDR of Arnot

*Field for the January 1, 2013 to June 30, 2013 Period*

SUMMARY OF RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE
City of Antioch as Housing Successor to the Antioch Development Agency
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

<table>
<thead>
<tr>
<th>Project</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vista Diablo Rent Subsidy</td>
<td>904,505.00</td>
<td>133,925.00</td>
<td>140,381.00</td>
<td>147,155.00</td>
<td>154,223.00</td>
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<tr>
<td>Administration of NPP loans</td>
<td>45,720.00</td>
<td>3,720.00</td>
<td>3,720.00</td>
<td>3,720.00</td>
<td>3,720.00</td>
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<tr>
<td>Administration of housing loans</td>
<td>693,000.00</td>
<td>18,000.00</td>
<td>18,000.00</td>
<td>18,000.00</td>
<td>18,000.00</td>
</tr>
<tr>
<td>Administration Rental Rehab loans</td>
<td>198,708.00</td>
<td>12,516.00</td>
<td>12,516.00</td>
<td>12,516.00</td>
<td>12,516.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,841,933.00</td>
<td>168,161.00</td>
<td>174,617.00</td>
<td>181,391.00</td>
<td>188,459.00</td>
</tr>
</tbody>
</table>

Projected Receipts:
- Housing Rehab/Rental Rehab loan repayments
- Multi-family housing loans:
  - Terrace Glen - P&I due 3/31/54
  - Pinecrest Apts - P&I due 9/2/55
  - Hillcrest Terrace - P&I due 6/1/55
  - Hillcrest Terrace-2001 - P&I due 10/1/38
  - Eden Housing - P&I due 2/11/57
  - Eden Housing/West Rivertown II - P&I pymts due each 5/1-final 11/18/60
  - Rivertown Senior Housing - PrinCp. Due 10/1/33
  - Riverstone Apts Loan - P&I pymts start 5/1/23 - due 7/1/62
  - Tabora Gardens - P&I due 6/6/69

Total Projected Receipts by Fiscal Year

Obligation payment shortfall each year

20,000.00

(148,161.00) (154,617.00) (161,391.00) (168,459.00) (175,925.00)

200,000.00 total projected income until riverstone starts paying
340,560.00 total housing admin until riverstone starts paying

$140,560.00 Total funds needed to be retained for housing admin
City of Antioch as Housing Successor to the Antioch Development Agency
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

<table>
<thead>
<tr>
<th>Project</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vista Diablo Rent Subsidy</td>
<td>167,132</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>32,436</td>
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Projected Receipts:

- Housing Rehab/Rental Rehab loan repayments
  - Multi-family housing loans:
    - Terrace Glen - P&I due 3/31/54
    - Pinecrest Apts - P&I due 9/2/55
    - Hillcrest Terrace - P&I due 6/1/55
    - Hillcrest Terrace-2001 - P&I due 10/1/38
    - Eden Housing - P&I due 2/11/57
    - Eden Housing/West Rivertown II - P&I pymts due each 5/1-final 11/18/60
    - Rivertown Senior Housing - Princp. Due 10/1/33
    - Riverstone Apts Loan - P&I pymts start 5/1/23 - due 7/1/62
    - Tabora Gardens - P&I due 6/6/69
  - Total Projected Receipts by Fiscal Year: 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 93,012.00 152,244.00
  - Obligation payment shortfall each year: (181,368.00) (14,236.00) (14,236.00) (14,236.00) (12,436.00)
City of Antioch as Housing Successor to the Antioch Development Agency
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

Vista Diabbo Rent Subsidy
Administration of NPP loans
Administration of housing loans
Administration Rental Rehab loans

Projected Receipts:
Housing Rehab/Rental Rehab loan repayments
Multi-family housing loans:
   Terrace Glen - P&I due 3/31/54
   Pinecrest Apts - P&I due 9/2/55
   Hillcrest Terrace - P&I due 6/1/55
   Hillcrest Terrace-2001 - P&I due 10/1/38
   Eden Housing - P&I due 2/11/57
   Eden Housing/West Rivertown II - P&I pymts due each 5/1-final 11/18/60
   Rivertown Senior Housing - Princp. Due 10/1/33
   Riverstone Apts Loan - P&I pymts start 5/1/23 - due 7/1/62
   Tabora Gardens - P&I due 6/6/69

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<td>18,000.00</td>
<td>18,000.00</td>
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<td>12,096.00</td>
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<td>31,536.00</td>
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<td>Multi-family housing loans:</td>
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<td>10,000.00</td>
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<tr>
<td>Terrace Glen - P&amp;I due 3/31/54</td>
<td>127,687.00</td>
<td>127,687.00</td>
<td>126,169.00</td>
<td>124,650.00</td>
<td>123,311.00</td>
<td>121,612.00</td>
<td></td>
</tr>
<tr>
<td>Eden Housing/West Rivertown II - P&amp;I pymts due each 5/1-final 11/18/60</td>
<td>127,687.00</td>
<td>127,687.00</td>
<td>126,169.00</td>
<td>124,650.00</td>
<td>123,311.00</td>
<td>121,612.00</td>
<td></td>
</tr>
<tr>
<td>Rivertown Senior Housing - Princp. Due 10/1/33</td>
<td>127,687.00</td>
<td>127,687.00</td>
<td>126,169.00</td>
<td>124,650.00</td>
<td>123,311.00</td>
<td>121,612.00</td>
<td></td>
</tr>
<tr>
<td>Riverstone Apts Loan - P&amp;I pymts start 5/1/23 - due 7/1/62</td>
<td>127,687.00</td>
<td>127,687.00</td>
<td>126,169.00</td>
<td>124,650.00</td>
<td>123,311.00</td>
<td>121,612.00</td>
<td></td>
</tr>
<tr>
<td>Tabora Gardens - P&amp;I due 6/6/69</td>
<td>127,687.00</td>
<td>127,687.00</td>
<td>126,169.00</td>
<td>124,650.00</td>
<td>123,311.00</td>
<td>121,612.00</td>
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<td>Total Projected Receipts by Fiscal Year</td>
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<td>149,206.00</td>
<td>147,687.00</td>
<td>146,169.00</td>
<td>144,650.00</td>
<td>143,311.00</td>
<td>141,612.00</td>
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Obligation payment shortfall each year
City of Antioch as Housing Successor to the Antioch Development Agency
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

<table>
<thead>
<tr>
<th>Obligations</th>
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</thead>
<tbody>
<tr>
<td>Vista Diabio Rent Subsidy</td>
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<tr>
<td>Administration of NPP loans</td>
</tr>
<tr>
<td>Administration of housing loans</td>
</tr>
<tr>
<td>Administration Rental Rehab loans</td>
</tr>
</tbody>
</table>

Projected Receipts:

Housing Rehab/Rental Rehab loan repayments

Multi-family housing loans:

- Terrace Glen - P&I due 3/31/54
- Pinecrest Apts - P&I due 9/2/55
- Hillcrest Terrace - P&I due 6/1/55
- Hillcrest Terrace-2001 - P&I due 10/1/38
- Eden Housing - P&I due 2/11/57
- Eden Housing/West Rivertown I - P&I pymts due each 5/1-final 11/18/60
- Rivertown Senior Housing - Princp. Due 10/1/33
- Riverstone Apts Loan - P&I pymts start 5/1/23 - due 7/1/62
- Tabora Gardens - P&I due 6/6/69

<table>
<thead>
<tr>
<th>Projected Fiscal Year Payments/Receipts</th>
<th>2032</th>
<th>2033</th>
<th>2034</th>
<th>2035</th>
<th>2036</th>
<th>2037</th>
<th>2038</th>
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<tbody>
<tr>
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<td>18,000.00</td>
<td>9,000.00</td>
<td>9,000.00</td>
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<td>9,000.00</td>
<td>9,000.00</td>
<td>9,000.00</td>
</tr>
<tr>
<td>Administration of NPP loans</td>
<td>18,000.00</td>
<td>9,000.00</td>
<td>9,000.00</td>
<td>9,000.00</td>
<td>9,000.00</td>
<td>9,000.00</td>
<td>9,000.00</td>
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<tr>
<td>Administration of housing loans</td>
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<td></td>
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<td></td>
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Total Projected Receipts by Fiscal Year

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<th>2035</th>
<th>2036</th>
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<tr>
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Obligation payment shortfall each year

- 2032
- 2033
- 2034
- 2035
- 2036
- 2037
- 2038
City of Antioch as Housing Successor to the Antioch Development Agency
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

- Vista Diablo Rent Subsidy
- Administration of NPP loans
- Administration of housing loans
- Administration Rental Rehab loans

<table>
<thead>
<tr>
<th>Projected Fiscal Year Payments/Receipts</th>
<th>2039</th>
<th>2040</th>
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<th>2042</th>
<th>2043</th>
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<td>9,000.00</td>
<td>9,000.00</td>
<td>9,000.00</td>
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</table>

Projected Receipts:
- Housing Rehab/Rental Rehab loan repayments
- Multi-family housing loans:
  - Terrace Glen - P&I due 3/31/54
  - Pinecrest Apts - P&I due 9/2/55
  - Hillcrest Terrace - P&I due 6/1/55
  - Hillcrest Terrace-2001 - P&I due 10/1/38
  - Eden Housing - P&I due 2/11/57
  - Eden Housing/West Rivertown II - P&I pymts due each 5/1-final 11/18/60
  - Rivertown Senior Housing - Princp. Due 1/1/33
  - Riverstone Apts I cen - P&I pymts start 6/1/23 - due 7/1/62
  - Tabora Gardens - P&I due 8/8/69
  - Total Projected Receipts by Fiscal Year 540,443.00 117,944.00 116,425.00 114,906.00 113,387.00 111,869.00 110,350.00

Obligation payment shortfall each year
City of Antioch as Housing Successor to the Antioch Development Agency
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

<table>
<thead>
<tr>
<th>Obligation Type</th>
<th>Amount</th>
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<td>Vista Diablo Rent Subsidy</td>
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<tr>
<td>Administration of NPP loans</td>
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<tr>
<td>Administration of housing loans</td>
<td>9,000.00</td>
</tr>
<tr>
<td>Administration Rental Rehab loans</td>
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Projected Receipts:

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<td>Housing Rehab/Rental Rehab loan repayments</td>
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<tr>
<td>Multi-family housing loans:</td>
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</tr>
<tr>
<td>Terrace Glen - P&amp;I due 3/31/54</td>
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<tr>
<td>Pinecrest Apts - P&amp;I due 9/2/55</td>
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<tr>
<td>Hillcrest Terrace - P&amp;I due 6/1/55</td>
<td>98,831.00</td>
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<tr>
<td>Hillcrest Terrace - P&amp;I due 10/1/38</td>
<td>97,312.00</td>
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<td>Eden Housing - P&amp;I due 2/11/57</td>
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<td>Eden Housing/West Riverton II - P&amp;I pymts due each 5/1-final 11/18/60</td>
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<td>Rivertown Senior Housing - Princl. Due 10/1/33</td>
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<td>Riverstone Apts Loan - P&amp;I pymts start 5/1/23 - due 7/1/62</td>
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<td>Total Projected Receipts by Fiscal Year</td>
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Obligation payment shortfall each year

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<td>2052</td>
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City of Antioch as Housing Successor to the Antioch Development Agency  
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

Vista Diablo Rent Subsidy  
Administration of NPP loans  
Administration of housing loans  
Administration Rental Rehab loans

<table>
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| 9,000.00 | 9,000.00| 9,000.00| 9,000.00| 9,000.00| 9,000.00| 9,000.00|

Projected Receipts:

- Housing Rehab/Rental Rehab loan repayments
- Multi-family housing loans:
  - Terrace Glen - P&I due 3/31/54  
    - Pinecrest Apts - P&I due 9/2/55  
    - Hillcrest Terrace - P&I due 6/1/55  
    - Hillcrest Terrace-2001 - P&I due 10/1/38  
    - Eden Housing - P&I due 2/11/57  
    - Eden Housing/West Rivertown II - P&I pymts due each 5/1-final 11/18/60  
    - Rivertown Senior Housing - Princp. Due 10/1/33  
    - Riverstone Apts Loan - P&I pymts start 5/1/23 - due 7/1/62  
    - Tabora Gardens - P&I due 6/6/69

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<th>1,399,200.00</th>
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<td>1,970,517.00</td>
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| 10,000.00 | 10,000.00| 10,000.00| 10,000.00| 10,000.00| 10,000.00| 10,000.00|
| 9,517,434.00 |

| 88,200.00 | 86,681.00| 85,162.00| 83,644.00| 82,125.00| 80,606.00| 79,087.00|

| 98,200.00 | 1,495,881.00 | 2,065,679.00 | 868,181.00 | 9,609,559.00 | 90,606.00 | 89,087.00|

Total Projected Receipts by Fiscal Year

Obligation payment shortfall each year
City of Antioch as Housing Successor to the Antioch Development Agency
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

- Vista Diablo Rent Subsidy
- Administration of NPP loans
- Administration of housing loans
- Administration Rental Rehab loans

Projected Receipts:
- Housing Rehab/Rental Rehab loan repayments
- Multi-family housing loans:
  - Terrace Glen - P&I due 3/31/54
  - Pinecrest Apts - P&I due 9/2/55
  - Hillcrest Terrace - P&I due 6/1/55
  - Hillcrest Terrace-2001 - P&I due 10/1/38
  - Eden Housing - P&I due 2/11/57
- Eden Housing/West Rivertown II - P&I pymts due each 5/1-final 11/18/60
- Rivertown Senior Housing - Princp. Due 10/1/33
- Riverstone Apts Loan - P&I pymts start 5/1/23 - due 7/1/62
- Tabora Gardens - P&I due 6/6/69

<table>
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</table>

Total Projected Receipts by Fiscal Year 87,569.00 2,912,390.00 74,531.00

Obligation payment shortfall each year
City of Antioch as Housing Successor to the Antioch Development Agency
Projected Annual Spending to Annual Revenues

Enforceable Obligations to be paid after 7/1/12 (per Approved ROPS):

<table>
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<tr>
<th>obligated fund</th>
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<tbody>
<tr>
<td>Vista Diablo Rent Subsidy</td>
</tr>
<tr>
<td>Administration of NPP loans</td>
</tr>
<tr>
<td>Administration of housing loans</td>
</tr>
<tr>
<td>Administration Rental Rehab loans</td>
</tr>
</tbody>
</table>

Projected Receipts:
Housing Rehab/Rental Rehab loan repayments
Multi-family housing loans:
- Terrace Glen - P&I due 3/31/54
- Pinecrest Apts - P&I due 9/2/55
- Hillcrest Terrace - P&I due 6/1/55
- Hillcrest Terrace-2001 - P&I due 10/1/38
- Eden Housing - P&I due 2/11/57
- Eden Housing/West Rivertown II - P&I pymts due each 5/1-final 11/18/60
- Rivertown Senior Housing - Princp. Due 10/1/33
- Riverstone Apts Loan - P&I pymts start 5/1/23 - due 7/1/62
- Tabora Gardens - P&I due 6/6/69

<table>
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<td></td>
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Total Projected Receipts by Fiscal Year - 822,690.00

Obligation payment shortfall each year
REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY FOR CONSIDERATION AT THE MEETING OF DECEMBER 17, 2012

Prepared By: Dawn Merchant, City of Antioch Finance Director

Date: December 11, 2012

Subject: Due Diligence Review of Other Redevelopment Funds

RECOMMENDED ACTION

Motion to receive public comment regarding the attached due diligence review of the other redevelopment funds of the former Antioch Development Agency.

DISCUSSION

By December 15th, successor agencies are required to have a review of all other funds of redevelopment agencies completed and submitted to the Oversight Board, the County Auditor-Controller, the State Controller and the State Department of Finance. The purpose of this review is to determine the amount of unencumbered (or unobligated) funds that are to be remitted to taxing agencies. Upon receipt of the review, the Oversight Board must convene a public comment session at least five business days prior to voting on approval of the review. The review will be brought back for consideration of approval by the Board on January 14, 2013, after which it will be submitted to the County Administrative Officer, County Auditor-Controller, State Controller and DOF to meet the January 15, 2013 deadline for submission of the approved report.

ATTACHMENT

A. Due Diligence Review
City of Antioch Redevelopment Agency’s Successor Agency

Antioch, California

Independent Accountants’ Report on Applying Agreed-Upon Procedures on the Aggregate Remaining Funds of the RDA Successor Agency in Accordance with California Assembly Bill No. 1484
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES ON THE AGGREGATE REMAINING FUNDS OF THE RDA SUCCESSOR AGENCY IN ACCORDANCE WITH CALIFORNIA ASSEMBLY BILL NO. 1484

To the Oversight Board of
the City of Antioch Redevelopment Agency’s Successor Agency
Antioch, California

We have performed the procedures enumerated below, which were agreed to by the City of Antioch Redevelopment Agency’s Successor Agency (Successor Agency), solely to assist you in meeting the requirement of the due diligence review of the aggregate remaining funds of the Successor Agency, as required by the California Assembly Bill No. 1484. The Successor Agency’s management is responsible for all schedules and exhibits prepared for this due diligence review. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our results are described below:

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date in Exhibit 1.

   Results: No exceptions were noted as a result of our procedures.

2. If the State Controller’s Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. The State Controller’s Office review has not occurred, therefore we will perform the following procedures:

   A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, determine that the Successor Agency described the purpose of the transfer and described in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. See Exhibit 2 for listing of transfers.
To the Oversight Board of
the City of Antioch Redevelopment Agency’s Successor Agency
Antioch, California
Page 3

B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, determine that the Successor Agency described the purpose of the transfer and described in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. See Exhibit 3 for listing of transfers.

C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer.

Results: There was an exception noted in Procedure 2A. In Exhibit 2, the RDA transferred $2,457,484 real properties to the City. There was no enforceable obligation that allowed this transfer. The Agency also transferred funds to the City of the Markley Creek Project. There is no legal binding agreement to authorize this $1,000,000 transfer. No exception noted for Procedure 2B.

3. If the State Controller’s Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. The State Controller’s Office review has not occurred, therefore we will perform the following procedures:

A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results: Procedures not applicable. There were no transfers made to public agencies or to private parties.
4. Perform the following procedures:


B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period by comparing to the Successor Agency’s accounting records.

C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller’s report filed for the Redevelopment Agency for that period.

D. Compare amounts in the schedule for the fiscal year ended June 30, 2011 to the audited Basic Financial Statements, and the schedules for other fiscal periods presented to account balances on the general ledger Reports.

Results: No exceptions were noted as a result of our procedures. See Exhibit 4.

5. Obtain from the Successor Agency a listing of all assets of the Aggregate Remaining RDA Funds as of June 30, 2012 for the report that is due December 15, 2012. For the Aggregate Remaining Funds, the schedule attached as an exhibit will include only those assets of the Aggregate Remaining RDA Funds that were held by the Successor Agency as of June 30, 2012. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. See Exhibit 5 for the listing.

Results: No exceptions were noted as a result of our procedures.

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

i. Obtain the Successor Agency’s computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)

ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation.

iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances.

B. Grant proceeds and program income that are restricted by third parties:

i. Obtain the Successor Agency’s computation of the restricted balances (e.g., total proceeds less eligible project expenditures).

ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation.
iv. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances, and verify the existence of language restricting the use of the balances.

C. Other assets considered to be legally restricted:

i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).

ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation.

iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances, and verify the existence of language restricting the use of the balances.

Results: No exceptions were noted as a result of procedure 6A. Procedures were not performed for 6B and 6C because there were no applicable asset balances that were restricted.

D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, we indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this is indicated in the report.

Results: See Exhibit 6.

7. Perform the following procedures:

A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.
To the Oversight Board of  
the City of Antioch Redevelopment Agency’s Successor Agency  
Antioch, California  

Page 6  

Results: No exception noted to procedures 7A and 7B. No procedures were performed for procedures 7C and 7D because there was no difference noted in procedure 7(B) and assets listed at 7(A) are listed at purchase costs. See Exhibit 7.

8. Perform the following procedures:

A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifics the dedication of existing asset balances toward payment of that obligation.

i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.

ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.

iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.

iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Results: No exception was noted for Procedure 8A.

B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:

i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period from July 1, 2012 through December 31, 2012.

ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
   a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
To the Oversight Board of
the City of Antioch Redevelopment Agency’s Successor Agency
Antioch, California
Page 7

iii. For the forecasted annual revenue:
   a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues
      and disclose in the report major assumptions associated with the projections.

Results: Management has represented to us that they believe future revenues together with balances
dedicated or restricted to an enforceable obligation will be sufficient to fund future obligations. No
procedures performed.

C. If the Successor Agency believes that projected property tax revenues and other general purpose
revenues to be received by the Successor Agency are insufficient to pay bond debt service payments
(considering both the timing and amount of the related cash flows), obtain from the Successor Agency
a schedule demonstrating this insufficiency and apply the following procedures to the information
reflected in that schedule.

   i. Compare the timing and amounts of bond debt service payments to the related bond debt
      service schedules in the bond agreement.

   ii. Obtain the assumptions for the forecasted property tax revenues and disclosed major
       assumptions associated with the projections.

   iii. Obtain the assumptions for the forecasted other general purpose revenues and disclosed major
        assumptions associated with the projections.

Results: Management has represented to us that they believe property tax revenue and other general
revenue are sufficient to pay bond debt service payments. No procedures performed.

D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances
necessary for retention in order to meet the enforceable obligations by performing the following
procedures.

   i. Combine the amount of identified current dedicated or restricted balances and the amount of
      forecasted annual revenues to arrive at the amount of total resources available to fund
      enforceable obligations.

   ii. Reduce the amount of total resources available by the amount forecasted for the annual
       spending requirements. A negative result indicates the amount of current unrestricted balances
       that needs to be retained.

   iii. Include the calculation in the AUP report.

Results: See Exhibit 8.
9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, verify the Successor Agency added columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency’s explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation.

Results: Management has represented to us that they believe cash balance as of June 30, 2012 do need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013. No exceptions were noted as a result of our procedures. See Exhibit 9.

10. Obtain a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation have been agreed to the results of the procedures performed in each section above. The schedule included a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented has been agreed to evidence of payment. Schedule was attached as Exhibit 10.

Results: No exceptions were noted as a result of our procedures.

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to us and the data presented in the report or in any attachments to the report. Determine that management representations included an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits.

Results: Management provided a representation letter on December 4, 2012.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying schedules attached to this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.
To the Oversight Board of
the City of Antioch Redevelopment Agency’s Successor Agency
Antioch, California
Page 9

This report is intended solely for the information and use of the State of California Department of Finance, the Successor Agency Oversight Board and management of the Successor Agency and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Badawi and Associates
Certified Public Accountants
Oakland, California
December 4, 2012
City of Antioch Redevelopment Agency’s Successor Agency  
Exhibit 1- Listing of All Assets Transferred From the Former Redevelopment Agency (Aggregate Remaining RDA Funds) to the Successor Agency on February 1, 2012  

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance January 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 5,260,018</td>
</tr>
<tr>
<td>Restricted Cash &amp; Investments</td>
<td>229,041</td>
</tr>
<tr>
<td>Loan Receivables:</td>
<td></td>
</tr>
<tr>
<td>Bases Loaded</td>
<td>99,698</td>
</tr>
<tr>
<td>Cranmer Properties</td>
<td>35,451</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 5,624,208</strong></td>
</tr>
</tbody>
</table>
City of Antioch Redevelopment Agency’s Successor Agency
Exhibit 2- Listing of All Assets Transferred from the Former Redevelopment Agency (Aggregate Remaining RDA Funds) to the City of Antioch from January 1, 2011 through January 31, 2012

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Purpose</th>
<th>Describe in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 9, 2011</td>
<td>$100,998</td>
<td>Capital Assets</td>
<td>Not required by enforceable obligation. 19 of the parcels in City use and not generating revenue. Assets should have been transferred prior. Action on 19 of the parcels taken to oversight board and approved. DOF currently reviewing resolutions. One of the parcels transferred to non-profit entity and will be off successor agency books in Fy13. The remaining six parcels were not taken to the oversight board and held by the City.</td>
</tr>
<tr>
<td></td>
<td>$5,301</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$304,233</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,100</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$142,250</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$42,965</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$180,764</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$97,559</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$88,141</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$104,015</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$66,045</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$83,058</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$22,148</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$22,148</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$264,825</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$150,894</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$70,506</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$84,432</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$23,040</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$387,183</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$27,286</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$38,985</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$108,417</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$30,222</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$8,969</td>
<td>Capital Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,457,484</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 2011</td>
<td>$1,573,515</td>
<td>Debt Service</td>
<td>Transfers to the City are for the fiscal agent fees, debt service payments, for the 2002 Lease Revenue Bonds which were issued with the Agency and the Antioch Public Financing Authority- a component unit.</td>
</tr>
<tr>
<td>June 2011</td>
<td>$359,946</td>
<td>Debt Service</td>
<td></td>
</tr>
<tr>
<td>September 2011</td>
<td>$281,470</td>
<td>Debt Service</td>
<td></td>
</tr>
<tr>
<td>January 2012</td>
<td>$959,680</td>
<td>Debt Service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,174,611</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 2011</td>
<td>$1,000,000</td>
<td>Capital Outlay</td>
<td>Agency transferred funds to the City for the Markley Creek Project. The Agency authorized the transfer and was included in the CIP Budget.</td>
</tr>
<tr>
<td>September 2011</td>
<td>$10,000</td>
<td>Capital Outlay</td>
<td></td>
</tr>
<tr>
<td>December 2011</td>
<td>$12,000</td>
<td>Capital Outlay</td>
<td>The Agency transferred funds for the Monitoring Wells Project which is included on the ROPS. This amount is included in the City’s CIP Budget.</td>
</tr>
<tr>
<td>January 2012</td>
<td>$18,008</td>
<td>Capital Outlay</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$40,009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 2011</td>
<td>$62,500</td>
<td>Debt Service</td>
<td>The Agency and the City entered into an agreement with State of California Department of Boating and Waterways. The Agency is responsible in assisting the City in meeting their debt service payments per the agreement.</td>
</tr>
<tr>
<td>March 2011</td>
<td>$456,458</td>
<td>Debt Service</td>
<td></td>
</tr>
<tr>
<td>April 2011</td>
<td>$62,500</td>
<td>Debt Service</td>
<td></td>
</tr>
<tr>
<td>January 2012</td>
<td>$250,000</td>
<td>Debt Service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$831,458</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2011</td>
<td>$25,000</td>
<td>Attorney Fees</td>
<td>The Agency transferred funds to the City for City Attorney fees. The City Attorney serves the Agency legal counsel services. These funds are determined by the budget.</td>
</tr>
<tr>
<td>December 2011</td>
<td>$25,000</td>
<td>Attorney Fees</td>
<td></td>
</tr>
<tr>
<td>January 2012</td>
<td>$25,000</td>
<td>Attorney Fees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$75,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Amount</td>
<td>Purpose</td>
<td>Describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements</td>
</tr>
<tr>
<td>----------</td>
<td>---------</td>
<td>----------------</td>
<td>-------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>June 2012</td>
<td>$ 638,024</td>
<td>Debt Service</td>
<td>The transfer is for the debt service and fiscal agent fees for the 2002 Lease Revenue Bond for the payment listed on the ROPS for the period of January to June 2012.</td>
</tr>
</tbody>
</table>
### City of Antioch Redevelopment Agency’s Successor Agency

**Exhibit 4- Summary of the Financial Transactions of the Redevelopment Agency and the Successor Agency - Aggregate Remaining RDA funds**

<table>
<thead>
<tr>
<th></th>
<th>Redevelopment Agency</th>
<th>Redevelopment Agency</th>
<th>Redevelopment Agency</th>
<th>Successor Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12 Months Ended</td>
<td>12 Months Ended</td>
<td>7 Months Ended</td>
<td>5 Months Ended</td>
</tr>
<tr>
<td><strong>Assets (modified accrual basis)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash pooled with the City of Antioch</td>
<td>$4,917,709</td>
<td>$3,492,877</td>
<td>$5,260,018</td>
<td>$5,230,017</td>
</tr>
<tr>
<td>Restricted investments with fiscal agents</td>
<td>255,902</td>
<td>252,717</td>
<td>229,041</td>
<td>245,438</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>5,000</td>
<td>1,837</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>338,996</td>
<td>236,598</td>
<td>135,149</td>
<td>134,449</td>
</tr>
<tr>
<td>Investment in land held for redevelopment</td>
<td>601,424</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$6,119,033</td>
<td>$3,984,031</td>
<td>$5,624,208</td>
<td>$5,609,906</td>
</tr>
<tr>
<td><strong>Liabilities (modified accrual basis)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$60,011</td>
<td>$1,281</td>
<td>-</td>
<td>$2,366,782</td>
</tr>
<tr>
<td>Accrued payroll</td>
<td>4,523</td>
<td>6,054</td>
<td>9,002</td>
<td>7,680</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>338,996</td>
<td>236,598</td>
<td>135,149</td>
<td>-</td>
</tr>
<tr>
<td>Advances from other funds</td>
<td>3,562,849</td>
<td>3,537,849</td>
<td>3,537,849</td>
<td>3,537,849</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$3,966,379</td>
<td>$3,781,782</td>
<td>$3,682,000</td>
<td>$5,912,311</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities + Equity</strong></td>
<td>$6,119,033</td>
<td>$3,984,031</td>
<td>$5,624,208</td>
<td>$5,609,906</td>
</tr>
<tr>
<td><strong>Total Revenues:</strong></td>
<td>$10,153,375</td>
<td>$7,402,471</td>
<td>$3,879,955</td>
<td>$2,791,142</td>
</tr>
<tr>
<td><strong>Total Expenditures:</strong></td>
<td>$6,712,937</td>
<td>$4,153,210</td>
<td>$1,795,497</td>
<td>$3,161,082</td>
</tr>
<tr>
<td><strong>Total Transfers:</strong></td>
<td>$(5,632,753)</td>
<td>$(5,199,666)</td>
<td>$(344,499)</td>
<td>$(1,874,673)</td>
</tr>
<tr>
<td><strong>Extraordinary Item</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1,942,208</td>
</tr>
<tr>
<td><strong>Net change in equity</strong></td>
<td>$(2,192,315)</td>
<td>$(1,950,405)</td>
<td>$1,739,859</td>
<td>$(302,405)</td>
</tr>
<tr>
<td><strong>Beginning Equity:</strong></td>
<td>$4,344,969</td>
<td>$2,152,654</td>
<td>$202,249</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Ending Equity:</strong></td>
<td>$2,152,654</td>
<td>$202,249</td>
<td>$1,942,208</td>
<td>$(302,405)</td>
</tr>
</tbody>
</table>

**Other Information (show year end balances for all four periods presented):**

- **Capital assets as of end of year**
  - $3,126,864
  - $1,015,242
  - $-     
  - $-

- **Long-term debt as of end of year**
  - $12,140,841
  - $10,980,498
  - $9,661,132
  - $9,661,132
<table>
<thead>
<tr>
<th>Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 5,230,017</td>
</tr>
<tr>
<td>Restricted Cash &amp; Investments</td>
<td>245,438</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>2</td>
</tr>
<tr>
<td>Loan Receivables:</td>
<td></td>
</tr>
<tr>
<td>Bases Loaded</td>
<td>99,698</td>
</tr>
<tr>
<td>Cranmer Properties</td>
<td>34,751</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 5,609,906</strong></td>
</tr>
</tbody>
</table>
Restricted Assets as of June 30, 2012

**Legally Restricted Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Period Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash with fiscal agents- 1994 TA Int Fund</td>
<td>$16,388</td>
<td>This balance is the reserve fund required to be maintained based on the bond convenants and will remain until the bonds are paid off.</td>
</tr>
<tr>
<td>Cash with fiscal agents- 1994 TA Reserve Fund</td>
<td>$83,021</td>
<td>This balance is the reserve fund required to be maintained based on the bond convenants and will remain until the bonds are paid off.</td>
</tr>
<tr>
<td>Cash with fiscal agents- TAB Ser I9 Reserve</td>
<td>$146,029</td>
<td>This balance is the reserve fund required to be maintained based on the bond convenants and will remain until the bonds are paid off.</td>
</tr>
<tr>
<td></td>
<td>$245,438</td>
<td></td>
</tr>
<tr>
<td>Loan Receivables:</td>
<td>Book Value</td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Bases Loaded</td>
<td>$99,698</td>
<td></td>
</tr>
<tr>
<td>Cranmer Properties</td>
<td>34,751</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$134,449</strong></td>
<td></td>
</tr>
</tbody>
</table>
City of Antioch Redevelopment Agency's Successor Agency  
Exhibit 8- Calculation of Balances of the Aggregate Remaining RDA Funds Needed to Retain for Enforceable Obligations

<table>
<thead>
<tr>
<th>Description</th>
<th>FY '13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Enforceable Obligations for FY '13</td>
<td>$3,963,827</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
</tr>
<tr>
<td>RPTTF funds already received in June 2012 for ROPS II</td>
<td>(2,625,655)</td>
</tr>
<tr>
<td>Estimated amount to be collected for ROPS III (provided by Contra Costa County)*</td>
<td>(1,223,698)</td>
</tr>
<tr>
<td>ROPS III Administrative Allowance not paid in dispute with meet and confer</td>
<td>(114,474)</td>
</tr>
<tr>
<td><strong>Add:</strong></td>
<td></td>
</tr>
<tr>
<td>DOF Adjustment for DDR Review Cost to Enforceable Obligations (reduces CCC estimate)</td>
<td>10,000</td>
</tr>
<tr>
<td>FY12 Administrative Costs - cash paid in July</td>
<td>12,705</td>
</tr>
<tr>
<td><strong>Amount of Funds to Retain to pay for FY12 Obligations</strong></td>
<td><strong>$12,705</strong></td>
</tr>
</tbody>
</table>

* Per Estimated Allocation Worksheet, per Contra Costa County

** These funds are RPTTF funds that were received in fiscal year 2012 that are dedicated to administrative costs incurred in fiscal year 2012. The Agency projects that only fiscal year 2013 will need to retain asset balances due to insufficient revenues.
### Recognized Obligation Payment Schedule (Revised)

**Per AB 26 - Section 34177 (b)**

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>Project Area</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year 2012-2013*</th>
<th>Funding Source</th>
<th>Payables from the Redevelopment Property Tax Trust Fund (RPTTF)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jul 2012</td>
<td></td>
<td>Payments by Month</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Aug 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sept 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Oct 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nov 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Dec 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Notes

- **Total** - This Page (RPTTF Funding): $59,823,333.00
- **Total** - Page 2 (LMWF & RPTTF): $1,543,225.00
- **Total** - Page 3 (Administrative Cost Allowance): $10,972,443.00
- **Total** - Page 4 (Pass Thru Payments): $31,566,923.00
- Grand Total - All Pages: $127,928,294.00

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**Exhibit 9**

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**Cash to be distributed: $1,316,128**

**Successor Agency Admin-13,527**

**2,025,655** Total

---

**Purpose:** The purpose to retain the cash is to fund the enforceable obligations listed on ROPS II. The County distributed the ROTTF for ROPS II to the City prior to June 30, 2012, and cash balances as of June 30, 2012 included those RPTTF payments.
City of Antioch Redevelopment Agency's Successor Agency
Exhibit 10- Summary of Balances Available for Allocation to Affected Taxing Entities for Aggregate Remaining RDA Funds
Period ended June 30, 2012

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5) $ 5,609,906

Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3) -

Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6) (245,438)

Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7) (134,451)

Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8) (12,705)

Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9) (2,625,655)

Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance (2,361,757)

Amount to be remitted to county for disbursement to taxing entities $ 229,900