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**CONTRA COSTA COUNTY  
DEPARTMENT OF CONSERVATION & DEVELOPMENT**

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**TO:** Supervisor Glover, District V

**FROM:** Steven L. Goetz, Deputy Director – Transportation, Conservation & Redevelopment Programs *SLG*

**DATE:** October 16, 2012

**SUBJECT: Status of Rodeo Redevelopment Issues**

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Vincent Manuel invited Department staff to the October 24<sup>th</sup> meeting of the Rodeo Municipal Advisory Council (MAC) to discuss the subject item. To facilitate discussion, I have provided in this memo a summary of relevant issues. Feel free to share this information with the MAC prior to the meeting. D'Andre Wells will be attending the MAC meeting.

The Legislature passed, and the Governor signed, AB 1484 as part of the State budget last June which amended the Redevelopment Dissolution Act. The amended Dissolution Act had the following impact on the activities of the former Redevelopment Agency in Rodeo.

**Property Assets**

Upon dissolution of the Redevelopment Agency, housing properties were transferred to the Housing Successor and non-housing properties were transferred to the Successor Agency to the Redevelopment Agency. The County assumed each role. The State Department of Finance (DOF) will be reviewing these transfers over the next six months to determine compliance with the Dissolution Act.

Town Plaza Properties: These properties are classified as housing assets. Unless DOF challenges this action, the Successor Housing Agency anticipates being able to make the Town Plaza properties available for a future housing/mixed use development project.

Willow Road Parcel: This parcel (next to the Rodeo Gateway senior housing project) is classified as a non-housing asset. Unless the DOF challenges this action, the Successor Agency anticipates selling this parcel or otherwise making the site available for commercial development.

Senior Center: Prior to the Dissolution Act, the Redevelopment Agency transferred ownership of the building housing the Senior Center to the General Services Department to ensure its continued public use. The Dissolution Act requires that this transfer be ratified by the Successor Agency's Oversight Board. This action can also be challenged by the DOF. Ratification by the Oversight Board will be sought before the end of 2012. A source of maintenance funds for the Senior Center remains an outstanding issue.

## Ongoing Projects

Since June 29, 2011, the Dissolution Act prohibited the Redevelopment Agency from entering into any new contracts or obligations. Expenditures on existing projects require approval of the Successor Agency's Oversight Board and the DOF.

- Marina Sewer Service: Approval has been given to fund this project using redevelopment bonds. Construction is underway. The Sanitary District has identified some construction issues that will increase costs.
- Old Town Infrastructure: The Successor Agency has requested approval to expend up to \$731,711 in unspent bond proceeds for replacing or constructing sidewalk and drainage improvements in Old Town Rodeo. The Oversight Board has approved this request. DOF approval is pending. It is unlikely that the DOF will respond to our approval request until sometime in 2013. The budget may need to be reduced in order to provide additional funding for the Marina Sewer Service project now underway.
- Lone Tree Point: In 1990, the Redevelopment Agency executed an agreement with the East Bay Regional Park District which provides, among other things, the allocation of up to \$500,000 in property tax revenue to the District for the development and operation of District facilities identified in the Land Use Development Plan for the San Pablo Bay Shoreline. Preliminary discussions have identified improvements to the District's Lone Tree Point properties. Once a project is identified, the expenditure must be approved by the Oversight Board and the DOF. The MAC will have the opportunity to review the proposal.

## Existing Agency Funds

Since June 29, 2011, the Redevelopment Agency and its Successor Agency has been using available funds to retire existing obligations. All expenditures have required state review and approval since August 1, 2011. The Redevelopment Agency's last tax increment payment in the amount of \$7.1 million was received in December 2011. AB 1484 required the Successor Agency to refund \$2.2 million of that payment on July 12, 2012. The Successor Agency has also used approximately \$23 million in bond proceeds to retire outstanding debt, thereby reducing future debt service obligations.

AB 1484 established a process that allows the DOF to revisit past expenditures of the Redevelopment Agency and its Successor Agency and, by April 2013, demand transfer of any unobligated Successor Agency cash to the County Auditor Controller for distribution to the remaining taxing entities. After that point, the Successor Agency must rely on future property tax distributions from the County Auditor Controller and unobligated bond proceeds.

While the state has already approved expenditures to maintain the properties held by the Housing Successor and the Successor Agency, future approvals will be needed to use any future property tax distributions or bond revenue for disposition of the Town Plaza or Willow Road properties.

Your staff indicates that the Rodeo MAC is considering expenditure of Measure WW funds in Rodeo. I don't know the eligible uses for Measure WW funds. However, providing park funds for the Town Plaza properties would be critical to attracting a qualified developer if a park element was desired by the developer.

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Cc: M. Toms, DCD D. Fraser, District V Office  
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