

# COUNTY-WIDE SUCCESSOR AGENCY OVERSIGHT BOARD OF THE COUNTY OF YOLO

## STAFF REPORT – Item 7

**TO:** County-Wide Successor Agency Oversight Board of the County of Yolo

**FROM:** Elena Adair, City of Davis Finance Director

**SUBJECT:** Approval of the Amended Davis Last and Final Recognized Obligation Payment Schedule (LFROPS) for the period of July 1, 2021 to June 30, 2038; and

Approval of the Bond Proceeds Funding Agreement between the City of Davis and the Davis Redevelopment Successor Agency and taking certain related actions

**DATE:** January 26, 2021

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### **Recommendation**

- 1) Receive and adopt Resolution No. 2021-01 approving and adopting the Davis Successor Agency Amended Last and Final Recognized Obligations Payment Schedule (Amended Last and Final ROPS) for the period of July 1, 2021 through June 30, 2038.
- 2) Receive and adopt a Resolution No. 2021-02 approving the Bond Proceeds Funding Agreement between the City of Davis and the Davis Redevelopment Successor Agency and taking certain related actions.

### **Background and Analysis**

Pursuant to Health and Safety Code (“HSC”) 34172 (a)(1), the Former Agency was dissolved on February 1, 2012. Consistent with the provisions of the HSC, the City Council of the City previously elected for the City to serve in the capacity of the Successor Agency.

The Successor Agency is subject to substantial restrictions regarding the use of proceeds from bonds issued on or after January 1, 2011. HSC 34191.4 (c)(2) allows the Successor Agency to use 35% of bond proceeds from bonds issued between March 1 and March 31, 2011 for purposes for which the bonds were sold (i.e., for qualifying redevelopment projects), provided that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds obligations that shall be listed separately on a successor agency’s LFROPS.

In August 2019, the Successor Agency completed a transaction to refund and defease bonds previously issued by the Redevelopment Agency of the City of Davis (the “Former Agency”). Refunded bonds, among others, included bonds issued by the Former Agency in 2011 (the “2011 Bonds”). When the 2011 Bonds were issued, a portion of the proceeds (the “2011 Project Proceeds”) were deposited in a fund, intended to be used for redevelopment projects. As part of the 2019 bond refunding, the Successor Agency transferred \$11,310,965.38 of the 2011 Project Proceeds to an escrow fund for the refunded bonds to defease portion of 2011 Bonds. The remaining portion of the 2011 Project Proceeds (\$6,090,519.82 plus estimated interest

of \$105,000) is eligible and available to provide funding for qualifying projects within the former Redevelopment Agency boundaries.

The Successor Agency received approval of its LFROPS on April 27, 2020 entitling the Agency to expend such bond proceeds that it has on hand in a manner consistent with the bond covenants. When the Agency filed its LFROPS, it omitted the bond proceeds. As a result, the LFROPS is required to be amended.

The proposed Amended Last and Final Recognized Obligation Payment Schedule (LFROPS) now includes these remaining proceeds, including estimated interest, as a line item, which is necessary in order to spend the available funds. The proposed Oversight Board resolution will authorize the transfer of these remaining bond proceeds to the City for use on certain projects within the former redevelopment project area in a manner consistent with the bond covenants. The City will administer these projects as part of the overall capital improvement program.

To ensure that the excess bond proceeds are used for their intended purpose in an expeditious manner, the Successor Agency proposes to enter into a Bond Proceeds Funding Agreement through which the Successor Agency will transfer the remaining bond proceeds to the City of Davis. Many other successor agencies have entered into similar agreements with their cities, with the DOF's approval.

The Bond Proceeds Funding Agreement will only be executed and become effective subsequent to its approval by the Oversight Board and the DOF. After consideration and upon approval of the agreement by the Oversight Board, the Agreement will be forwarded to the DOF. The City of Davis and the Davis Redevelopment Successor Agency approved the Agreement and the amendment to the Last and Final ROPS on January 19<sup>th</sup>, 2021.

Attachments:

1. Resolution No. 2021-01 Approving Amended Last and Final ROPS  
Exhibit A – Amended Last and Final ROPS
2. Resolution No. 2021-02 approving the Bond Proceeds Funding Agreement between the City of Davis and the Davis Redevelopment Successor Agency and taking certain related actions  
Exhibit A – Bond Proceeds Funding Agreement

**COUNTY-WIDE SUCCESSOR AGENCY OVERSIGHT BOARD OF YOLO COUNTY**

RESOLUTION NO. 2021-01

**A RESOLUTION APPROVING AN AMENDED LAST AND FINAL RECOGNIZED OBLIGATION  
PAYMENT SCHEDULE FOR THE DAVIS REDEVELOPMENT SUCCESSOR AGENCY  
AND TAKING CERTAIN RELATED ACTIONS**

WHEREAS, the Redevelopment Agency of the City of Davis (the “Former Agency”) was duly created pursuant to the California Community Redevelopment Law (Part 1 [commencing with Section 33000] of Division 24 of the California Health and Safety Code (“HSC”)); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012, the Davis Redevelopment Successor Agency (the “Successor Agency”) was constituted as the successor entity to the Former Agency; and

WHEREAS, pursuant to HSC Section 34191.6, the Successor Agency prepared a Last and Final Recognized Obligation Payment Schedule (the “LFROPS”); and

WHEREAS, the County-wide Successor Agency Oversight Board of Yolo County (the “County-wide Oversight Board”) adopted Resolution No. 2020-005 on January 28, 2020, approving the LFROPS; and

WHEREAS, the California State Department of Finance (“DOF”) issued its letter on April 27, 2020, approving the LFROPS; and

WHEREAS, before dissolution, the Former Agency issued bonds in 2011 (the “2011 Bonds”); and

WHEREAS, when the 2011 Bonds were issued, a portion of the proceeds was deposited into a Redevelopment Fund (established under the Indenture for the 2011 Bonds) intended to be used on projects consistent with bond covenants (the “Qualifying Projects”); and

WHEREAS, the moneys deposited and maintained in the Redevelopment Fund, including interest earnings thereon, are referred to herein as the “2011 Project Proceeds”; and

WHEREAS, pursuant to HSC Section 34191.4(c)(2)(B), after the DOF’s approval of the LFROPS, the Successor Agency may spend up to 35 percent of the 2011 Project Proceeds on Qualifying Projects; and

WHEREAS, pursuant to HSC Section 34191.4(c)(2)(C), the portion of the 2011 Project Proceeds that cannot be spent on Qualifying Projects pursuant to HSC Section 34191.4(c)(2) must

be used for defeasance of bonds or purchase of bonds for cancellation (the “Defeasance Portion Requirement”); and

WHEREAS, in August 2019, the Successor Agency completed a transaction to refund and defease bonds previously issued by the Former Agency (the “2019 Refunding”); and the refunded bonds, among others, included the 2011 Bonds; and

WHEREAS, as part of the 2019 Refunding, the Successor Agency caused \$11,310,965.38 of the 2011 Project Proceeds to be deposited into an escrow fund for the refunded bonds; and as such, the Defeasance Portion Requirement has been satisfied and the remaining portion of the 2011 Project Proceeds is eligible to be used for Qualifying Projects; and

WHEREAS, by a separate resolution adopted on this day, the County-wide Oversight Board approved the Successor Agency’s execution and delivery of an agreement (the “Bond Proceeds Funding Agreement”) to provide for the transfer of the remaining 2011 Project Proceeds to the City of Davis (the “City”) for the use on Qualifying Projects; and

WHEREAS, the Successor Agency has prepared an amended LFROPS (the “Amended LFROPS”) to reflect the transfer of the remaining 2011 Project Proceeds pursuant to the Bond Proceeds Funding Agreement; and

WHEREAS, pursuant to HSC Section 34191.6(c)(2), the Amended LFROPS is subject to the County-wide Oversight Board’s and the DOF’s approvals;

NOW, THEREFORE, BE IT RESOLVED by the County-wide Successor Agency Oversight Board of Yolo County as follows:

Section 1. Recitals. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. Approval of Amended LFROPS. The Oversight Board hereby approves the Amended LFROPS, substantially in the form attached as Exhibit A.

Section 3. Related Acts. The Staff of the Successor Agency is hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to negotiating with the DOF and executing related agreements regarding changes to the Amended LFROPS pursuant to HSC Section 34191.6(c), and any such actions previously taken are hereby ratified and confirmed.

Section 4. Effective Date. Pursuant to HSC section 34179(h), the DOF may review all actions taken by the County-wide Oversight Board, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the DOF.

The foregoing Resolution was passed and adopted this 26<sup>th</sup> day of January, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

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Chair

Approved as to form:



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Eric May  
General Counsel

EXHIBIT A

Amended Last and Final Recognized Obligation Payment Schedule

[see attached]

**Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary  
Filed for the July 1, 2021 through June 30, 2038 Period**

**Successor Agency:** Davis  
**County:** Yolo  
**Initial ROPS Period:** 21-22A  
**Final ROPS Period:** 37-38B

<b>Requested Funding for Enforceable Obligations</b>		<b>Total Outstanding Obligation</b>
<b>A</b>	<b>Enforceable Obligations Funded as Follows (B+C)</b>	<b>\$6,195,520</b>
B	Bond Proceeds	6,195,520
C	Other Funds	-
<b>D</b>	<b>Redevelopment Property Tax Trust Fund (RPTTF) (E+F)</b>	<b>\$27,819,508</b>
E	RPTTF	27,737,008
F	Administrative RPTTF	82,500
<b>G</b>	<b>Total Outstanding Obligations (A+D)</b>	<b>\$34,015,028</b>

**Certification of Oversight Board Chairman:**

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

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Davis**  
**Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary by ROPS Period**  
**July 1, 2021 through June 30, 2038**

A Period July - December					
ROPS Period	Fund Sources				Six-Month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	
	\$6,195,520	\$-	\$24,564,573	\$42,500	\$30,802,593
ROPS 21-22A	6,195,520	-	1,544,688	2,500	\$7,742,708
ROPS 22-23A	-	-	1,559,711	2,500	\$1,562,211
ROPS 23-24A	-	-	1,569,229	2,500	\$1,571,729
ROPS 24-25A	-	-	1,578,389	2,500	\$1,580,889
ROPS 25-26A	-	-	1,596,743	2,500	\$1,599,243
ROPS 26-27A	-	-	1,603,850	2,500	\$1,606,350
ROPS 27-28A	-	-	1,615,099	2,500	\$1,617,599
ROPS 28-29A	-	-	1,630,418	2,500	\$1,632,918
ROPS 29-30A	-	-	1,645,065	2,500	\$1,647,565
ROPS 30-31A	-	-	1,672,758	2,500	\$1,675,258
ROPS 31-32A	-	-	1,586,321	2,500	\$1,588,821
ROPS 32-33A	-	-	1,621,134	2,500	\$1,623,634
ROPS 33-34A	-	-	1,654,199	2,500	\$1,656,699
ROPS 34-35A	-	-	898,265	2,500	\$900,765
ROPS 35-36A	-	-	911,832	2,500	\$914,332
ROPS 36-37A	-	-	929,801	2,500	\$932,301
ROPS 37-38A	-	-	947,071	2,500	\$949,571

B Period January - June						Twelve-Month Total
ROPS Period	Fund Sources				Six-Month Total	
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		
	\$-	\$-	\$3,172,435	\$40,000	\$3,212,435	\$34,015,028
ROPS 21-22B	-	-	334,608	2,500	\$337,108	\$8,079,816
ROPS 22-23B	-	-	324,176	2,500	\$326,676	\$1,888,887
ROPS 23-24B	-	-	313,335	2,500	\$315,835	\$1,887,564
ROPS 24-25B	-	-	301,688	2,500	\$304,188	\$1,885,077
ROPS 25-26B	-	-	288,793	2,500	\$291,293	\$1,890,536
ROPS 26-27B	-	-	275,042	2,500	\$277,542	\$1,883,892
ROPS 27-28B	-	-	260,359	2,500	\$262,859	\$1,880,458
ROPS 28-29B	-	-	245,006	2,500	\$247,506	\$1,880,424
ROPS 29-30B	-	-	212,697	2,500	\$215,197	\$1,862,762
ROPS 30-31B	-	-	176,258	2,500	\$178,758	\$1,854,016
ROPS 31-32B	-	-	141,071	2,500	\$143,571	\$1,732,392
ROPS 32-33B	-	-	104,134	2,500	\$106,634	\$1,730,268
ROPS 33-34B	-	-	73,199	2,500	\$75,699	\$1,732,398
ROPS 34-35B	-	-	56,765	2,500	\$59,265	\$960,030
ROPS 35-36B	-	-	39,732	2,500	\$42,232	\$956,564
ROPS 36-37B	-	-	22,001	2,500	\$24,501	\$956,802
ROPS 37-38B	-	-	3,571	-	\$3,571	\$953,142



**Davis**  
**Last and Final Recognized Obligation Payment Schedule (ROPS) - ROPS Detail**  
**July 1, 2021 through June 30, 2038**  
**(Report Amounts in Whole Dollars)**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>
<b>Item #</b>	<b>Project Name</b>	<b>Obligation Type</b>	<b>Agreement Execution Date</b>	<b>Agreement Termination Date</b>	<b>Payee</b>	<b>Description</b>	<b>Project Area</b>	<b>Total Outstanding Obligation</b>
								<b>\$36,494,349</b>
1	2003 Davis RDA TAB (9196)	Bonds Issued On or Before 12/31/10	09/01/2003	09/01/2019	Trustee-US Bank	2003 Tax Exempt Bonds	Davis Project Area	-
2	2007 Davis RDA TAB (9197)	Bonds Issued On or Before 12/31/10	03/01/2007	09/01/2019	Trustee-US Bank	2007 Tax Exempt Bonds	Davis Project Area	-
3	2007 Davis Housing Bonds (9198)	Bonds Issued On or Before 12/31/10	03/01/2007	09/01/2019	Trustee-US Bank	2007 Housing Bonds	Davis Project Area	-
4	2011 Davis RDA TAB-Series A (9181)	Bonds Issued After 12/31/10	03/01/2011	09/01/2019	Trustee-US Bank	2011 Tax Exempt Bonds	Davis Project Area	-
5	2011 Davis RDA TAB-Series B (9182)	Bonds Issued After 12/31/10	03/01/2011	09/01/2019	Trustee-US Bank	2011 Taxable Bonds	Davis Project Area	-
6	Ancillary Debt Service Costs	Fees	09/01/2003	09/01/2033	Davis Successor Agency	Debt Service Costs	Davis Project Area	109,002
8	Administration Cap	Admin Costs	09/01/2003	09/30/2037	Davis Successor Agency	Davis Successor Agency	Davis Project Area	87,500
9	Davis Redevelopment Successor Agency 2019 Series A Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	09/01/2019	09/01/2037	US Bank	Bond Debt		16,755,125
10	Davis Redevelopment Successor	Bonds Issued After 12/	09/01/2019	09/01/2029	US Bank	Bond Debt	Davis Project Area	13,347,202

A	B	C	D	E	F	G	H	I
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation
	Agency 2019 Series B Taxable Tax Allocation Refunding Bonds Semi-Annual Debt Service	31/10						
11	Bond Proceeds Funding Agreement	Bond Funded Project - 2011	07/01/2021	06/30/2024	City of Davis	Pursuant to the 2011 Indenture, a portion of the proceeds of the 2011 Bonds was deposited into a Redevelopment Fund (established under the 2011 Indenture) intended to be used on redevelopment projects consistent with bond covenants (the "Qualifying Projects"). The moneys deposited and maintained in the Redevelopment Fund, including interest earnings thereon, are referred to herein as the "2011 Project Proceeds." In August 2019, the Successor Agency completed a transaction to refund and defease bonds previously issued by the Former Agency (the "2019 Refunding"); and the refunded bonds, among others, included the 2011 Bonds. As part of the 2019 Refunding, the Successor Agency caused \$11,310,965.38 of the 2011 Project Proceeds to be deposited into an escrow fund for the refunded bonds; and as such, the Defeasance Portion Requirement has been satisfied and the remaining portion of the 2011 Project Proceeds is eligible to be used for Qualifying Projects. In light of Successor Agency's limited staffing, the City's traditional role and established procedures for the awarding of public works contracts, and the timing needs with respect to the completion of projects, the Successor Agency desires to enter into this Agreement with the City, for the City to perform or cause to be performed the work required to complete the projects, with payment therefor to be made from 2011 Project Proceeds.		6,195,520
12	n/a	Bond Funded Project - 2011	07/01/2021	07/01/2021	n/a	n/a		-





**COUNTY-WIDE SUCCESSOR AGENCY OVERSIGHT BOARD OF YOLO COUNTY**

RESOLUTION NO. 2021-02

**A RESOLUTION APPROVING A BOND PROCEEDS FUNDING AGREEMENT  
BETWEEN DAVIS REDEVELOPMENT SUCCESSOR AGENCY AND THE CITY OF DAVIS  
AND TAKING CERTAIN RELATED ACTIONS**

WHEREAS, the Redevelopment Agency of the City of Davis (the "Former Agency") was duly created pursuant to the California Community Redevelopment Law (Part 1 [commencing with Section 33000] of Division 24 of the California Health and Safety Code ("HSC")); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012, the Davis Redevelopment Successor Agency (the "Successor Agency") was constituted as the successor entity to the Former Agency; and

WHEREAS, pursuant to HSC Section 34191.6, the Successor Agency prepared a Last and Final Recognized Obligation Payment Schedule (the "LFROPS"); and

WHEREAS, the County-wide Successor Agency Oversight Board of Yolo County (the "County-wide Oversight Board") adopted Resolution No. 2020-005 on January 28, 2020, approving the LFROPS; and

WHEREAS, the California State Department of Finance ("DOF") issued its letter on April 27, 2020, approving the LFROPS; and

WHEREAS, before dissolution, the Former Agency issued its: (i) Davis Redevelopment Project, 2011 Subordinate Tax Allocation Bonds, Series A, in the principal amount of \$13,310,000 (the "2011A Bonds"), and (ii) Davis Redevelopment Project, 2011 Subordinate Taxable Tax Allocation Bonds, Series B, in the principal amount of \$4,690,000 (together with the 2011A Bonds, the "2011 Bonds"); and

WHEREAS, the 2011 Bonds were issued pursuant to an Indenture of Trust, dated as of March 1, 2011 (the "2011 Indenture"), by and between the Former Agency and U.S. Bank National Association, as trustee; and

WHEREAS, pursuant to the 2011 Indenture, a portion of the proceeds of the 2011 Bonds was deposited into a Redevelopment Fund (established under the 2011 Indenture) intended to be used on redevelopment projects consistent with bond covenants (the "Qualifying Projects"); and

WHEREAS, the moneys deposited and maintained in the Redevelopment Fund, including interest earnings thereon, are referred to herein as the "2011 Project Proceeds"; and

WHEREAS, pursuant to HSC Section 34191.4(c)(2)(B), after the DOF's approval of the LFROPS, the Successor Agency may spend up to 35 percent of the 2011 Project Proceeds on Qualifying Projects; and

WHEREAS, pursuant to HSC Section 34191.4(c)(2)(C), the portion of the 2011 Project Proceeds that cannot be spent on Qualifying Projects pursuant to HSC Section 34191.4(c)(2) must be used for defeasance of bonds or purchase of bonds for cancellation (the "Defeasance Portion Requirement"); and

WHEREAS, in August 2019, the Successor Agency completed a transaction to refund and defease bonds previously issued by the Former Agency (the "2019 Refunding"); and the refunded bonds, among others, included the 2011 Bonds; and

WHEREAS, as part of the 2019 Refunding, the Successor Agency caused \$11,310,965.38 of the 2011 Project Proceeds to be deposited into an escrow fund for the refunded bonds; and as such, the Defeasance Portion Requirement has been satisfied and the remaining portion of the 2011 Project Proceeds is eligible to be used for Qualifying Projects; and

WHEREAS, in light of Successor Agency's limited staffing, the City's traditional role and established procedures for the awarding of public works contracts, and the timing needs with respect to the completion of projects, the Successor Agency desires to enter into a Bond Proceeds Funding Agreement (the "Bond Proceeds Funding Agreement") with the City, for the City to perform or cause to be performed the work required to complete the projects, with payment therefor to be made from 2011 Project Proceeds; and

WHEREAS, the Bond Proceeds Funding Agreement is in furtherance of the winding down the Former Agency's affairs;

NOW, THEREFORE, BE IT RESOLVED by the County-Wide Successor Agency Oversight Board of Yolo County as follows:

Section 1. Recitals. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. Findings Regarding Use of Remaining 2011 Project Proceeds. The Oversight Board hereby finds and determines, through the application of \$11,310,965.38 of the 2011 Project Proceeds toward the defeasance of bonds as part of the 2019 Refunding, the Defeasance Portion Requirement (with respect to the 2011 Project Proceeds) has been satisfied and the remaining portion of the 2011 Project Proceeds is eligible to be used for Qualifying Projects.

Section 3. Approval of Bond Proceeds Funding Agreement. This Oversight Board hereby approves the Successor Agency's execution and delivery of the Bond Proceeds Funding Agreement, substantially in the form attached hereto as Exhibit A.

Section 4. Related Acts. The Staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or

advisable to effectuate this Resolution and the Bond Proceeds Funding Agreement, and any such actions previously taken are hereby ratified and confirmed.

Section 5. Effective Date. Pursuant to HSC section 34179(h), the DOF may review all actions taken by the County-wide Oversight Board, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the DOF.

Section 6. Transmittal to DOF. Staff to the Oversight Board are hereby directed to transmit this Resolution to the DOF.

The foregoing Resolution was passed and adopted this 26th day of January, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

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Chair

Approved as to form:



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Eric May  
Oversight Board Counsel

EXHIBIT A

Bond Proceeds Funding Agreement  
(substantial final form)

[see attached]



## BOND PROCEEDS FUNDING AGREEMENT

This BOND PROCEEDS FUNDING AGREEMENT (this “**Agreement**”), dated as of \_\_\_\_\_, 20\_\_, is entered into by and between the City of Davis (the “**City**”) and the Davis Redevelopment Successor Agency (the “**Successor Agency**,” and together with the City, the “**Parties**”).

### RECITALS:

A. The Redevelopment Agency of the City of Davis (the “**Former Agency**”) was a redevelopment agency formed pursuant to the Community Redevelopment Law, set forth in Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code (“**HSC**”).

B. Pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012, the Successor Agency was constituted as the successor entity to the Former Agency.

C. Pursuant to HSC Section 34191.6, the Successor Agency prepared a Last and Final Recognized Obligation Payment Schedule (the “**LFROPS**”).

D. The County-wide Successor Agency Oversight Board of Yolo County (the “**County-wide Oversight Board**”) adopted Resolution No. 2020-005 on January 28, 2020, approving the LFROPS.

E. The California State Department of Finance (“**DOF**”) issued its letter on April 27, 2020, approving the LFROPS.

F. Before dissolution, the Former Agency issued its: (i) Davis Redevelopment Project, 2011 Subordinate Tax Allocation Bonds, Series A, in the principal amount of \$13,310,000 (the “**2011A Bonds**”), and (ii) Davis Redevelopment Project, 2011 Subordinate Taxable Tax Allocation Bonds, Series B, in the principal amount of \$4,690,000 (together with the 2011A Bonds, the “**2011 Bonds**”).

G. The 2011 Bonds were issued pursuant to an Indenture of Trust, dated as of March 1, 2011 (the “**Indenture**”), by and between the Former Agency and U.S. Bank National Association, as trustee.

H. Pursuant to the 2011 Indenture, a portion of the proceeds of the 2011 Bonds was deposited into a Redevelopment Fund (established under the 2011 Indenture) intended to be used on redevelopment projects consistent with bond covenants (the “**Qualifying Projects**”). The moneys deposited and maintained in the Redevelopment Fund, including interest earnings thereon, are referred to herein as the “**2011 Project Proceeds**.”

I. Pursuant to HSC Section 34191.4(c)(2)(B), after the DOF’s approval of the LFROPS, the Successor Agency may spend up to 35 percent of the 2011 Project Proceeds on Qualifying Projects.

J. Pursuant to HSC Section 34191.4(c)(2)(C), the portion of the 2011 Project Proceeds that cannot be spent on Qualifying Projects pursuant to HSC Section 34191.4(c)(2) must be used for defeasance of bonds or purchase of bonds for cancellation (the “**Defeasance Portion Requirement**”).

K. In August 2019, the Successor Agency completed a transaction to refund and defease bonds previously issued by the Former Agency (the “**2019 Refunding**”); and the refunded bonds, among others, included the 2011 Bonds.

L. As part of the 2019 Refunding, the Successor Agency caused \$11,310,965.38 of the 2011 Project Proceeds to be deposited into an escrow fund for the refunded bonds; and as such, the Defeasance Portion Requirement has been satisfied and the remaining portion of the 2011 Project Proceeds is eligible to be used for Qualifying Projects.

M. In light of Successor Agency’s limited staffing, the City’s traditional role and established procedures for the awarding of public works contracts, and the timing needs with respect to the completion of projects, the Successor Agency desires to enter into this Agreement with the City, for the City to perform or cause to be performed the work required to complete the projects, with payment therefor to be made from 2011 Project Proceeds.

N. The County-wide Oversight Board adopted on \_\_\_\_\_, 2021: (i) Resolution No. \_\_\_\_\_ (the “**OB Resolution**”), approving the Successor Agency’s execution and delivery of this Agreement, and (ii) Resolution No. \_\_\_\_\_, approving an amendment of the LFROPS (the “**Amended LFROPS**”) reflecting the transfer of the 2011 Project Proceeds to the City pursuant to this Agreement.

O. The DOF issued its letter[s], dated \_\_\_\_\_, 2021, approving the OB Resolution and the Amended LFROPS.

P. Pursuant to HSC Section 34191.4(c)(2)(A), the Successor Agency’s LFROPS will become effective as of \_\_\_\_\_ (the “**Amended LFROPS Effective Date**”).

**NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:**

**Section 1.** This Agreement shall take effect commencing on the date that the DOF issues its approval to the Amended LFROPS.

**Section 2.** Subject to the provisions of this Agreement and with the funding provided pursuant to this Agreement, the City agrees to perform or cause to be performed the work required for the projects set forth in Exhibit A (the “**Projects**”), including but not limited to the preparation of designs, plans and specifications and all demolition, construction and installations. The City shall perform such work in accordance with all applicable federal, state and local laws, rules and regulations. Subject to the covenants set forth herein, the City shall have the sole discretion with respect to the design, planning, specification and the timing with respect to all components of the Projects.

**Section 3.** As soon as practicable after the Amended LFROPS Effective Date, the Successor Agency shall transfer the remaining 2011 Project Proceeds to the City.

**Section 4.** The City shall use the 2011 Project Proceeds transferred to it pursuant to this Agreement for costs of the Projects (or reimbursement to the City for any funds advanced for costs of the Projects) in a manner consistent with bond covenants, including applicable covenants set forth in the indenture for the bonds issued in 2019 to refund the 2011 Bonds.

**Section 5.** To the extent the City still holds any 2011 Project Proceeds transferred pursuant to this Agreement after the completion of the Projects (as determined by the City Council), the City shall return such unspent 2011 Project Proceeds to the Successor Agency within a reasonable time after such determination.

**Section 6.** Each Party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other Party at all reasonable times.

**Section 7.** The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

**Section 8.** This Agreement may be amended from time to time by written instrument executed by both Parties.

**Section 9.** No official, agent, or employee of the Successor Agency or the City, or members of the City Council, or members of the Successor Agency Board of Directors or Oversight Board shall be individually or personally liable for any payment hereunder in the event of any default or breach by the Successor Agency or the City, or for any amount which may otherwise become due to the City or Successor Agency, or successor thereto, or on any obligations under the terms of this Agreement.

**Section 10.** This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

**DAVIS REDEVELOPMENT SUCCESSOR  
AGENCY**

By \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Secretary

**CITY OF DAVIS**

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

EXHIBIT A

Description of Projects

1. Richards Boulevard/I-80 Interchange Improvements
2. Pavement Rehabilitation
3. Civic Center Gymnasium Roof Rehabilitation
4. Mace Boulevard Improvements
5. any other programs and projects and activities of benefit to the Former Agency's Davis Redevelopment Project, so long as the program or project is determined by the City to be consistent with the applicable bond covenants.