



AGENDA BILL

Agenda Item No. 9.A.

Date: September 16, 2025
To: El Cerrito City Council
From: Holly M. Charl  ty, City Clerk, City Management; Crystal Reams, Finance Director/City Treasurer, Finance Department
Subject: SUCCESSOR AGENCY ITEM Dissolution of the Successor Agency to the Redevelopment Agency of El Cerrito

ACTION PROPOSED

Adopt a Resolution to approve the Dissolution of the Successor Agency to the Redevelopment Agency of El Cerrito.

BACKGROUND

On May 20, 1974, the City of El Cerrito established a Redevelopment Agency (RDA) within the City of El Cerrito to help support infrastructure improvements, fund affordable housing, eliminate blight, and generate economic development by providing more affordable financing options for redevelopment projects.

In June 2011, the State of California enacted AB1x 26 (Dissolution Act) to dissolve all redevelopment agencies in the State of California and establish successor agencies to wind down the former redevelopment agencies' affairs. The Redevelopment Agency of El Cerrito was formally dissolved on February 1, 2012, and the City opted to serve as the Successor Agency to the RDA (Successor Agency). The Successor Agency's primary role has been to wind down the activities of the RDA and is limited by the requirements of the Dissolution Act. All actions taken by the Successor Agency are subject to approval by both the Oversight Board and the California Department of Finance (DOF).

The Oversight Board has fiduciary responsibility to both the holders of enforceable obligations and the taxing entities that benefit from the distribution of property tax and other revenue. The Oversight Board is responsible for overseeing the "winding down" process of the El Cerrito Redevelopment Agency. Initially, a local oversight board (City of El Cerrito Oversight Board) was established and managed by the City, consisting of seven members appointed by a variety of entities, as required under the Dissolution Act. However, this board was dissolved on June 30, 2018, and replaced by a Countywide Oversight Board effective January 1, 2019, to oversee all redevelopment successor agencies in Contra Costa County.

Once all obligations of the Successor Agency have been met, and all real property has been disposed of, the Successor Agency is eligible to begin the process of dissolution. The action requested tonight is the next step in the process, which includes adopting a resolution requesting authorization from the Countywide Oversight Board to formally dissolve.

ANALYSIS

The Successor Agency is a separate public entity and is not considered a component unit of the City of El Cerrito. The City did not assume ownership of the Successor Agency's assets or liabilities; rather, it elected to serve as the Agency's administrator. The Successor Agency is charged with disposing of the assets and using any revenues that would have gone to the former RDA to pay enforceable obligations. In El Cerrito's case, the non-cash assets transferred to the Successor Agency were of nominal value and the cash transferred was sufficient to meet the Successor Agency's short-term obligations.

The Dissolution Act provided a process for approving payments on the Successor Agency's enforceable obligations. Beginning with the 2016-17 fiscal year, the Successor Agency has been required to prepare an annual Recognized Obligation Payment Schedule (ROPS) covering the entire fiscal year. Each ROPS was subject to approval of an Oversight Board and the DOF. Once approved, the ROPS serves as the spending plan during that fiscal year. The County Auditor-Controller (CAC) disburses funds on January 2 and June 1 based on the approved ROPS. These funds are deposited in the Recognized Obligations Reserve Fund (RORF) and may only be used on items listed on the approved ROPS.

The most recent ROPS, covering period from July 1, 2025 to June 30, 2026, includes the final payments on the Successor Agency's enforceable obligations. The final payment was made as of September 1, 2025. As the Successor Agency has no real property remaining, and no outstanding litigation, pursuant to Health and Safety Code Section 34187(b), the Successor agency can pursue the following process to formally dissolve:

- Within 30 days of paying all enforceable obligations, disposing of all real property and resolving any outstanding litigation (the criteria listed in Health and Safety Code Section 34187(b)), submit a request to the Countywide Oversight Board (with a copy to the County Auditor-Controller).
The criteria were met as of September 1, 2025, and the Resolution attached represents the request to dissolve.
- The Countywide Oversight Board must approve the request within 30 days.
- Upon approval, the County Oversight Board must submit the request to the California Department of Finance (DOF), who must approve or deny the request within 30 days.
- Within 100 days of DOF approval, the Successor Agency must dispose of all remaining assets.

STRATEGIC PLAN CONSIDERATIONS

This action supports the [City's Strategic Plan Goal\(s\)](#) of:

- *High Performing Organization* by conserving city resources to achieve long-term sustainability, which includes ensuring policies, procedures, and systems represent best practices in financial management.

ENVIRONMENTAL CONSIDERATIONS

Pursuant to the California Environmental Quality Act (CEQA), based upon a review of the evidence and information presented on the matter as it relates to the dissolution of the Successor Agency, the Successor Agency's governing board has determined that approval of this Resolution will not result in a direct or indirect physical change in the environment, per CEQA Guideline Section 15378 (b)(5) of the and is exempt under Section 15061 (b)(3).

FINANCIAL CONSIDERATIONS

The Successor Agency will no longer receive an administrative budget from former tax increment to pay the costs of preparing the annual ROPS, administering the enforceable obligations and other reporting requirement of the Dissolution Law, but upon dissolution of the Successor Agency these functions will no longer be required.

LEGAL CONSIDERATIONS

City Staff worked with legal counsel who specializes in the area of Redevelopment, and counsel has reviewed and verified that the actions requested are consistent with all legal requirements.

Reviewed by:

A handwritten signature in black ink, appearing to read 'Alexandra Orologas', written over a faint circular stamp.

Alexandra Orologas, Assistant City Manager

Attachments:

1. Resolution