

# City of Cotati

Sonoma County, California



**NOTICE OF SPECIAL JOINT MEETING OF THE CITY COUNCIL AND THE BOARD  
OF DIRECTORS OF THE COTATI COMMUNITY REDEVELOPMENT AGENCY  
MONDAY JANUARY 31, 2011, 7:00 PM  
City Council Chamber, City Hall, 201 W. Sierra Avenue**

NOTICE IS HEREBY GIVEN that a special joint meeting of the City Council and the Board of Directors of the Cotati Redevelopment Agency of the City of Cotati will be held on Monday January 31, 2011 at 7:00 p.m. in the City Council Chamber at Cotati City Hall, which is located at 201 West Sierra Avenue, Cotati, California. The agenda of the meeting is:

**1. 7:00 PM CALL TO ORDER**

**PUBLIC COMMENT**

Pursuant to California Government Code section 54954.3(a), members of the public wishing to address the Council may do so at the beginning of the special meeting, and such comments shall be limited to the special meeting topic(s).

**2. STUDY SESSION - CAPITAL IMPROVEMENT PROGRAM**

The City Council/Board of Directors will discuss the City's Capital Improvement Program (CIP), including the Rancho Adobe Fire District's request for funding. The City Council may provide staff direction.

**3. ADOPTION OF RESOLUTIONS AUTHORIZING A COOPERATIVE AGREEMENT TO PLEDGE COTATI COMMUNITY REDEVELOPMENT AGENCY FUNDS IN SUPPORT OF SPECIFIED PUBLICLY OWNED IMPROVEMENTS, STAFFING AND ADMINISTRATIVE EXPENSES AND AFFORDABLE HOUSING PROGRAMS AND ADOPTING FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445**

It is recommended that the Council / Board adopt resolutions authorizing a Cooperative Agreement to pledge Cotati Community Redevelopment Agency funds in support of specified publicly-owned improvements, staffing and administrative expenses and affordable housing programs and adopting findings pursuant to Health and Safety Code Section 33445

**4. CLOSED SESSION**

**CONFERENCE WITH LABOR NEGOTIATORS (Pursuant to Government Code Section 54957.6)**

Agency designated representatives: Dianne Thompson, Jone Hayes

Employee Organizations: Cotati Employees Association, Cotati Police Officers Association, Cotati Police Management Association.

Unrepresented employee(s): Director of Administrative Services, Director of Public Works/City Engineer, Director of Community Development, Community Development Manager, Deputy City Clerk, Police Chief

**5. REPORT OUT OF CLOSED SESSION**

Certification of Posting of the Notice: I declare under penalty of perjury that I am employed by the City of Cotati and that I posted this notice on the bulletin boards of City Hall, Veterans' Memorial Building and the U.S. Post Office on or before Friday January 28, 2011.

/s/ Tamara Taylor, Deputy City Clerk



## Proposed CIP Project List

January 27, 2011

**RECEIVED**  
JAN 27 2011  
CITY OF COTATI  
CITY MANAGER/CITY CLERK

### Water CIP

1. P-1: Portal Street, Mercantile, Aaron Main Replacement
2. P-2: West Cotati Avenue Main Replacement
3. P-3: Cypress Tank Water New Main
4. P-4: Water Road Water Main Replacement
5. P-5: Sycamore Lane Water Main Replacement
6. P-6: Amber Lane Water Main Replacement
7. P-7: Oak Circle Water Main Replacement
8. P-8: Unnamed Road off West School Street Water Main Replacement
9. P-9: Unnamed Road at Maple/West Cotati Avenue Water Main Replacement
10. P-10 (Future): Blogdett Street Extension
11. P-11 (Future): Helman Lane Extension
12. P-12 (Future): Ford Lane Interconnector
13. P-13 (Future): Gilman Ranch Road Extension
14. P-14 (Future): West School Street Main Extension
15. T-1: New Cypress Storage Tank
16. T-2: West Sierra Storage Tank No. 2
17. BP-1: Cypress Tank Booster Pumps
18. W-4: Water Supply Well No. 4
19. Well 1A and 3 Filter Replacement
20. Well 1A Root Repair
21. West Sierra Tank Recoating
22. Groundwater Banking Feasibility Study
23. Groundwater Banking Pilot Study
24. Groundwater Banking Implementation
25. Chlorine Generator
26. AMR System Upgrade
27. La Salle 6-inch Turbo Meter Installation
28. Kotate Park LID Garden
29. Lancaster Drive Water Line Improvements
30. Alternative Energy Generation Project
31. SCADA System Migration
32. Distribution System Monitoring
33. West Sierra Tank Inspection
34. Well Inspections - All Production Wells
35. Recycled Water System Set-aside
36. Water Conservation Funding
37. AMR Meter Upgrade
38. Regular Meter Replacement/Upgrade
39. Utility Base Maps / GIS / Electronic File Conversion
40. Water Master Plan Update/UWMP
41. Engineering Standards Revision
42. City Hall Phone System
43. General Plan Update

### **Recycled Water CIP**

1. Thomas Page School Recycled Water System
2. Sunflower Park Recycled Water System

### **Sanitary Sewer CIP**

1. P-1: Old Redwood Highway Parallel Interceptor (Phase 2)
2. P-2: Old Redwood Highway Parallel Interceptor (Phase 1)
3. P-3: W. Sierra / Olof Street Main Replacement
4. P-4: W. Sierra Main Replacement - W. School to Cypress
5. P-5: W. Sierra Main Replacement - Cypress to Juniper
6. P-6: Lincoln Avenue Main Replacement - La Salle to Lakewood
7. P-7: William Street Main Replacement
8. P-8: St. Joseph Way Main Replacement
9. Inflow & Infiltration Study
10. Sanitary Sewer Monitoring Stations (5 ea)
11. Pump Station Motor Retrofits
12. Replace Sewer Main under US 101
13. Sewer Line Relocation (Rancho Kotate Shopping Center)
14. Park Avenue Sewer Main Relocations
15. Sunflower/East Cotati Rehabilitation
16. Alternative Energy Generation Project
17. SCADA System Migration
18. Manhole / Lateral Repair & Improvements
19. Utility Base Maps / GIS / Electronic File Conversion
20. Sanitary Sewer Master Plan Update
21. Engineering Standards Revision
22. City Hall Phone System
23. General Plan Update

### **Parks CIP**

1. Park Playground Equipment Replacement
2. Replace Putnam Bleachers
3. Replace Putnam Backstop
4. Restore Laguna Trail
5. West Cotati Preserve / Flood Mitigation
6. Putnam Dog Park Bioswale
7. Putnam Drainage Channel Hydromodification
8. Putnam Detention Basin

### **Street CIP**

1. Roadway/Curb Striping
2. Preventative Road Maintenance, Constant PCI Year 1
3. Preventative Road Maintenance, Constant PCI Year 2
4. Preventative Road Maintenance, Constant PCI Year 3
5. Preventative Road Maintenance, Constant PCI Year 4
6. Preventative Road Maintenance, Constant PCI Year 5
7. West School Street Pedestrian Linkages Project
8. City Directional/Wayfinding Program
9. Myrtle Avenue Bicycle & Pedestrian Improvements
10. City-Wide Bicycle Parking Program
11. US 101 Crossing at Laguna de Santa Rosa
12. Crossing Upgrade at Laguna de Santa Rosa / Commerce

13. MS4 Phase 2 Compliance Activities
14. Cotati Creek at Water Road
15. Hydromodification of Apple Valley Park-n-Ride
16. Locust Avenue
17. School Street 1
18. Maple Avenue
19. Gravenstein Highway at Alder Avenue
20. Gravenstein Highway
21. School Street 2
22. East Cotati Avenue 1
23. East Cotati Avenue 2
24. Commerce Avenue
25. Pedestrian Improvements - Charles/ECA to Henry/ORH
26. Bicycle Improvements - ECA/Lancaster, ECA/La Salle
27. Create Exclusive Pedestrian Phase at Intersections
28. Signalize ORH / St. Joseph Way Intersection
29. Signalize East Cotati Avenue / La Salle Intersection
30. Signalize ORH / George Street Intersection
31. Speed Monitors
32. Lancaster/Adrian Signal Intertie

#### **Building CIP**

1. City Hall Interim Roof Repair
2. City Hall Roof Replacement
3. City Hall Seismic Retrofit
4. City Hall Fire Sprinklers
5. Community Center Improvements
6. Corp Yard Storage Building
7. Solar Installations (150 kw)
8. Corporation Yard Lighting
9. City Hall Lighting
10. Computer Power Management Software
11. Refrigerator Replacement
12. Community Center Lighting
13. City Hall Heat Pump Upgrade
14. Police Station Lighting
15. City Hall Phone System

#### **Redevelopment Agency CIP**

1. ORH Rehabilitation Project
2. Commerce Avenue
3. Lancaster Rehabilitation
4. East Cotati Avenue (RR Tracks to City Limit)
5. Preventative Road Maintenance, Constant PCI Year 1
6. Preventative Road Maintenance, Constant PCI Year 2
7. Preventative Road Maintenance, Constant PCI Year 3
8. Preventative Road Maintenance, Constant PCI Year 4
9. Preventative Road Maintenance, Constant PCI Year 5
10. La Plaza Park Conversion
11. Cotati Transit Center (Intermodal Facility)
12. East Cotati Avenue Beautification
13. Sunflower Park Tennis Court Repair

14. Sunflower Park Restroom Refurbish
15. Repair Chief Cotati Totems (La Plaza Park)
16. Replace Marquee
17. City Hall Phone System
18. City Gateway Project

**Park In-Lieu CIP**

1. Falletti Ranch Improvements

**Grants CIP**

1. Redwood Drive Reconstruction
2. Commerce Avenue Overlay
3. ORH Overlay Project
4. ORH Rehabilitation Project
5. Preventative Road Maintenance, Constant PCI 1
6. Preventative Road Maintenance, Constant PCI 2
7. Preventative Road Maintenance, Constant PCI 3
8. Preventative Road Maintenance, Constant PCI 4
9. Preventative Road Maintenance, Constant PCI 5
10. Cotati Transit Center (Intermodal Facility)
11. ADA curb/sidewalk Upgrade Program
12. Energy Efficient Street Light Project
13. Cotati Creek at Water Road
14. ADA Improvements for City Hall Mens Bathroom
15. ADA Improvements for Community Center Restrooms
16. East School Street Tunnel Entry Improvements
17. Gravenstein Highway Beautification (Redwood to Alder)

## MEMORANDUM

**To:** To the Redevelopment Agency Board of Directors  
**From:** Damien O'Bid, City Engineer/Director of Public Works  
Marsha Sue Lustig, Assistant to the City Manager/Acting Community  
Development Director  
**Date:** January 31, 2010  
**Subject:** **Consideration of Rancho Adobe Fire District Funding Request**

The Rancho Adobe Fire District (RAFD) has requested that the Cotati Community Redevelopment Agency (Agency) fund façade improvements to Station #1, located at the intersection of East Cotati Avenue and Old Redwood Highway. The scope of the proposed project includes removing the existing cedar boards and replacing them with a cement fiberboard product requiring less maintenance, stucco and rot repair, additional trim detail and the repainting of the entire building exterior. The RAFD estimates the costs of the improvements from \$30,000 - \$100,000.

For the Agency to fund any project, it must first make a series of affirmative findings regarding the proposed project, as prescribed in the California Health and Safety Code (H&S). Other relevant factors to be considered by the Agency include available funding and relative priority of the funding request against other current Agency priorities. If these conditions are met, the Agency has the discretion to fund or not fund the work.

### **Blight Definitions**

These definitions are from H&S Section 33031, and mirrored in the City of Cotati Five Year Implementation Plan. They are used within that document to identify Agency projects that qualify for improvements within the Redevelopment Area.

Physical 1: Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

Physical 2: Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design, or construction given the present general plan, zoning, or other development standards.

Physical 3: Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.

Physical 4: The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

Economic 1: Depreciated or stagnant property values.

Economic 2: Impaired property values, due in significant part to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 of the Redevelopment Law (commencing with Section 33459).

Economic 3: Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.

Economic 4: A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, banks and other lending institutions.

Economic 5: Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, “overcrowding” means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.

Economic 6: An excess of bars, liquor stores, or adult-oriented business that has resulted in significant public health, safety, or welfare problems.

Economic 7: A high crime rate that constitutes a serious threat to the public safety and welfare. Public Infrastructure Section 33030(c) of the Law also states that a blighted area may be one that contains inadequate public improvements or inadequate water or sewer utilities when other blighting conditions are present.

## **Analysis**

To consider this request, the Agency Board must first be able to make the following findings:

**1. Is the proposed work a maintenance project?**

The proposed work appears to be a maintenance project, but this is unclear. The Agency would have to make the finding the project is not a “maintenance project”. H&S Section 33445(b)(3) prohibits payment for “normal maintenance or operations of buildings, facilities, structures, or other improvements that are publicly owned.” Replacement of siding and repainting would appear to be maintenance and does not seem to qualify as “reconstruction”, which is allowed.

**2. Does the request eliminate blight [H&S 33445(a)(1)]?**

The condition does not appear to meet the physical or economic definitions of blight, as defined in H&S Section 33031, mirrored in adopted Cotati Redevelopment Agency Five Year Implementation Plan, and provided above.

**3. Are there any other reasonable means of financing or implementing the requested improvements [H&S 33445(a)(2)]?**

Based on the information provided, it is unclear if RAFD has resources available within its budget, or if RAFD is able to perform the work with donations, volunteer labor, or grants.

**4. Is this request consistent with the Agency's Five-Year Implementation Plan [H&S 33445(a)(3)]?**

If the Agency Board finds in the affirmative for 2 and 3 above, then it could be consistent with the Five Year Implementation Plan.

**5. If the proposed work were to meet the statutory requirements (1-4 above), does the Agency find the proposed work a high priority?**

The current Agency priorities will require more funding than is available over the next 5 years. Therefore, to fund the requested work, the Agency Board would need to redirect \$30,000-\$100,000 and make a commensurate reduction in scope or deferral of another Agency project.

### **Conclusion**

As described above, the Agency must make a series of findings to consider Agency funding for the proposed work. However, it appears that the proposed work would not qualify based on the following:

- Based on available information, the proposed work appears to largely or entirely constitute a maintenance project; and
- The proposed work does not appear to meet the physical or economic definitions of blight; and
- No evidence has been provided that there are other reasonable means of financing or accomplishing the proposed work.

The Agency projects an ongoing funding shortfall based on currently established funding priorities. The Agency would need to conclude that the proposed work is a high priority project and funding should be redirected from other current funding priorities.

### **Financial Considerations**

If the Agency Board includes this request within the CIP, funds would be directed from the Redevelopment Agency Tax Increment Fund in the amount of \$30,000 - \$100,000 as determined by the Board.

Attachment:

1. Report from Rancho Adobe Fire District Chief Treanor date-stamped November 1, 2010.



A REPORT FROM CHIEF TREASURER

RECEIVED  
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USE OF COTATI REDEVELOPMENT FUNDS FOR THE COTATI FIRE STATION  
CITY OF COTATI  
CITY MANAGER  
CLERK

At the Council meeting of September 22, 2010, I was asked to submit a report concerning the use of redevelopment funds for capital improvements at the Cotati firehouse.

The Council and the attorney present asked for the Fire District to provide information on 3 requirements so that the Council can decide on providing funding for the project.

**Item #1 Is the installation or construction of benefit to the Project Area by helping to eliminate blight within the Project Area?**

The project is located in Redevelopment area #10 and in or adjacent to the park which will be extended when the Downtown Specific Plan is implemented.

The station currently has cedar siding bands around the structure and despite repeated attempts to seal and stabilize this siding, the siding continues to warp, break and peel. This allows the effects of weather to damage the structure and causes the building to have an unsightly blighted appearance.

The structure will need to be painted and since the color change will be an integral part of the downtown development it is also a part of the capital improvement project.

The siding aspect of the project will remove and replace this weathered siding with a cement fiber siding that comes prefinished and once installed will not need additional maintenance and will maintain its shape and protect the building. This type of siding properly installed has become somewhat of the industry standard of durability and low maintenance.

The blighted appearance of the building will be eliminated by these capital improvements and the building will become an example of what is envisioned when the Downtown Specific Plan is implemented.

**Item #2 Is there no other reasonable means of financing the installation or construction available to the community?**

The Rancho Adobe Fire Protection District is mandated by Redevelopment law to pay into redevelopment tax increment funds amounting to about \$140,000 dollars per fiscal year out of the revenues the District receives. The District receives no benefit from this

## A REPORT FROM CHIEF TREANOR

mandated payment. Further the District is facing a projected 5.9% decrease in property tax revenue due to the lowering of property values. This results in the District having \$161,000 less revenue to keep the District operating and has created a budget deficit during the current fiscal year. This deficit must be addressed to maintain the minimum staffing for the safety of the community.

The District Directors have passed the attached Resolution R-4 2010/2011 which substantiates the above deficit and also that a search for a grant was made with no positive results.

Therefore, there are no other sources of funding for the capital improvements available.

### **Item #3 Is the payment of redevelopment funds for the work consistent with the Redevelopment Agency's adopted Implementation Plan?**

There are several references in the 5 year Implementation plan that support the use of Redevelopment funds for capital improvement projects.

The five year plan states:

- To improve the visual image of the City and specifically, the Project Area, by reinforcing existing assets and by expanding the potential of the Project Area. (Goals, Item 2, Page 8)
- On Page 9, Agency Redevelopment Objectives, Item F, states, " Upgrade the physical appearance of the Project Area."
- On page 10, under Blight Definitions and section Physical 1, "Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect....."
- On page 13, Capital Improvement Projects states, " The Agency anticipates providing financial assistance with capital improvement projects; after the City and the Agency have made the appropriate findings for use of redevelopment funds for public infrastructure and facilities projects. Activities will involve the construction and installation of public improvements to upgrade the existing aged and/or construction of streets, utilities, **public buildings**, and facilities..." Further " The Agency may also assist in the funding of new and **rehabilitated public facilities** within the Project Area."
- On Page 15, Section F Five Year Financial Plan, paragraph 2 states: "The funds will be spent on activities to alleviate blighting conditions including

## A REPORT FROM CHIEF TREANOR

public infrastructures and facilities, economic development activities, and community beautification and visual blight removal projects.”

Further the original Redevelopment Plan adopted in 1986 gives more insight into using these funds for public buildings.

The plan provides a general provision requiring the Redevelopment Agency to attempt to coordinate the plan with the activities of public bodies in order to accomplish the purposes of redevelopment and to promote the public health and safety. Moreover, the plan specifically states in Part IV that redevelopment may include the “alteration, improvement, modernization, reconstruction, or rehabilitation or any combination of these, of existing structures in the project area.” Furthermore, Part V.G.3 specifies that any existing structure within the project area that is approved for rehabilitation shall be repaired, altered, reconstructed or rehabilitated in such a manner that the structure will be safe and sound in all physical respects, and attractive in appearance and not detrimental to the surrounding area.

### **The scope of work**

The scope of work of this capital improvement project is as follows:

- Remove cedar siding from the building and replace this siding with a prefinished cement and fiber man made siding, such as Certainteed or Hardie Plank
- Check structural members in the area of the siding for rot or mold and replace as needed
- Repair of stucco (approx. 2' by 2') at the front east soffit.
- Apply coat of finish to the remainder of the structure, adapting the color to one compatible with the color scheme in the Downtown Specific Plan.

No formal bidding procedure using prevailing wage formulas has been implemented at this time. Estimates have been received from contractors to be used merely as a guideline to what the project may cost. These estimates reveal that the cost of the project may be in the area of \$50,000 dollars.

### **Attachments**

- Attachment A: Resolution R4 2010/2011
- Attachment B,C,D &E: Photos of the siding to be replaced

# A REPORT FROM CHIEF TREANOR

## Conclusion

The rehabilitation of the Cotati Fire Station using Redevelopment Agency funds is a reasonable, legal, and a responsible fit into the Redevelopment program.

There are no other sources of funding available and the Fire District is forced by law to put \$140,000 per year into Redevelopment funds.

There are many references in the Implementation Plan and the original Redevelopment Plan of 1986 that pertain to the use of RDA funds to accomplish the removal of blight in the redevelopment area.

This project will be a vision to the community of good things to come to the downtown area of the City of Cotati.

Respectfully submitted,

A handwritten signature in cursive script that reads "Frank Treanor".

Frank Treanor  
Rancho Adobe Fire Chief of District

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO ADOBE FIRE PROTECTION DISTRICT OF SONOMA COUNTY, STATE OF CALIFORNIA, TO SEEK REDEVELOPMENT FUNDS FROM THE CITY OF COTATI TO FUND CAPITAL IMPROVEMENTS

WHEREAS, the Rancho Adobe Fire Protection District, hereafter "the District", is attempting to fund capital improvements to fire station #1 in redevelopment area #10, in the City of Cotati; and

WHEREAS, these capital improvements will remove blight, ensure the safety of the public and the firefighters, improve the integrity of the structure and beautify the core area of the City of Cotati in keeping with the Downtown Specific Plan; and

WHEREAS, the District is facing a 5.9% reduction in property tax funds, resulting in a decrease in revenues of \$161,000; and

WHEREAS, the District has searched for other sources of funding and has discovered none to cover the project; and

WHEREAS, the District does not have a Capital Improvement Fund.

NOW, THEREFORE, BE IT RESOLVED THAT no other reasonable means is available in the form of grants or a capital improvement fund, and that the District is facing a deficit in its projected revenue, therefore the District must petition the City of Cotati Redevelopment Agency for the use of Redevelopment Funds for these capital improvements.

The foregoing resolution was introduced by Director Griffith who moved its adoption, and seconded by Director Dunne, and adopted on a roll call vote by the following vote:

Director Proteau absent Director Caruana aye
Director Hemmendinger aye Director Griffith aye
Director Rippin absent Director Reinhold aye
Director Dunne aye

AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 2

WHEREUPON, the Chair declared the foregoing resolution adopted, and SO ORDERED.

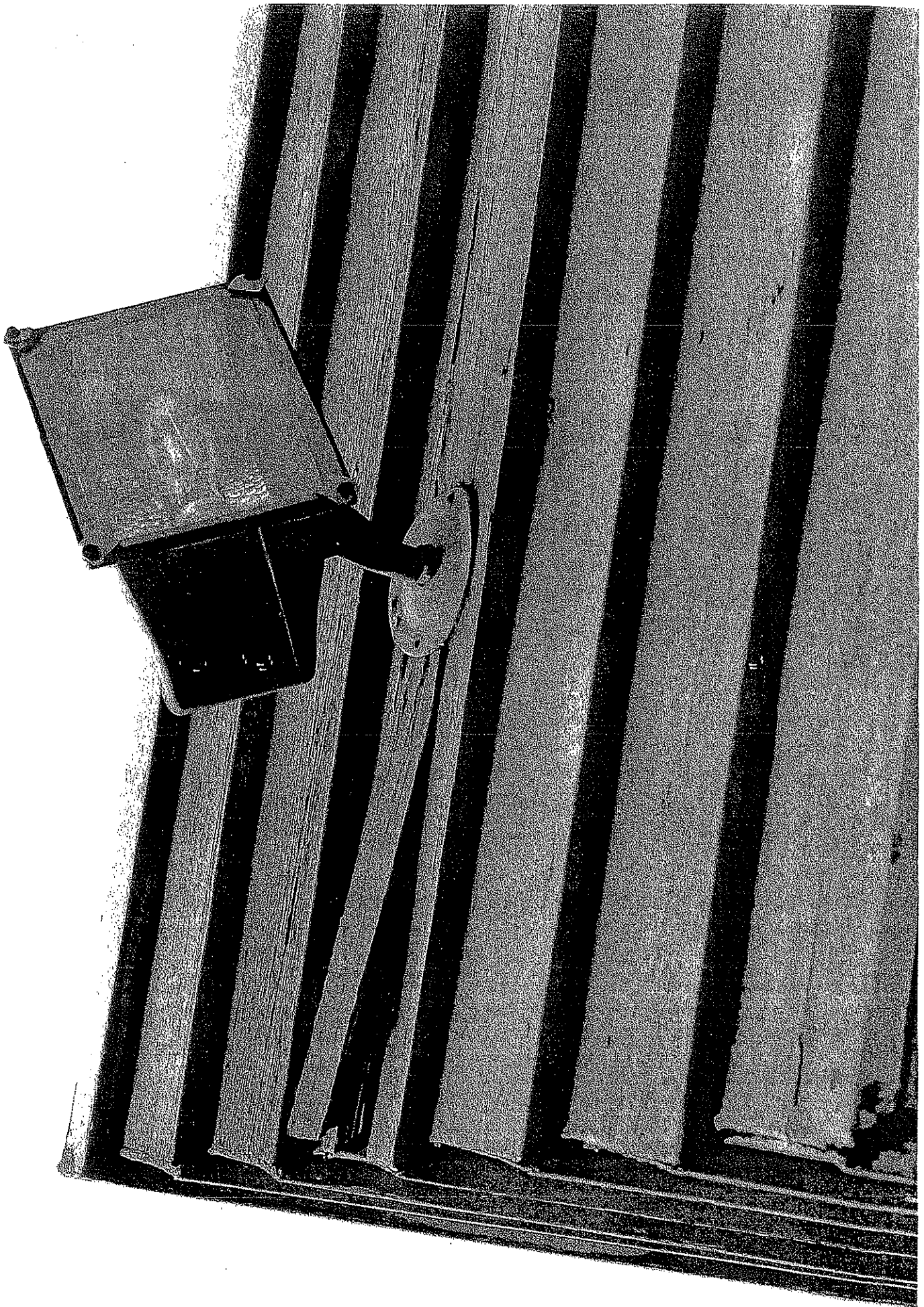
CC [Signature]
CHAIR

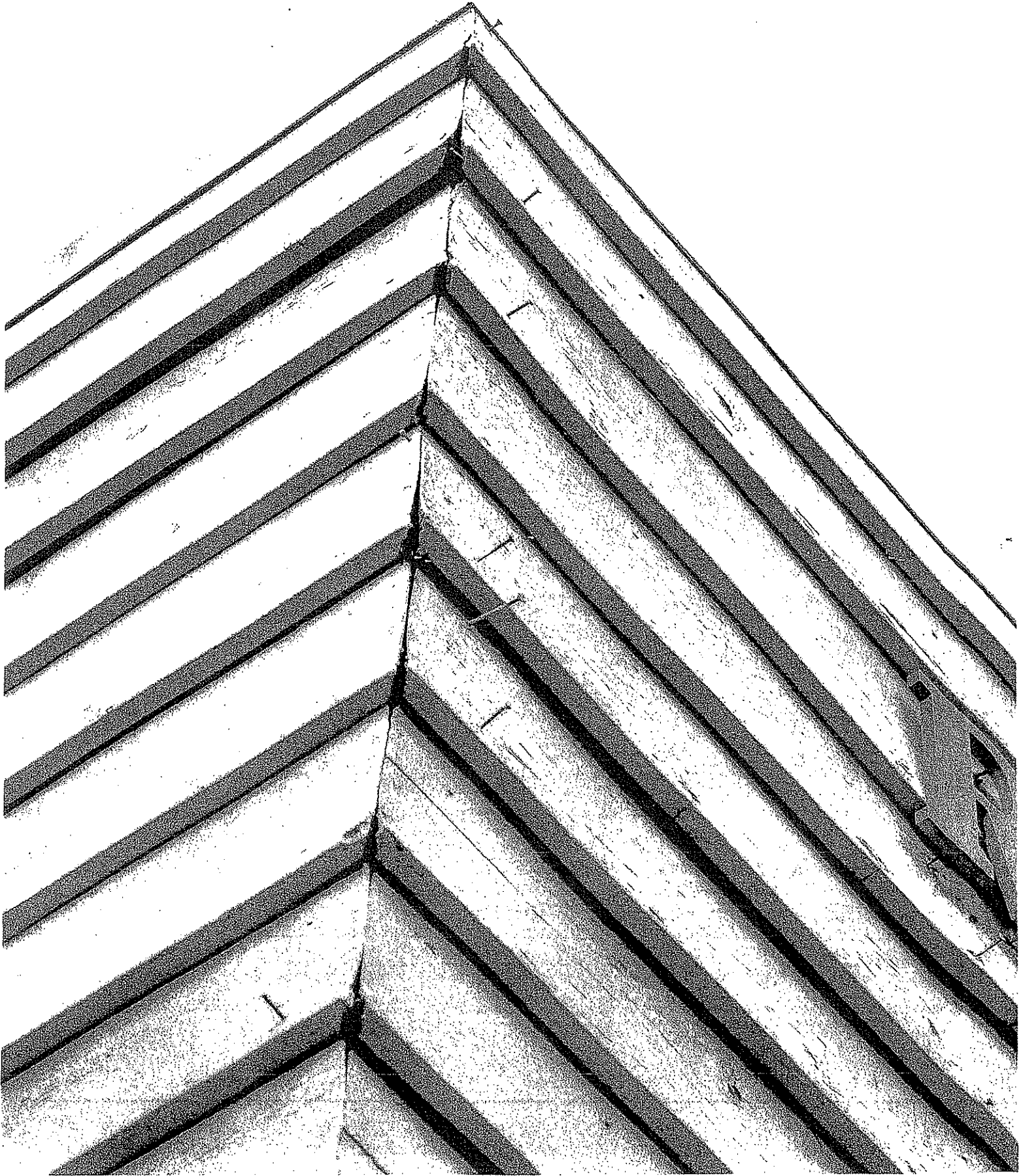
Attest: [Signature]
Clerk of the Board

LANCASHIRE DISTRICT

Cotati Station







## **Joint Meeting of City Council and Redevelopment Agency Board of Directors Agenda**

**Subject:** Adoption of Resolutions Authorizing a Cooperative Agreement to Pledge Cotati Community Redevelopment Agency Funds in Support of Specified Publicly Owned Improvements, Staffing and Administrative Expenses and Affordable Housing Programs and Adopting Findings Pursuant to Health and Safety Code Section 33445.

**Date:** January 31, 2011

**Written By:** Jone Hayes, Administrative Services Director  
Damien O’Bid, Public Works Director / City Engineer  
Marsha Sue Lustig, Acting Community Development Director

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### **RECOMMENDATION**

It is recommended that the Council / Board adopt resolutions authorizing a Cooperative Agreement to pledge Cotati Community Redevelopment Agency funds in support of specified publicly-owned improvements, staffing and administrative expenses and affordable housing programs and adopting findings pursuant to Health and Safety Code Section 33445

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### **Background**

The Governor’s recent proposed State budget calls for eliminating redevelopment agencies by July 1, 2011. Following announcement of the Governor’s proposed budget, the California Legislative Analyst’s Office recommended that the Legislature adopt urgency legislation prohibiting redevelopment agencies from incurring additional debt and/or entering into new contractual agreements that committed agency funds. Staff has determined that it would be beneficial to both the City and the Redevelopment Agency to enter into a Cooperative Agreement (“Agreement”) to commit Agency funds while they are available to affordable housing, and certain specified publicly-owned improvements that will benefit the Redevelopment Project Area. Agency staff has been working on a number of projects over the past several years that have not yet gone out to bid for construction. Two of these projects (listed in Exhibit “A” to the Cooperative Agreement) have gone through or are currently going through environmental review, preliminary planning and/or have been contracted for actual design work. The intent of the Agreement is to pledge Agency funds to critical, ongoing Agency projects so that they are not disrupted by ill-advised actions by the State of California.

Pursuant to California Health & Safety Code §33445, the Agency may, with the consent of the City, pay for all or a portion of the cost of the land for, and the cost of construction of, any building, facility, structure, or other improvements that are publicly owned and located within or contiguous to the Project Area if the City Council finds that:

- (1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing to persons of low- or moderate-income;
- (2) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and
- (3) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the Agency's Five-Year Implementation Plan adopted pursuant to Health & Safety Code §33490.

### **Analysis/Discussion**

Attached to this staff report is a draft Cooperative Agreement, including a listing of potential property acquisitions and public improvements, an Agency resolution authorizing the expenditure of tax increment funds for the specified property acquisition, public improvements and programs, and execution of the Agreement with the City, and a City Council resolution authorizing execution of the Agreement and consenting to the expenditures. The purpose of the proposed Agreement (and the associated resolutions) is to contractually bind the Agency to fund and support identified projects and programs that are listed in the Agreement in order to protect project funds from being taken by the State so that the projects can be completed.

The proposed property acquisitions and public improvements specified in the Agreement will assist in eliminating blight in the Project Area by, among other things, spurring additional private investment in the Project Area by improving existing infrastructure and streetscapes and by improving pedestrian and bicycle access to the Project Area, which increases access to the Project Area businesses. Staff has reviewed City any potential outside funding sources and determined that no other reasonable means of financing the public improvements are available to the City. The public improvements are further described in the Agency's current Five-Year Implementation Plan.

It is uncertain what legislation, if any, the State legislature will ultimately adopt regarding California redevelopment agencies and whether agreements such as the one attached hereto will be sufficient to preserve tax increment funding for the Agency's projects and programs. However, the Agreement offers a potentially viable basis under current law

for asserting that the tax increment funds allocated for the public improvements and programs specified in the attached documents are legally committed.

The Agreement is not intended to limit in any manner the discretion of City or the Agency in connection with the issuance of approvals and entitlements for any of the projects described in the Agreement, including the undertaking and completion of any required environmental review pursuant to CEQA or the review and/or approval of any plans and specifications related to the projects described in the Agreement. The Agreement simply provides a government funding mechanism for the described projects and it requires the completion of environmental review prior to the commencement of any public improvement listed in the Agreement.

### **Financial Considerations**

The fiscal impact of adopting the proposed resolutions is unknown because of the uncertainty of future action by the State legislature and Governor. If the Agreement is approved, the Council and Agency can subsequently adopt priorities for allocating available Agency funds to the list of proposed projects. Staff can then make a more precise assessment of fiscal impacts. At this time, it is proposed that funding to carry out the contractual obligations will be from existing Agency bond proceeds and tax increment revenues.

#### Attachments:

1. Cooperative Agreement
2. Resolution - City
3. Resolution – Agency



**COOPERATIVE AGREEMENT BETWEEN THE  
COTATI COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF COTATI**

This Cooperative Agreement (this “**Agreement**”) is a funding agreement, and is entered into effective as of January 31, 2011 (“**Effective Date**”) by and between the Cotati Community Redevelopment Agency, a public body corporate and politic (“**Agency**”) and the City of Cotati, a municipal corporation (“**City**”). The Agency and the City are hereinafter collectively referred to as the “**Parties.**”

**RECITALS**

**WHEREAS**, Pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (“**CRL**”), the Agency has responsibility to implement the redevelopment plan for the Cotati Redevelopment Project (the “**Project Area**”) established by the Redevelopment Plan adopted for the Project Area pursuant to Ordinance No. 461, adopted on December 30, 1986 (as subsequently amended, hereafter the “**Redevelopment Plan**”).

**WHEREAS**, pursuant to Section 33220 of the CRL, any public body is authorized to enter into an agreement with the Agency for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the jurisdiction in which such public body is authorized to act, upon the terms and with or without consideration as such public body determines.

**WHEREAS**, pursuant to Section 33126(b) of the CRL, the Agency may enter into a contract with any other public agency pursuant to which such public agency furnishes necessary staff services associated with or required by redevelopment.

**WHEREAS**, pursuant to Section 33445 of the CRL, the Agency may, with the consent of the City, pay for all or a portion of the cost of the land for, and the cost of construction of, any building, facility, structure, or other improvements that are publicly owned and located within or contiguous to the Project Area if the City Council determines all of the following:

- (1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing to low- or moderate-income persons;
- (2) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and
- (3) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to CRL Section 33490.

**WHEREAS**, on the basis of the information and evidence presented to the City Council and the governing board of the Redevelopment Agency and provided in the staff report and other materials accompanying the resolutions approving this Agreement, the City Council and the Redevelopment

Agency Board have adopted the findings described in above with respect to the public improvements to be funded by the Agency pursuant to this Agreement.

**WHEREAS**, in accordance with the Redevelopment Plan and the CRL, the Agency has undertaken a program to redevelop blighted areas in the City and the Agency has established a low and moderate income housing fund to be used for the purposes of increasing, improving and preserving the City's supply of affordable housing.

**WHEREAS**, in carrying out the Redevelopment Plan, the Agency is utilizing the staff and other resources of the City. The City Manager of the City serves as Executive Director of the Agency and the staff of the City Manager's Office, Administrative Services, Public Works, Community Development, and other Departments of the City devote substantial time in gathering information relating to the Redevelopment Plan and the Project Area, conferring with developers and potential developers of land within the Project Area, conferring with public officials of other governmental agencies regarding the redevelopment of the Project Area and undertaking planning and administrative activities in connection with the production, improvement and preservation of affordable housing.

**WHEREAS**, the Parties desire to enter into this Agreement to set forth activities, services, and facilities that the City will undertake or make available to the Agency (collectively referred to as "**Projects**") in furtherance of the redevelopment of the Project Area, and to provide that the Agency will pay for or reimburse the City for actions undertaken and costs and expenses incurred for and on behalf of the Agency or otherwise in furtherance of the redevelopment of the Project Area.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions and promises herein contained, the Parties hereby agree as follows.

1. Term. The term of this Agreement shall commence on the Effective Date, and shall continue in effect until the expiration date of the Redevelopment Plan, as amended. Notwithstanding the foregoing, the Parties agree that if and to the extent any payment obligation incurred by the Agency pursuant to this Agreement may extend beyond the term during which the Agency is authorized to undertake activities pursuant to state law, such obligations shall be paid from any resources available to Agency or to any successor agency or entity (subject to Section 7 below), including without limitation, tax increment revenue available to the Agency or any successor pursuant to Article XVI, Section 16 of the California Constitution and CRL Section 33670, the proceeds of bonds or other indebtedness heretofore or hereafter issued by the Agency (subject to applicable limitations imposed by federal law and the applicable bond indenture and related documents), reserve funds (to the extent not otherwise legally obligated), lease revenues, interest, and proceeds from the sale of land or other assets.

2. Agency to Pay for Public Improvements. The Agency agrees to pay to the City the amounts set forth in Exhibit A for the cost of construction of the public improvements therein identified and in accordance with the schedule set forth therein.

3. Agency to Provide Funds for Low and Moderate-Income Housing. The Agency agrees to pay to the City the amounts set forth in Exhibit B in accordance with the schedule set forth therein for the purpose of increasing, improving and preserving the supply of low- and moderate-income housing within the City.

4. City to Provide Services. In support of the redevelopment of the Project Area the City agrees to provide the staffing and other services described in the attached Exhibit C. Agency agrees to pay City for the cost of such staffing and other services in the amounts and in accordance with the amounts described as amended from time to time.

5. Indebtedness. The obligations of the Agency to make payment to City pursuant to this Agreement shall constitute an indebtedness of the Agency within the meaning of Article XVI, Section 16 of the California Constitution and CRL Section 33670, and shall be payable from tax increment paid to the Agency pursuant to Article XVI, Section 16 of the California Constitution and CRL Section 33670 or from any other source legally available to the Agency for such payment, and shall constitute an indebtedness of the Agency until paid in full. The Agency shall include its obligations to the City under this Agreement as indebtedness on the Agency's statement of indebtedness filed with the County Auditor pursuant to CRL Section 33675.

6. Subordination. The obligations of the Agency to make payments to City pursuant to this Agreement shall be subordinate to any obligation of the Agency to pay debt service on bonds heretofore or hereafter issued by the Agency and to pay any other contractual indebtedness of the Agency incurred prior to the date of this Agreement.

7. Project Approvals; Environmental Review. This Agreement is not intended to limit in any manner the discretion of City or the agency, as applicable, in connection with the issuance of approvals and entitlements for the projects described in this Agreement, including without limitation, the undertaking and completion of any required environmental review pursuant to CEQA and NEPA, as applicable, and the review and approval of plans and specifications. Prior to approving any of the projects described herein, the City acting as lead agency or co-lead agency, shall complete any environmental review required under CEQA or NEPA.

8. Public Hearing and Summary Report. With regard to the Intermodal Facility identified in Exhibit A attached hereto, City agrees to: (i) publish notice of a public hearing regarding such project for at least two successive weeks in a newspaper of general circulation in the community, setting forth the time and place of a public hearing before the City Council and informing the public of the availability of a summary report estimating the amount of tax increment to be used, the factual bases for the CRL Section 33445 findings referenced herein and the redevelopment purpose; and (ii) conduct such hearing.

9. Severability. If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

10. No Third-Party Beneficiaries; Assignments. Nothing in this Agreement is intended to create any third-party beneficiaries to the Agreement, and no person or entity other than the Agency and the City, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

11. Further Assurances. Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of the transactions contemplated by this Agreement.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

14. Amendments. This Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed by the Parties.

15. Recitals. The Recitals set forth above are hereby incorporated into this Agreement as though fully set herein.

16. Exhibits. Exhibits A through C attached hereto are hereby incorporated into this Agreement by reference.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**CITY OF COTATI, a municipal corporation**

By: \_\_\_\_\_  
Janet Orchard, Mayor

ATTEST: \_\_\_\_\_  
Tami Taylor, Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney

**COTATI COMMUNITY REDEVELOPMENT AGENCY,  
a public body, corporate and politic**

By: \_\_\_\_\_  
Dianne Thompson, Executive Director

ATTEST: \_\_\_\_\_  
Agency Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Agency Counsel

## **EXHIBIT A**

### **PROJECTS TO BE FUNDED BY COTATI COMMUNITY REDEVELOPMENT AGENCY UNDER COOPERATIVE AGREEMENT**

The Agency is planning to implement, fund and or undertake the following Public Infrastructure projects as part of the Public Facilities and Infrastructure Improvement Program identified in the adopted City of Cotati Five-Year Implementation Plan. This program is for improvements to public facilities and infrastructure located within or contiguous to the City of Cotati Redevelopment Project Area. These projects are for the purpose of eliminating and preventing the spread of blight and deterioration in the Project Area. This program will help to alleviate blighting conditions in the Project Area by increasing building activity, improving circulation within and access to the Project Area, and fostering private investment and development in the Project Area. These projects are consistent with the Five-Year Implementation Plan and are identified in the City of Cotati Capital Improvement Program.

The following improvements are specifically listed in the Agency's Implementation Plan adopted on - December 2, 2009. They have been in process over the past 10 years, and are expected to complete construction in 2012.

Staff has reviewed the City's budget and has determined that no General Fund or other City resources are available without jeopardizing public safety and other vital community services. Staff has also explored the availability of grants, financing and additional sources of outside funding, and has determined that no other additional funding is available for these projects.

The Public Facilities and Infrastructure Improvements consist of the following public facilities and infrastructure projects:

<b>Old Redwood Highway Rehabilitation Project</b>	<b>\$ 2,900,000</b>
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This project includes improvements to Old Redwood Highway from La Plaza to Highway 116 to begin implementation of the vision of the Downtown Cotati Specific Plan. The Sonoma County Transportation Authority (SCTA) Board of Directors authorized a \$1.1M grant for the City of Cotati to revitalize the downtown Old Redwood Highway corridor between Highway 116 and La Plaza. The remainder of the funding (\$1.5M), including required matching funds, is expected to come from the Agency. The funding is provided through a grant from the Transportation for Livable Communities (TLC) program, which will be used to fund the construction of wider sidewalks that include bulb-outs, planting and other decorative features, decorative street lighting, pedestrian facilities, bicycle facilities, a tree-lined boulevard, and an enhanced City gateway. Design is currently underway and will be complete in 2011, with construction commencing in 2012.

<b>Intermodal Facility (Cotati Depot) Project</b>	<b>\$600,000</b>
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The Agency intends to utilize up to \$600,000 from proceeds of the sale of real property for design and a portion of the cost of constructing the Cotati Depot on Agency-owned property. Final design is expected to occur in 2011 and construction is scheduled for 2012. Additional funding will be provided from a Metropolitan Transportation Commission (MTC) \$1.516M construction grant to the City of Cotati to construct the Intermodal Facility, which constitutes the balance of the project funding. The intermodal facility is the City's planned SMART station, and is a cooperative project between SCT,

SMART and the City of Cotati. The City's portion of the project includes the construction of the 1,600 square foot depot building and plaza area. This portion of the Cotati Depot will assist the Agency in completing the Intermodal Facility, which in total consists of signals, crosswalks, sidewalks, bus turn outs, seating, park and ride, the Depot building and plaza.

**EXHIBIT B**

**PROGRAMS AND PROJECTS TO BE FUNDED BY AGENCY  
LOW-MOD HOUSING FUNDS**

**Low and Moderate Income Housing Grant/Loan Program** **\$4,400,000**

This program provides predevelopment grants and low-interest loans to qualified non-profit developers of affordable housing, for use in development of affordable dwelling units and related infrastructure in accordance with the Agency's 2010-2014 Five Year Implementation Plan. Loans may be used for construction, land acquisition, or permanent financing of affordable housing units both for rent and for sale.

## **EXHIBIT C**

### **Staffing and Administrative Expenses**

In accordance with the Agency Adopted Budgets, Agency administration costs delivered by the City Manager's Office, Public Works, Administrative Services, Community Development, and Engineering staff, attorneys, consultants for plan checking, permit issuance, project management, construction management, environmental review, survey, financial accounting, project reporting and additional operational expenses as defined in the annual budget. Annual amount of \$627,326 based on the average of the last five years.

### **Affordable Housing Staffing and Administrative Expenses**

In accordance with the Agency Adopted Budgets, Agency administration costs delivered by the City Manager's Office, Public Works, Administrative Services, Community Development, and Engineering staff, attorneys, consultants for plan checking, permit issuance, project management, construction management, environmental review, survey, financial accounting, project reporting and additional operational expenses as defined in the annual budget. Annual amount of \$333,099 based on the average of the last five years.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF COTATI CONSENTING TO THE EXPENDITURE OF TAX  
INCREMENT FUNDS FOR SPECIFIED PUBLIC IMPROVEMENTS AND  
REDEVELOPMENT ACTIVITIES, ADOPTING FINDINGS REQUIRED BY HEALTH  
AND SAFETY CODE SECTION 33445, AND AUTHORIZING THE EXECUTION OF A  
COOPERATIVE AGREEMENT**

**WHEREAS**, the Cotati Community Redevelopment Agency (the “Agency”) is a redevelopment agency formed, existing and exercising its powers pursuant to California Community Redevelopment Law, Health and Safety Code Section 33000 et seq. (“CRL”);

**WHEREAS**, the City Council (the “Council”) of the City of Cotati (the “City”) has adopted and amended, from time to time, the Redevelopment Plan for the Cotati Redevelopment Project Area (the “Project Area”); and

**WHEREAS**, in keeping with the goals of the Agency to eliminate blight in the Project Area in accordance with the Redevelopment Plan and Agency’s current Implementation Plan (“Implementation Plan”), the City and Agency have been working cooperatively regarding the development of certain public improvements in the Project Area; and

**WHEREAS**, the City and Agency have determined that it would be mutually beneficial to enter into a Cooperative Agreement (the “Agreement”) a copy of which is on file with the City Clerk and Agency Secretary, pursuant to which the Agency would agree to pay for certain public improvements and other activities to be undertaken by the City in the furtherance of the redevelopment of the Project Area; and

**WHEREAS**, pursuant to Section 33445 of the CRL, the Agency may, with the consent of the City, pay for all or a portion of the cost of the land for, and the cost of construction of, any building, facility, structure, or other improvements that are publicly owned and located within or contiguous to the Project Area if the Council finds that:

- (1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for persons of low- or moderate income;
- (2) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and
- 3) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the Implementation Plan adopted pursuant to CRL Section 33490.

**WHEREAS**, the environmental effects of the Old Redwood Highway Rehabilitation Project described in Exhibit A to the Agreement and incorporated herein by reference were also evaluated in the EIR for the Downtown Specific Plan, SCH #2006032072, for which an EIR was certified on August 26, 2009, and require no further environmental review, because no substantial

changes are proposed for said project and no substantial changes have occurred in the circumstances under which said project is being undertaken since the EIR was approved, and there is no new information which was not known and could not have been known relating to this Project at the time the EIR was approved. A copy of the EIR is available at <http://ci.cotati.ca.us/sections/departments/plan-updates.cfm> and also at the City of Cotati, Planning Department, 201 West Sierra Avenue, Cotati, CA; and

**WHEREAS**, the environmental effects of the Intermodal Facility, described in Exhibit A to the Agreement were evaluated in the EIR for the Santero Way Specific Plan, SCH #1999062129, for which an EIR was certified on July 12, 2000. The Facility was also studied at a program level in the EIR certified by the Sonoma-Marín Rail Transit Commission, SCH #2002112033, prior to issuance by SMART of a Notice of Determination on August 25, 2009. The EIR was later supplemented regarding change to the location of an operations building and change in location of a Santa Rosa station from Jennings Avenue to Guerneville Road in Santa Rosa, which did not affect the certified EIR as to the Cotati Intermodal Facility. The project requires no further environmental review because no substantial changes are proposed for said project and no substantial changes have occurred in the circumstances under which said project is being undertaken since the EIR was adopted, and there is no new information which was not known and could not have been known relating to said project at the time the EIR was adopted. A copy of the Santero Way EIR is available at the City of Cotati, Planning Department, 201 West Sierra Avenue, Cotati, CA. The SMART EIR/SEIR is available at <http://www.sonomamarintrain.org/index.php/docs/eir>.

**WHEREAS**, the action approved by this Resolution, entering into a cooperative funding agreement for payment of costs associated with future activities, including the Housing Programs described in Exhibit B attached to the Agreement and incorporated herein by reference and the Staffing and Administrative Expenses described in Exhibit C attached to the Agreement and incorporated herein by reference, has no potential for physical effects on the environment and does not approve individual entitlements for any of the activities or projects described herein, and this action is therefore exempt from review pursuant to the California Environmental Quality Act (CEQA)

**WHEREAS**, the Staff Report accompanying this Resolution, the Redevelopment Plan, the Five-Year Implementation Plan, and the proposed Agreement, including the Exhibits attached thereto, provide additional information upon which the findings and actions set forth in this Resolution are based; and

**WHEREAS**, the expenditure of tax increment funds for the projects and programs identified in the Agreement will be of benefit to the Project Area by facilitating the elimination of blight and the development of affordable housing; and

**WHEREAS**, the improvements to be funded pursuant to the Agreement are provided for in the Redevelopment Plan, and the expenditure of tax increment funds for such improvements is consistent with the Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490, in that they will further the goals and objectives of the Redevelopment Plan, improve the appearance of the Project Area, eliminate blight, improve access to Project Area businesses, support economic development, and support the development of affordable housing; and

**WHEREAS**, the activities and improvements proposed to be funded pursuant to the Agreement will not generate cash flow to the City or Agency, and therefore cannot support debt service; the City has no unrestricted general fund revenue available for such purposes without a reduction in vital community services; and the City does not have and cannot reasonably obtain revenue available for such purposes, and therefore no other reasonable means of financing the Project exists.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF COTATI AS FOLLOWS:**

**Section 1.** Pursuant to CRL Section 33445, the City Council of the City of Cotati finds that: (i) the expenditure of tax increment funds for the projects and programs identified in the Agreement will be of primary benefit to the Project Area by helping to eliminate blighting conditions within the Project Area and/or facilitating the development of low and moderate-income housing; (ii) no other reasonable means of financing such projects and programs is reasonably available; and (iii) completion of such projects is provided for and consistent with the Implementation Plan adopted in connection therewith.

**Section 2.** The City Council of the City of Cotati consents to the expenditure of tax increment funds in the amounts and for the purposes specified in the Agreement.

**Section 3.** The City Council of the City of Cotati authorizes the Mayor of the City of Cotati to execute the Cooperative Agreement on behalf of the City substantially in the form on file with the City Clerk and authorizes the City Manager or her designee to undertake such actions and to execute such additional instruments as may be necessary or desirable in order to carry out the intent of this Resolution.

**Section 4.** If any provision, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts.

**IT IS HEREBY CERTIFIED** that the foregoing Resolution was duly introduced and legally adopted by the City Council of the City of Cotati at a meeting held on the 31<sup>st</sup> day of January, 2011 by the following vote, to wit:

ORCHARD	
HARVEY	
COLEMAN-SENGHOR	
GILARDI	
LANDMAN	

APPROVED: \_\_\_\_\_  
Janet Orchard, Mayor

ATTEST: \_\_\_\_\_  
Tamara Taylor, Deputy City Clerk

**RESOLUTION NO. CRA-\_\_\_\_\_**

**A RESOLUTION OF THE COTATI COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE USE OF TAX INCREMENT FUNDS FOR SPECIFIED PUBLIC IMPROVEMENTS AND REDEVELOPMENT ACTIVITIES, ADOPTING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445, AND AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT**

**WHEREAS**, the Cotati Community Redevelopment Agency (the “Agency”) is a redevelopment agency formed, existing and exercising its powers pursuant to California Community Redevelopment Law, Health and Safety Code Section 33000 et seq. (“CRL”);

**WHEREAS**, the City Council (the “Council”) of the City of Cotati (the “City”) has adopted and amended, from time to time, the Redevelopment Plan for the Cotati Redevelopment Project Area (the “Project Area”); and

**WHEREAS**, in keeping with the goals of the Agency to eliminate blight in the Project Area in accordance with the Redevelopment Plan and Agency’s current Implementation Plan (“Implementation Plan”), the City and Agency have been working cooperatively regarding the development of certain public improvements in the Project Area; and

**WHEREAS**, the City and Agency have determined that it would be mutually beneficial to enter into a Cooperative Agreement Regarding Capital Improvement Projects (the “Agreement”) a copy of which is on file with the City Clerk and Agency Secretary, pursuant to which the Agency would agree to pay for certain public improvements and other activities to be undertaken by the City in the furtherance of the redevelopment of the Project Area; and

**WHEREAS**, pursuant to Section 33445 of the CRL, the Agency may, with the consent of the Council, pay for all or a portion of the cost of the land for, and the cost of construction of, any building, facility, structure, or other improvements that are publicly owned and located within or contiguous to the Project Area if the Council finds that:

- (1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing to low- or moderate-income persons;
- (2) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and
- (3) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the Implementation Plan adopted pursuant to CRL Section 33490.

**WHEREAS**, the environmental effects of the Old Redwood Highway Rehabilitation Project described in Exhibit A to the Agreement and incorporated herein by reference were also evaluated in the EIR for the Downtown Specific Plan, SCH #2006032072, for which an EIR was certified on August 26, 2009, and require no further environmental review, because no substantial changes are proposed for said project and no substantial changes have occurred in the circumstances under

which said project is being undertaken since the EIR was approved, and there is no new information which was not known and could not have been known relating to this Project at the time the EIR was approved. A copy of the EIR is available at <http://ci.cotati.ca.us/sections/departments/plan-updates.cfm> and also at the City of Cotati, Planning Department, 201 West Sierra Avenue, Cotati, CA; and

**WHEREAS**, the environmental effects of the Intermodal Facility, described in Exhibit A to the Agreement were evaluated in the EIR for the Santero Way Specific Plan, SCH #1999062129, for which an EIR was certified on July 12, 2000. The Facility was also studied at a program level in the EIR certified by the Sonoma-Marin Rail Transit Commission, SCH #2002112033, prior to issuance by SMART of a Notice of Determination on August 25, 2009. The EIR was later supplemented regarding change to the location of an operations building and change in location of a Santa Rosa station from Jennings Avenue to Guerneville Road in Santa Rosa, which did not affect the certified EIR as to the Cotati Intermodal Facility. The project requires no further environmental review because no substantial changes are proposed for said project and no substantial changes have occurred in the circumstances under which said project is being undertaken since the EIR was adopted, and there is no new information which was not known and could not have been known relating to said project at the time the EIR was adopted. A copy of the Santero Way EIR is available at the City of Cotati, Planning Department, 201 West Sierra Avenue, Cotati, CA. The SMART EIR/SEIR is available at <http://www.sonomamarintrain.org/index.php/docs/eir>.

**WHEREAS**, the action approved by this Resolution, entering into a cooperative funding agreement for payment of costs associated with future activities, including the Housing Programs described in Exhibit B attached to the Agreement and incorporated herein by reference the Staffing and Administrative Expenses described in Exhibit C attached to the Agreement and incorporated herein by reference, and, has no potential for physical effects on the environment and does not approve individual entitlements for any of the activities or projects described herein, and this action is therefore exempt from review pursuant to the California Environmental Quality Act (CEQA), 14 California Code of Regulations (CEQA Guidelines) Section 15061(b)(3); and

**WHEREAS**, the Staff Report accompanying this Resolution, the Redevelopment Plan, the Implementation Plan, and the proposed Agreement, including the Exhibits thereto, provide additional information upon which the findings and actions set forth in this Resolution are based; and

**WHEREAS**, the expenditure of tax increment funds for the projects identified in the Agreement will be of benefit to the Project Area by facilitating the elimination of blight and the development of affordable housing; and

**WHEREAS**, the improvements to be funded pursuant to the Agreement are provided for in the Redevelopment Plan, and the expenditure of tax increment funds for such improvements is consistent with the Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490, in that they will further the goals and objectives of the Redevelopment Plan, improve the appearance of the Project Area, eliminate blight, improve access to Project Area businesses, support economic development, and support the development of affordable housing; and

**WHEREAS**, the activities and improvements proposed to be funded pursuant to the Agreement will not generate cash flow to the City or Agency, and therefore cannot support debt service; the City has no unrestricted general fund revenue available for such purposes without a reduction in vital community services; and the City does not have and cannot reasonably obtain revenue available for such purposes, and therefore no other reasonable means of financing the Project exists.

**NOW, THEREFORE, BE IT RESOLVED BY THE COTATI COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:**

**Section 1.** Pursuant to CRL Section 33445, the City of Cotati Redevelopment Agency finds that: (i) the expenditure of tax increment funds for the projects and programs identified in the Agreement will be of benefit to the Project Area by helping to eliminate blight within the Project Area and/or providing housing to low- or moderate-income persons; (ii) no other reasonable means of financing such projects and programs is reasonably available; and (iii) completion of such projects is provided for and consistent with the Implementation Plan adopted in connection therewith.

**Section 2.** The Agency's expenditure of tax increment funds in the amounts and for the purposes specified in the Agreement is approved.

**Section 3.** The Executive Director of the Cotati Community Redevelopment Agency is hereby authorized to execute the Cooperative Agreement on behalf of the Agency substantially in the form on file with the Agency Secretary and to undertake such actions and to execute such additional instruments as may be necessary or desirable in order to carry out the intent of this Resolution, including without limitation, the listing of the Agency's obligations set forth in the Agreement on the statement of indebtedness to be filed with the County Auditor.

**Section 4.** If any provision sentence, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts.

**IT IS HEREBY CERTIFIED** that the foregoing Resolution was duly introduced and legally adopted by the City Council of the City of Cotati at a meeting held on the 31<sup>st</sup> day of January, 2011 by the following vote, to wit:

ORCHARD	
HARVEY	
COLEMAN-SENGHOR	
GILARDI	
LANDMAN	

APPROVED: \_\_\_\_\_  
Janet Orchard, Mayor

ATTEST: \_\_\_\_\_  
Tamara Taylor, Deputy City Clerk