

RESOLUTION NO. _____

**RESOLUTION OF THE NAPA COUNTY BOARD OF SUPERVISORS,
STATE OF CALIFORNIA, AUTHORIZING THE AUDITOR
CONTROLLER TO DISSEMINATE THE PROPERTY TAXES IN
ACCORDANCE WITH THE NAPA SUCCESSOR AGENCY BACKFILL
PAYMENT AGREEMENT**

WHEREAS, redevelopment agencies (“RDAs”) were created in 1945 to address blighted areas within cities and counties. Pursuant to the California Community Redevelopment Law (Health & Safety Code section 33000 *et seq.*) assessed valuation growth within redevelopment areas was shifted away from taxing agencies, including cities, counties, schools, and special districts, and to RDAs to pay indebtedness incurred by the RDAs. In 1993, AB 1290 established statutory pass-through payments to return some of the shifted assessed valuation growth back to the affected taxing entities; and

WHEREAS, in 2011, AB 1X26 (“**Dissolution Act**”) put an immediate freeze on the authority of the RDAs, called for their dissolution and outlined the process of how RDAs would be wound down. Pursuant to the Dissolution Act, all California redevelopment agencies, including the Napa Community Redevelopment Agency, were dissolved and successor agencies were created to wind down the business and fiscal affairs of the former RDAs, along with oversight boards charged with overseeing the successor agencies’ work. Since February 1, 2012, the Successor Agency to the Napa Community Redevelopment Agency (“**Napa Successor Agency**”) has been winding down the affairs of the former Napa Community Redevelopment Agency; and

WHEREAS, the Dissolution Act specifies that each successor agency must be dissolved once all enforceable obligations of the RDA have been liquidated, all real property of the RDA has been disposed of, and all outstanding litigation of the RDA has been resolved; and

WHEREAS, at the January 28, 2021, meeting of the Napa Redevelopment Successor Agency Oversight Board (“**Oversight Board**”), the Oversight Board approved the final Recognized Obligations Payment Schedule (“**ROPS**”) and directed the Napa Successor Agency to conduct the final steps required to effectuate dissolution, of the Napa Successor Agency. As of the date of final ROPS, the only remaining obligation of the Napa Successor Agency was the outstanding balance on a loan from the City’s Water Fund in the amount of \$64,651. The loan’s maturity date was March 1, 2022, but the loan could be paid early thereby allowing the Napa Successor Agency to be dissolved sooner; and

WHEREAS, by dissolving the Napa Successor Agency early, local taxing agencies would ensure that they will retain the current Five Million Dollar (\$5,000,000) of growth shift to the Napa Successor Agency. If the Napa Successor Agency is not dissolved early, the \$5,000,000 of RDA distributions may be excluded from the excess Educational Revenue Augmentation Fund (“**ERAF**”) calculation and used instead to pay the State’s VLF (vehicle license fee) Swap Obligation. Early repayment of the City’s Water Fund loan and the early dissolution of the Napa Successor Agency would benefit all local taxing jurisdictions, except for the two school agencies,

NVUSD and NCOE. NVUSD and NCOE would be harmed because they would lose the facilities portion of pass-through payments for a total loss of an estimated \$1,054,943; and

WHEREAS, at the January 28, 2021, Oversight Board meeting, the Oversight Board supported a process by which the final debt of the Napa Successor Agency would be paid early, subject to City and County agreeing to make certain “backfill” payments (“**Backfill**”) to NVUSD and NCOE to compensate NVUSD and NCOE for financial impact they would suffer from early dissolution of the Napa Successor Agency. If the City and County were to agree to make NVUSD and NCOE whole by backfilling their losses, all local taxing jurisdictions, including NVUSD and NCOE, would gain a net benefit from the early dissolution of the Napa Successor Agency; and

WHEREAS, the City Water Fund debt must be paid prior to June 30, 2021, to obtain the ERAF increase. On May 26, 2021, the City Manager authorized the use of City General Fund Revenue to pay the fund a “shortfall” of \$61,116.53 (“**Shortfall Payment**”), the amount required for the Napa Successor Agency to retire the City Water Fund debt, thereby paving the way to early dissolution of the Napa Successor Agency and receipt of the increased excess ERAF; and

WHEREAS, City has requested that the County repay the County’s share of the Shortfall Payment by increasing the County’s Backfill amount from an estimated \$898,500 to \$959,998 thereby decreasing City’s Backfill amount from an estimated \$142,200 to \$94,945, with the total Backfill amount to be paid to the two school agencies remaining \$1,054,943; and

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WHEREAS, the Agreement provides for the payment by the City and the County of their proportional shares of the Backfill amount to NVUSD and NCOE as set forth.

NOW, THEREFORE, BE IT RESOLVED by the Napa County Board of Supervisors as follows:

1. Authorizes the Auditor Controller to disseminate the property taxes in accordance with the Napa Successor Agency Backfill Payment Agreement.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Napa County Board of Supervisors, State of California, at a regular meeting of the Board held on the 14th day of September, 2021, by the following vote:

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

ABSTAIN: SUPERVISORS _____

ABSENT: SUPERVISORS _____

NAPA COUNTY, a political subdivision of
the State of California

By: _____

Alfredo Pedroza, Chair of the
Board of Supervisors

APPROVED AS TO FORM Office of County Counsel By: <u>Thomas S. Capriola</u> Deputy County Counsel Date: <u>September 3, 2021</u>	APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS Date: _____ Processed By: _____ Deputy Clerk of the Board	ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors By: _____
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