

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY

AGENDA

January 12, 2017
9:00 a.m.

Third Floor, Conference Room 3001
1010 10th Street
Modesto, California

www.stancounty.com

The Oversight Board welcomes you to its meetings which are regularly scheduled the second Thursday of each month, and your interest is encouraged and appreciated.

The agenda is divided into two sections:

CONSENT CALENDAR: These matters include routine financial and administrative actions and are identified with an asterisk (*). All items on the consent calendar will be voted on as a single action at the beginning of the meeting under the section titled "Consent Calendar" without discussion. If you wish to discuss an item on the Consent Calendar, please notify the Clerk prior to the beginning of the meeting or you may speak about the item during Public Comment Period.

NON-CONSENT CALENDAR: These items will be individually discussed and reviewed in detail.

ANY MEMBER OF THE AUDIENCE DESIRING TO ADDRESS THE OVERSIGHT BOARD REGARDING A MATTER ON THE AGENDA: Please raise your hand or step to the podium at the time the item is announced by the Oversight Board Chairperson. In order that interested parties have an opportunity to speak, any person addressing the Oversight Board will be limited to a maximum of 5 minutes unless the Chairperson of the Oversight Board grants a longer period of time.

PUBLIC COMMENT PERIODS: Matters under the jurisdiction of the Oversight Board and not on the posted agenda, may be addressed by the general public at the beginning of the regular agenda and any off-agenda matters before the Oversight Board for consideration; however, California law prohibits the Oversight Board from taking any action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Oversight Board. Any member of the public wishing to address the Oversight Board during the "Citizen's Forum" period will be limited to a maximum of 5 minutes.

OVERSIGHT BOARD AGENDAS AND MINUTES: Agendas, Minutes, and copies of items to be considered by the Oversight Board are typically posted on the internet on Friday afternoons preceding the meeting at the following website: www.stancounty.com. All materials, including materials related to an item on this Agenda, submitted to the Oversight Board after distribution of the agenda packet are available for public inspection in the Planning and Community Development Department at 1010 10th Street, Suite 3400, Modesto, during normal business hours.

NOTICE REGARDING NON-ENGLISH SPEAKERS: Oversight Board meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Oversight Board Clerk at (209) 525-6330. Notification 72 hours prior to the meeting will enable the Clerk to make arrangements to ensure accessibility to this meeting.

I. **ROLL CALL:** Matthew Daly; Brad Hawn; Jenny Kenoyer; Ana San Nicolas; Terry Withrow; Duane Wolterstorff

II. **APPROVAL OF MINUTES**

*A. September 24, 2015

*B. January 20, 2016

III. CORRESPONDENCE

A. None

IV. PUBLIC COMMENT

V. AGENDA ITEMS

A. Approval of the Administrative Budget for Fiscal Year 2017-2018 (July 1, 2017 to June 30, 2018)

B. Approval of Recognized Obligation Payment Schedule (ROPS) 17-18 for July 1, 2017 to June 30, 2018

VI. OTHER MATTERS

A. On the Horizon

VII. ADJOURNMENT

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY

MINUTES

SPECIAL MEETING

SEPTEMBER 24, 2015

I. ROLL CALL: Meeting called to order at 9:01 a.m.

Present: Randall Bradley; Brad Hawn; Ana San Nicolas; Terry Withrow; Duane Wolterstorff

Absent: Dave Cogdill, Jr.; Linda Flores

Staff Present: Angela Freitas, Planning and Community Development; Thomas Boze, Assistant County Counsel; Angelica Ramos, Manager III; Brenda McCormick, Oversight Board Clerk

II. APPROVAL OF MINUTES

*A. Upon motion of Oversight Board members Duane Wolterstorff/Randall Bradley (3-0) (Terry Withrow abstained) the Board approved the minutes of the August 13, 2015 meeting.

III. CORRESPONDENCE

A. None.

IV. PUBLIC COMMENT - None

V. AGENDA ITEMS

Brad Hawn arrived at 9:03 a.m.

A. Approval of Recognized Obligation Payment Schedule for January 1, 2016 to June 30, 2016 (ROPS 15-16B). *Director Freitas presented an overview of the report to the Oversight Board. Chairman asked for public comment – No one spoke*
Brad Hawn/Randall Bradley (5-0), approved all Staff Recommendations as outlined in the Staff Report, including Resolution No. 2015-04.

VI. OTHER MATTERS (NOT PUBLIC HEARINGS)

A. Director Freitas informed the Board that staff will review SB 107 which was approved by the Governor on September 22, 2015, and provide an update at a future meeting.

VII. ADJOURNMENT

- A. The meeting was adjourned at 9:07 a.m.

Signature on file
Angela Freitas, Secretary

(The above is a summary of the minutes of the Oversight Board meeting)

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY

MINUTES

SPECIAL MEETING

JANUARY 20, 2016

I. **ROLL CALL:** Meeting called to order at 2:10 p.m.

Present: Linda Flores; Jenny Kenoyer; Ana San Nicolas; Mike Wapnowski; Duane Wolterstorff

Absent: Terry Withrow; Brad Hawn

Staff Present: Angela Freitas, Planning and Community Development; Thomas Boze, Assistant County Counsel; Angelica Ramos, Manager III; Brenda McCormick, Oversight Board Clerk

Director Freitas informed the Board members that the Chairman Terry Withrow was unable to attend and directed the Board to appoint a chairman in his absence for the January 20, 2016 meeting.

Upon motion of Oversight Board members Ana San Nicolas/Linda Flores (4-0) Duane Wolterstorff was appointed as Chairman for the January 20, 2016 meeting.

II. APPROVAL OF MINUTES

*A. Due to lack of quorum, the September 24, 2015 minutes are continued to the next regular meeting.

III. CORRESPONDENCE

A. None.

IV. PUBLIC COMMENT - None

V. AGENDA ITEMS

A. Approval of the Administrative Budget for Fiscal Year 2016-2017 (July 1, 2016 to June 30, 2017). *Director Freitas presented an overview of the report to the Oversight Board.*
Chairman asked for public comment – No one spoke
Linda Flores/Ana San Nicolas (4-0), approved all Staff Recommendations as outlined in the Staff Report, including Resolution No. 2016-01.

Jenny Kenoyer arrived at 2:15

- B. Approval of Recognized Obligation Payment Schedule (ROPS) 16-17 for July 1, 2016 to June 30, 2017. *Director Freitas presented an overview of the report to the Oversight Board.*
Chairman asked for public comment – No one spoke
Ana San Nicolas/Mike Wapnowski (5-0), approved all Staff Recommendations as outlined in the Staff Report, including Resolution No. 2016-02.
- C. Approval of the Long-Range Property Management Plan Certifying the Successor Agency to the Stanislaus County Redevelopment Agency Has No Real Property. *Director Freitas presented an overview of the report to the Oversight Board.*
Chairman asked for public comment – No one spoke
Jenny Kenoyer/Mike Wapnowski (5-0), approved all Staff Recommendations as outlined in the Staff Report, including Resolution No. 2016-03.

VI. OTHER MATTERS (NOT PUBLIC HEARINGS)

- A. On the Horizon.

Director Freitas provided an update on SB 107 regarding the Recognized Obligation Payment Schedule (ROPS).

VII. ADJOURNMENT

- A. The meeting was adjourned at 2:25 p.m.

Signature on file
Angela Freitas, Secretary

(The above is a summary of the minutes of the Oversight Board meeting)

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

STAFF REPORT

SUBJECT:

Approval of an Administrative Budget for Fiscal Year 2017-2018 (July 1, 2017 to June 30, 2018)

RECOMMENDATION:

1. Approve the Administrative Budget for Fiscal Year 2017-2018.
2. Direct the Department of Planning and Community Development to forward the approved administrative budget to the Stanislaus County Auditor-Controller as the Successor Agency's official administrative cost estimates for Fiscal Year 2016-2017.
3. Adopt the attached Draft Resolution approving the Administrative Budget for Fiscal Year 2017-2018.

DISCUSSION:

The laws governing the dissolution of redevelopment agencies (RDAs) require that a successor agency prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget must include all of the following:

1. Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.
2. Proposed sources of payment for the costs identified in item one (1) above.
3. Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

In addition, the successor agency is required to provide the County Auditor-Controller with administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund (RPTTF) for each six-month fiscal period covered by a Recognized Obligation Payment Schedule (ROPS).

The dissolution laws provide for an administrative cost allowance to provide funds for successor agencies to wind down the affairs and administer the debt repayments of the former redevelopment agency. Pursuant to Health and Safety Code (HSC) Section

34171(b), effective July 1, 2016, the administrative cost allowance will be calculated as follows:

- The administrative cost allowance shall be up to 3 percent of actual property tax distributed in the preceding fiscal year, less:
 - Prior year administrative cost allowance
 - Prior year city/county loan repayments pursuant to HSC section 34191.4(b)
- The administrative cost allowance shall not be less than \$250,000 unless the bullet below applies.
- The annual administrative cost allowance shall not exceed 50 percent of total RPTTF distributed to pay enforceable obligations in the preceding fiscal year.

Based on the above calculation, the Successor Agency's (SA) administrative cost allowance shall not be less than \$250,000.

The following is a description of the costs to be covered by the administrative cost allowance in Fiscal Year 2017-2018:

Staffing Costs: These costs reflect staff salaries and benefits for the time spent working on SA. The costs reflected in the budget are estimates based on actual costs and anticipated work tasks that need to be completed.

Staffing costs include staff time from the County's Department of Planning and Community Development and the Chief Executive Office.

Operational Costs: These costs reflect the SA's costs for services, supplies and the County's Cost Allocation Plan (CAP) charges. CAP charges include "fair share costs" covering, but not limited to, self-insured general liability, mail room, Auditor's Department, Purchasing Agents, County Counsel and fiduciary liability insurance. These costs also include Oversight Board meeting related expenses.

Legal and Professional Service Costs: These costs reflect actual costs for outside legal and professional services provided to the SA. Professional service may include, but are not limited to, bond refunding and bond arbitrage.

Proposed Administrative Budget:

The proposed administrative budgets provided below reflect the administrative costs to be listed on the ROPS as an enforceable obligation to be paid for from the administrative cost allowance.

	Fiscal Year 2017-2018
	January 12, 2017 Proposed Budget*
Staffing Costs	\$50,000.00
Operational Costs	\$100,000.00
Legal and Professional Service Costs	\$100,000.00
Total Costs	\$250,000.00

** All budget amounts per category are estimated and actual costs per category may vary provided total costs do not exceed \$250,000.*

A reconciliation of estimated versus actual costs will be submitted to the County Auditor-Controller for review and the difference will result in adjustments to the amount of property tax distributed by the County Auditor-Controller to the SA's Redevelopment Property Tax Trust Fund.

While the SA has not had a need to expend the full amount of the administrative cost allowance, the SA continues to budget for the full amount to ensure adequate funding is available to cover all costs.

ATTACHMENTS:

1. Draft Resolution No. 2017-01

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

RESOLUTION NO. 2017-01

DATE: January 12, 2017

SUBJECT: Approval of an Administrative Budget for Fiscal Year 2017-2018 (July 1, 2017 to June 30, 2018)

On the motion of _____, seconded by _____, and approved by the following vote:

Ayes:

Noes:

Absent:

Abstained:

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, on February 1, 2012, the Stanislaus County Redevelopment Agency was dissolved pursuant to the Redevelopment Agency Dissolution Act (ABx1 26), enacted by the State Legislature, and signed by the Governor, as part of the Fiscal Year 2011-12 State budget bill, and subsequently modified by the State Supreme Court; and

WHEREAS, pursuant to Section 34173 of ABx1 26, the County of Stanislaus assumed the role of the Successor Agency to the former Stanislaus County Redevelopment Agency ("Successor Agency"), and is responsible for winding down the activities of the former Redevelopment Agency; and

WHEREAS, the Successor agency must prepare an administrative budget and submit it to the Oversight Board for approval, pursuant to Section 34177 (j) of the ABx1 26; and

WHEREAS, the Oversight Board has considered the proposed Administrative Budget for Fiscal Year 2017-2018.

NOW, THEREFORE, BE IT RESOLVED that this Oversight Board:

1. Has considered the proposed Administrative Budget for Fiscal Year 2017-2018, presented at this meeting, and hereby adopts the proposed Administrative Budget in substantially the same form as attached hereto.
2. This resolution shall take effect from and after the date of its passage and adoption, January 12, 2017.

BE IT FURTHER RESOLVED that Successor Agency staff is directed to provide administrative cost estimates to be paid from property tax revenues to the County Auditor-Controller for each six month fiscal period.

ATTEST:

APPROVED AS TO FORM:

Angelica Duenas
Oversight Board Clerk

Thomas Boze
Assistant County Counsel

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

STAFF REPORT

SUBJECT:

Approval of Recognized Obligation Payment Schedule (ROPS) 17-18 for July 1, 2017 to June 30, 2018

RECOMMENDATION:

1. Approve the Recognized Obligation Payment Schedule (ROPS) 17-18 for July 1, 2017 to June 30, 2018.
2. Approve the attached Draft Resolution approving the ROPS 17-18 for July 1, 2017 to June 30, 2018.
3. Authorize the Chair of the Oversight Board to sign the ROPS 17-18 for July 1, 2017 to June 30, 2018.
4. Direct the Department of Planning and Community Development to take all actions required under law including, but not limited to, forwarding the approved ROPS to the Stanislaus County Auditor-Controller, California Department of Finance, and California State Controller's Office.

DISCUSSION:

The Redevelopment Agency Dissolution Act (the "Dissolution Act") (ABx1 26) requires that an oversight board approve the Recognized Obligation Payment Schedule (ROPS) prepared by the successor agency before it can be submitted to the Stanislaus County Auditor-Controller, California Department of Finance (Finance) and the State Controller's Office. A ROPS lists all of the enforceable obligations of the former Redevelopment Agency and, commencing on May 1, 2012, only those payments listed on the ROPS may be made by the Successor Agency (SA).

After May 1, 2012, the SA only receives a distribution of property tax funding (deposited into a Redevelopment Property Tax Trust Fund (RPTTF)) equal to the amount needed to make the payments listed on the ROPS.

With the passage of Senate Bill 107 (2015) the SA is required to submit an annual ROPS beginning on February 1, 2016 and each February 1st thereafter. The Department of Finance is required to make a determination on the ROPS no later than April 15, 2016 and each April 15th thereafter.

All of the obligations listed on the ROPS 17-18 were listed on previous ROPS approved by the Oversight Board (OB) of the SA of the Stanislaus County Redevelopment Agency (Agency). (See Attachment 1) Despite OB approval, Finance has determined that the following two agreements reflected on the ROPS are not enforceable obligations and, as such, the obligations have been denied:

- Public Works Infrastructure Agreement
- Housing Set Aside Fund – LMI Housing Fund/1991 CRLA Agreement

The ROPS's are prepared using on-line templates provided by Finance. While the templates do not delete items denied by Finance as enforceable obligations, the ROPS instructions make clear that, in accordance with the Dissolution Act, agencies and the oversight boards are not allowed to restore funding for an obligation that has been denied or reduced by Finance unless it reflects decisions made during the Meet and Confer process or pursuant to a court order.

The SA has been unsuccessful through the Meet and Confer process in getting Finance to reverse their determinations of denial.

To allow for transition to the annual ROPS, Finance has amended the ROPS forms to include removal of the "Prior Period Adjustment" form temporarily to allow for reporting of actual expenditures for a 12-month period. Current period enforceable obligations to be funded with RPTTF are reflected on the ROPS "Summary" sheet.

Upon Finance's determination, the SA has five (5) days to request additional review by Finance and an opportunity to Meet and Confer on disputed items. While the SA does not anticipate there being any disputed items, staff is prepared to request additional review and to Meet and Confer, if necessary.

ATTACHMENTS:

1. Proposed ROPS 17-18 for July 1, 2017 to June 30, 2018
2. Draft Resolution No. 2017-02

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Stanislaus County
County: Stanislaus

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 73,571	\$ -	\$ 73,571
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	73,571	-	73,571
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 946,776	\$ 473,990	\$ 1,420,766
F RPTTF	821,776	348,990	1,170,766
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 1,020,347	\$ 473,990	\$ 1,494,337

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

Stanislaus County Recognized Obligation Payment Schedule (ROPS 17-18) - Notes July 1, 2017 through June 30, 2018

Item #	Notes/Comments
9	ROPS Detail Page. Five percent (5%) of the contribution for housing under the 1991 CRLA Agreement has been determined by Department of Finance (Finance) not to be an enforceable obligation as part of the review determination process for previous ROPS. In accordance with the ROPS instructions provided by Finance, the obligation debt information has not been populated. The Successor Agency and the Oversight Board (OB) of the former Stanislaus County Redevelopment Agency continue to disagree with Finance's determination and reserve the right both to challenge Finance's determination and to establish that the full Agreement is an enforceable obligation. As reflected on the OB approved ROPS III, the obligation that DOF denied under this Agreement is approximately \$7,544,860. The total obligation under this agreement is approximately \$7 Million plus if only the 5% obligation is determined by the courts to be enforceable; it is \$50 Million plus if the full 25% obligation is determined to be enforceable.
10	ROPS Detail Page. The Public Works Infrast. Agreement has been determined by Department of Finance (Finance) not to be an enforceable obligation as part of the review determination process for previous ROPS. In accordance with the ROPS instructions provided by Finance, the obligation debt information has not been populated. The Successor Agency and the Oversight Board (OB) of the former Stanislaus County Redevelopment Agency (RDA) continue to disagree with Finance's determination and reserve the right to challenge Finance's determination and to establish that the full Agreement is an enforceable obligation. Approximately \$5.3 Million was held by the RDA to fund this Agreement, as reflected on the Non-housing Due Diligence Review (DDR) submitted to Finance on January 10, 2013. The Successor Agency and Oversight Board maintain that this cash should have been retained by the Successor Agency for purposes consistent with this Agreement. As reflected on the OB approved ROPS III, the total outstanding obligation for this Agreement is approximately \$26,596,704. Therefore, between the Non-housing DDR and the obligation set forth on the ROPS I, II, and III, the total obligation is \$32 Million.
	Lines 4 Column (F) Cash Balances Page. \$245,000 is debt service reserve required by the USDA for the Salida Storm Drain loan.

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

RESOLUTION NO. 2017-02

DATE: January 12, 2017

**SUBJECT: Approval of Recognized Obligation Payment Schedule (ROPS) 17-18 for
July 1, 2017 to June 30, 2018**

On the motion of _____, seconded by _____, and approved by the following vote:

Ayes:

Noes:

Absent:

Abstained:

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, on February 1, 2012, the Stanislaus County Redevelopment Agency was dissolved pursuant to the Redevelopment Agency Dissolution Act (ABx1 26), enacted by the State Legislature, and signed by the Governor, as part of the Fiscal Year 2011-12 State budget bill, and subsequently modified by the State Supreme Court; and

WHEREAS, pursuant to Section 34173 of ABx1 26, the County of Stanislaus assumed the role of the Successor Agency to the former Stanislaus County Redevelopment Agency ("Successor Agency"), and is responsible for winding down the activities of the former Redevelopment Agency; and

WHEREAS, the Successor Agency is required to prepare an annual Recognized Obligation Payment Schedule (ROPS) and submit it to the Oversight Board for approval; and

WHEREAS, in accordance with the ROPS instructions provided by the California Department of Finance, the obligation debt information for the 1991 CRLA Agreement and Public Works Infrastructure Agreement has not been populated; and

WHEREAS, the ROPS 17-18, for the period of July 1, 2017 to June 30, 2018, was considered by the Oversight Board at a public meeting on January 12, 2017.

NOW, THEREFORE, BE IT RESOLVED that this Oversight Board:

1. Hereby adopts the proposed ROPS 17-18 for July 1, 2017 to June 30, 2018.

2. Hereby finds that, while the obligation debt information has not been populated for the 1991 CRLA Agreement and Public Works Infrastructure Agreements based on the Department of Finance's determination and instructions, the Successor Agency and the Oversight Board of the former Stanislaus County Redevelopment Agency continue to disagree with Finance's determination and reserve the right to challenge Finance's determination and reestablish the Agreements as an enforceable obligation.
3. This resolution shall take effect from and after the date of its passage and adoption, January 12, 2017.

BE IT FURTHER RESOLVED that this Oversight Board directs Successor Agency staff to take all actions required by the Redevelopment Agency Dissolution Act (ABx1 26), and any subsequent legislation, including but not limited to, forwarding the approved ROPS to the Stanislaus County Auditor-Controller, the California Department of Finance, and the California State Controller's Office for certification and approval, and requesting the opportunity to meet and confer with the Department of Finance, if needed.

ATTEST:

APPROVED AS TO FORM:

Angelica Duenas
Oversight Board Clerk

Thomas Boze
Assistant County Counsel