

NOTICE OF SPECIAL MEETING

Pursuant to Section 54956 of the Government Code of the State of California, a Special meeting of the **Oversight Board to the Successor Agency of the City of Tracy Community Development Agency** is hereby called for:

Date/Time: **Wednesday, February 7, 2018, 1:00 p.m.**
(or as soon thereafter as possible)

Location: **City Council Chambers, City Hall**
333 Civic Center Plaza, Tracy, CA. 95376

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Oversight Board to the Successor Agency of the City of Tracy Community Development Agency on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

1. CALL TO ORDER
2. ROLL CALL
3. ITEMS FROM THE AUDIENCE - *In accordance with Procedures for Preparation, Posting and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2015-052 any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the member of the public may request a Board Member to sponsor the item for discussion at a future meeting.*
4. APPROVAL OF SEPTEMBER 19, 2017 SPECIAL MEETING MINUTES
5. FOR THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY TO APPROVE THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 18-19
6. BOARD MEMBER ITEMS
7. ADJOURNMENT

Date Posted: February 1, 2018

The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate should call City Hall (209-831-6000), at least 24 hours prior to the meeting.

Any materials distributed to the majority of the Oversight Board to the Successor Agency of the City of Tracy Community Development Agency regarding any item on this agenda will be made available for public inspection in the City Clerk's office located at 333 Civic Center Plaza, Tracy, during normal business hours.

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF TRACY
COMMUNITY DEVELOPMENT AGENCY

SPECIAL MEETING MINUTES

September 19, 2017, 3:30 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. CALL TO ORDER – Chair Sensibaugh called the meeting to order at 3:36 p.m.
2. ROLL CALL - Roll call found Board Members Anderson, Harb, Khan, Menge, Rickman and Chair Sensibaugh present. Board Member Meeker absent. Also present were Robert Harmon, Senior Accountant, and Adrienne Richardson, Recording Secretary.
3. ITEMS FROM THE AUDIENCE – None
4. APPROVAL OF MINUTES – The regular meeting minutes of February 7, 2017, and special meeting minutes of July 11, 2017 special meeting were adopted. Motion was made by Board Member Menge and seconded by Board Member Harb. Voice vote found all in favor; passed and so ordered. Board Member Meeker absent.
5. FOR THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY TO APPROVE AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 17-18B AND FIND THAT THE REVISION IS NECESSARY IN ORDER TO PAY ENFORCEABLE OBLIGATIONS - Robert Harmon, Senior Accountant, provided the staff report. Effective February 1, 2012, the State of California dissolved redevelopment agencies through the passage of Assembly Bill X1 26 and replaced them with successor agencies responsible for the wind-down of the former redevelopment agencies. The City of Tracy City Council elected to serve as the successor agency for the former City of Tracy Community Development Agency (CDA). ABX1 26 also redirected the tax increment funding previously received by the CDA to a Redevelopment Property Tax Trust Fund (RPTTF) held by the County.

The Successor Agency (Agency) previously approved an Enforceable Obligation Payment Schedule (EOPS) which listed various financial obligations of the City's former CDA including such items as required payments on existing bonds, bond trustee costs and other obligations. Among these obligations is the Supplemental Education Revenue Augmentation Fund (SERAF) loan between the Successor Agency and the City of Tracy.

A law signed by the Governor in July 2009, shifted redevelopment money to SERAF for payment to K-12 schools. Severe penalties were in place for non-payment. Since the CDA did not have the cash to make these payments, in FY09-10, they borrowed from the Low and Moderate Income Housing Fund (LMIHF) with plans to repay the loan in the following years.

In February 2012, the City elected to serve as the Housing Successor; therefore all LMIHF assets, including the outstanding SERAF loan receivable from the CDA, were transferred to the City. This loan became eligible for repayment in FY17-18 with the

approval of a repayment schedule by the California Department of Finance (DOF); however, in order to receive funding, this obligation must be listed on the ROPS and approved by both the Oversight Board and the DOF. Any funding approved is contingent upon funds being available in the RPTTF. The approved payment schedule is as follows:

FY17-18	\$ 1,054,915
FY18-19	\$ 1,054,915
FY19-20	\$ 693,690

Initial SERAF funding was included on the original ROPS 17-18 request; however it was denied by the DOF since the repayment agreement had not been approved by the DOF. HSC §34177.7 (o)(1)(E) allows the Successor Agency to submit one amendment to the ROPS where the Oversight Board makes a finding that a revision is necessary to pay Enforceable Obligations.

Board Member comments and questions followed.

Motion was made by Board Member Khan and seconded by Board Member Harb to adopt Resolution OB2017-004, a Resolution of the Oversight Board of the Successor Agency to the Tracy Community Development Agency approving an amendment to the Recognized Obligation Payment Schedule 17-18B and finding that the revision is necessary in order to pay enforceable obligations. Voice vote found Board Members Anderson, Harb, Khan, Menge, Rickman, and Chair Sensibaugh in favor; passed and so ordered. Board Member Meeker absent.

6. BOARD MEMBER ITEMS - Robert Harmon, Senior Accountant stated the Oversight Board will meet one more time in January 2018 for approval of 18/19 ROPs and that should conclude the board members service to the Oversight Board. The body will be dissolved on June 30, 2018, and will be replaced with the countywide Oversight Board. The County Auditor/Controller has scheduled a meeting to go through the process of how to do staff reports and meetings.
7. ADJOURNMENT - Motion was made by Board Member Harb and seconded by Board Member Rickman to adjourn at 3:47 p.m. Voice vote found Board Members Anderson, Harb, Khan, Menge, Rickman and Chair Sensibaugh in favor; passed and so ordered. Board Member Meeker absent.

Chair

Successor Agency Secretary

AGENDA ITEM 5

REQUEST

**FOR THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY TO APPROVE
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 18-19**

EXECUTIVE SUMMARY

The City of Tracy has elected to act as the Successor Agency for the former Community Development Agency of the City of Tracy following the dissolution of redevelopment agencies by the California State Legislature in February 2012. The attached Recognized Obligation Payment Schedule lists the Enforceable Obligations proposed for payment by the Successor Agency for the period July 1, 2018, through June 30, 2019, as required by law. The Oversight Board is required to approve certain Successor Agency actions including approval of the Recognized Obligation Payment Schedule.

DISCUSSION

Effective February 1, 2012, the State of California dissolved redevelopment agencies through the passage of Assembly Bill X1 26 and replaced them with successor agencies responsible for the wind-down of the former redevelopment agencies. The City of Tracy City Council elected to have the City of Tracy serve as the Successor Agency for the former Community Development Agency of the City of Tracy (CDA). ABX1 26 also redirected the tax increment funding previously received by the CDA to a Redevelopment Property Tax Trust Fund (RPTTF) held by the County.

The Successor Agency previously approved an Enforceable Obligation Payment Schedule (EOPS) which listed various financial obligations of the City's former CDA, including such items as required payments on existing bonds, bond trustee costs and other obligations. This EOPS, once recognized by the State, became the basis for the Recognized Obligation Payment Schedule (ROPS).

Beginning in 2016, state law requires that successor agencies adopt an annual ROPS that lists all enforceable obligations proposed for payment in the subsequent fiscal year. Funds once received by the CDA, now held in the RPTTF, are used to fund the ROPS. Any excess funds remaining in the RPTTF are then disbursed to the other taxing agencies (e.g. schools, special districts, city & county) that would have otherwise received the property taxes had the CDA not existed. Funds are disbursed on a pro-rata basis with the City of Tracy receiving approximately 17% of the remaining RPTTF. Attached is ROPS 18-19 for the period July 1, 2018 through June 30, 2019.

The table below summarizes the obligations and amounts of RPTTF requested for the ROPS period. The maximum administrative cost allowance (ACA) and associated expense is \$250,000 annually; however only actual administrative costs and expenses are reimbursable. The ACA request has been lowered to reflect the conclusion of legal proceedings and the wind-down of activities. Furthermore, all funding is subject to the availability of RPTTF funds during the ROPS period.

This ROPS also requests RPTTF funding for the initial installment of the repayment of the Supplemental Education Revenue Augmentation Fund (SERAF) loan between the Successor Agency and the City of Tracy. This repayment was previously requested on ROPS 17-18; however it was initially denied by the State Department of Finance (DOF) because the repayment agreement had not yet been approved by the DOF. The DOF has since approved the repayment agreement and now the Successor Agency may request the repayment.

Description	Maturity	18-19A	18-19B	Total
2016 Tax Allocation Bonds – Principal	2033	1,445,000		1,445,000
2016 Tax Allocation Bonds – Interest	2033	1,422,550		1,422,550
2008 Lease Revenue Bonds	2038	400,000		400,000
Debt Service Fees		2,000		2,000
SERAF Loan Repayment		1,054,915		1,054,915
Administrative Costs		75,000	75,000	150,000
Total RPTTF Request		4,399,465	75,000	4,474,465

This ROPS was approved by the Successor Agency on February 6, 2018.

RECOMMENDATION

That the Oversight Board of the Successor Agency, approve, by resolution, the Recognized Obligation Payment Schedule of the Successor Agency to the Community Development Agency of the City of Tracy for the period July 1, 2018, through June 30, 2019.

Prepared by: Robert Harmon, Senior Accountant

Reviewed by: Karin Schnaider, Finance Director
Thomas Watson, Successor Agency Counsel

Approved by: Randall Bradley, Interim Executive Director

ATTACHMENTS

Attachment A – ROPS 18-19

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: Tracy
 County: San Joaquin

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 4,399,465	\$ 75,000	\$ 4,474,465
F RPTTF	4,324,465	-	4,324,465
G Administrative RPTTF	75,000	75,000	150,000
H Current Period Enforceable Obligations (A+E):	\$ 4,399,465	\$ 75,000	\$ 4,474,465

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.

Paul Sensibaugh Chair
 Name Title
 /s/ _____
 Signature Date

ATTACHMENT A

Tracy Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	18-19A (July - December)					Q	18-19B (January - June)					W
											Fund Sources						Fund Sources					
											L	M	N	O	P		R	S	T	U	V	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19B Total
5	2008 Lease Revenue Bonds	Bonds Issued On or Before	12/16/2008	12/1/2038	City of Tracy	Agency Share of City debt thru 2038		\$ 53,555,370	N	\$ 4,474,465	\$ -	\$ -	\$ -	\$ 4,324,465	\$ 75,000	\$ 4,399,465	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
7	Successor Agency Admin Costs	Admin Costs	1/1/2013	6/30/2014	City of Tracy	Successor Agency Administration		8,000,000	N	\$ 400,000				400,000		\$ 400,000						\$ -
9	SERAF	SERAF/ERAF	1/31/2012	12/31/2012	City of Tracy Housing	SERAF		2,803,520	N	\$ 1,054,915				1,054,915		\$ 1,054,915						\$ -
10	2016 TAB Refunding Bonds	Refunding Bonds Issued After 6/27/12	1/21/2016	8/1/2033	BNY Mellon	Debt Principle Thru 2033		30,605,000	N	\$ 1,445,000				1,445,000		\$ 1,445,000						\$ -
11	2016 TAB Refunding Bonds	Refunding Bonds Issued After 6/27/12	1/21/2016	8/1/2033	BNY Mellon	Debt Interest Thru 2033		11,994,850	N	\$ 1,422,550				1,422,550		\$ 1,422,550						\$ -
12	2016 TAB Refunding Bonds	Fees	1/21/2016	8/1/2013	BNY Mellon	Payee and trustee expenses		2,000	N	\$ 2,000				2,000		\$ 2,000						\$ -
13	DOF Litigation - 3rd District Ruling	Litigation	10/12/2016	10/12/2016	City of Tracy	Ruling by 3rd District Court			Y	\$ -						\$ -						\$ -
14	Bond Spending Agreement	Bonds Issued On or Before	2/7/2016	2/7/2016	City of Tracy	Bond Spending Agreement			Y	\$ -						\$ -						\$ -
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RESOLUTION _____

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 18-19**

WHEREAS, The California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), and

WHEREAS, In January 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Tracy (the "City Council") declared that the City of Tracy, a municipal corporation (the "City"), would act as successor agency (the "Successor Agency") to the dissolved Community Development Agency of the City of Tracy (the "Former CDA") effective February 1, 2012, and

WHEREAS, On February 1, 2012, the Former CDA was dissolved pursuant to Health and Safety Code Section 34172, and

WHEREAS, The Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181, and

WHEREAS, On August 1, 2011, the Former CDA adopted its latest enforceable obligation payment schedule (the "RDA EOPS") as required pursuant to Health and Safety Code Section 34169(g), and

WHEREAS, Health and Safety Code Section 34177(l)(2)(A) requires the Successor Agency to submit an Annual Recognized Obligation Payment Schedule (the "ROPS") and make associated notifications and distributions, and

WHEREAS, The ROPS must be approved by the Oversight Board pursuant to Health and Safety Code Sections 34177(l)(2)(B) and 34177(j), and

WHEREAS, All actions taken by the Oversight Board shall be adopted by Resolution pursuant to Health and Safety Code Section 34179(e), and

WHEREAS, The Successor Agency approved the ROPS 18-19 on February 6, 2018;
NOW, THEREFORE, BE IT RESOLVED, That the Oversight Board of the Successor Agency of the Community Development Agency of the City of Tracy does hereby approve the Recognized Obligation Payment Schedule (ROPS 18-19) for the period of July 1, 2018, through June 30, 2019.

ADOPTED, February 7, 2018 by the Oversight Board of the Successor Agency to the
Community Development Agency of the City of Tracy.

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair

ATTEST:

Successor Agency Secretary