

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

REGULAR MEETING MINUTES

February 7, 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 3:30 p.m.
2. ROLL CALL - Roll call found Board Members Harb, Khan, Menge, Thomas and Chair Sensibaugh present. Board Members Rickman and Meeker absent. Also present were Robert Harmon, Senior Accountant, and Adrienne Richardson, Recording Secretary.
3. ITEMS FROM THE AUDIENCE – None
4. APPROVAL OF MINUTES – It was moved by Board Member Thomas and seconded by Board Member Khan to approve the regular meeting minutes of February 2, 2016. Voice vote found Board Members Khan, Menge, Thomas and Chair Sensibaugh in favor. Board Member Harb abstained. Board Members Rickman and Meeker absent.
5. APPROVE THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)
Robert Harmon, Senior Accountant provided the staff report. The City of Tracy has elected to act as the Successor Agency for the former City of Tracy Community Development Agency following the dissolution of redevelopment agencies by the California State Legislature in February 2012. The Successor Agency previously approved an Enforceable Obligation Payment Schedule (EOPS) which listed various financial obligations of the City's former CDA including required payments on existing bonds, bond trustee costs and other obligations. The EOPS, once recognized by the state, became the basis for the ROPS. Beginning in 2016, the law now 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 Redevelopment Property Tax Trust Fund (RPTTF), are used to cover the ROPS. Any excess funds remaining in the RPTTF are then disbursed to the other taxing agencies (e.g. schools, special districts, city and county) who 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.

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. All funding is subject to the availability of RPTTF funds during the ROPS period.

The ROPS also requests RPTTF funding for two additional obligations: (1) the recent conclusion of litigation between the Successor Agency and the Department of Finance in which the 3rd District Court of Appeals awarded the City \$911,495 in reimbursement for City charges to the Downtown Plaza redevelopment project, and (2) 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 ROPS also includes a request to transfer \$2,126,315 in unspent bond proceeds from the Successor Agency to the City of Tracy. In 2008, and prior to the dissolution of the CDA, the agency had issued Lease Revenue bonds in conjunction with the City. The CDA's share of the bonds were to be used for projects and infrastructure within the redevelopment area. With the dissolution in 2012, these funds were frozen pending further action from the state legislature. In September 2015, the legislature passed SB107 which allowed the Successor Agency to utilize unspent bonds proceeds for their original purpose. With the completion of litigation with the State Department of Finance, these proceeds are now available to the Successor Agency. Additionally, bond covenants require that these funds be used expeditiously and for projects within the redevelopment area.

The Successor Agency desires to transfer these unspent bond proceeds to the City to enable the City to use them in a manner consistent with the original bond covenants and to undertake projects that were not previously funded and obligated by the Successor Agency to advance the City's community development goals. These projects within the former redevelopment area include but are not limited to: street, curb, gutter and sidewalk, and Americans with Disabilities Act (ADA) compliance improvements, wet utilities, pedestrian and bicycle paths, public parks or other public facilities consistent with the purposes for which the bonds were issued.


This transfer will require future approval by the Oversight Board, City of Tracy, the Successor Agency, and the Department of Finance; however, since the ROPS is an annual request, this serves as a placeholder pending further action. City and Successor This ROPS was approved by the Successor Agency on January 17, 2017.

Board Member comments and questions followed.

Motion was made by Board Member Khan and seconded by Board Member Thomas to adopt Resolution OB2017-001, a Resolution of the Oversight Board of the Successor Agency to the Tracy Community Development Agency approving the Recognized Obligation Payment Schedule. Voice vote found Board Members Harb, Khan, Menge, Thomas and Chair Sensibaugh in favor; passed and so ordered. Board Members Rickman and Meeker absent.

6. ITEMS FROM THE AUDIENCE - None
7. BOARD MEMBER ITEMS – None
8. ADJOURNMENT: Motion was moved by Board Member Khan and seconded by Board Member Thomas to adjourn at 3:51 p.m. Voice vote found Board Members Harb, Khan, Menge, Thomas and Chair Sensibaugh in favor; passed and so ordered. Board Members Rickman and Meeker absent.


Successor Agency Secretary


Chair