

NOTICE OF REGULAR MEETING

Pursuant to Section 54954.2 of the Government Code of the State of California, a Regular meeting of the **Oversight Board to the Successor Agency of the City of Tracy Community Development Agency** is hereby called for:

Date/Time: **Tuesday, October 6, 2015, 3:30 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 MINUTES
5. OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)
6. STAFF UPDATES
7. ITEMS FROM THE AUDIENCE
8. ADJOURNMENT

Date Posted: September 29, 2015

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

REGULAR MEETING MINUTES

March 3, 2015, 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 3:33 p.m.
2. ROLL CALL - Roll call found Board Members Borwick, Khan and Maciel, and Chair Sensibaugh present; Board Members Miller, Puentes-Griffith and Thomas 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 Maciel and seconded by Board Member Khan to approve the regular meeting minutes of September 2, 2014. Voice vote found Board Members Borwick, Khan and Maciel, and Chair Sensibaugh in favor. Board Members Miller, Puentes-Griffith and Thomas absent.
5. OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) - 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 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 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. The EOPS, once recognized by the state, became the basis for the Recognized Obligation Payment Schedule (ROPS). The law now requires that successor agencies adopt a ROPS twice a year that lists all enforceable obligations proposed for payment in the subsequent six-month period and the Oversight Board approve the ROPS. 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 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 ROPS 15-16A was approved by resolution of the Successor Agency on February 17, 2015.

The \$1,671,231 in enforceable obligations for this six-month period, \$1,546,231 is for outstanding debt obligations and fees of the former CDA including \$637,822 for 2003 Tax Allocation Bond A payments, \$508,409 for 2003 Tax Allocation Bond B payments, and \$400,000 for 2008 Lease Revenue Bond obligation. These bond payments will continue through 2034 for the Tax Allocation Bonds and 2038 for the Lease Revenue Bonds. The maximum allowable reimbursement for administrative costs and associated expenses is \$250,000, even though actual costs may exceed that amount. Half of this amount is identified on each ROPS and will be funded with cash through the RPTTF funds. Unspent current period administrative costs are recovered by the RPTTF in future ROPS periods. In the last two ROPS approvals, the Department of Finance has denied RPTTF funding for administrative costs and instead directed that administrative costs be funded through cash available in the Successor Agency fund rather than allotting cash from the RPTTF.

Staff recommended that the Oversight Board of the Successor Agency to the City of Tracy Community Development Agency adopt a Resolution approving the Recognized Obligation Payment Schedule 15-16A of the former Tracy Community Development Agency for the period July 1, 2015, through December 31, 2015.

Chair Sensibaugh asked about the status of the pending litigation. Mr. Harmon responded the Department of Finance is requesting that the Successor Agency return approximately \$4 million. Of that \$4 million the Successor Agency has \$2.2 million in cash that would go to the County for distribution after the litigation is settled.

It was moved by Board Member Maciel and seconded by Board Member Khan to adopt Resolution OB2015-001, a Resolution of the Oversight Board of the Successor Agency of the Tracy Community Development Agency approving the Recognized Obligation Payment Schedule (ROPS) of the Tracy Community Development Agency. Voice vote found Board Members Borwick, Khan and Maciel, and Chair Sensibaugh in favor. Board Members Miller, Puentes-Griffith and Thomas absent.

6. ITEMS FROM THE AUDIENCE – None.
7. ADJOURNMENT - It was moved by Chair Sensibaugh and seconded by Board Member Maciel to adjourn at 3:44 p.m. Voice vote found Board Members Borwick, Khan and Maciel, and Chair Sensibaugh in favor. Board Members Miller, Puentes-Griffith and Thomas absent.

Chair

Successor Agency Secretary

AGENDA ITEM 5

REQUEST

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

EXECUTIVE SUMMARY

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 attached Recognized Obligation Payment Schedule lists the Enforceable Obligations proposed for payment by the Successor Agency for the period January 1, 2016, through June 30, 2016, 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 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 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). The law now requires that successor agencies adopt a ROPS twice a year that lists all enforceable obligations proposed for payment in the subsequent six-month period and the Oversight Board approve the ROPS. 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) 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. Attached is ROPS 15-16B for the period January 1, 2016, through June 30, 2016.

This action will approve Recognized Obligation Payment Schedule 15-16B; which lists the various obligations of the former CDA which require payment between January 1, 2016, through June 30, 2016. The ROPS 15-16B was approved by resolution of the Successor Agency on September 15, 2015.

In summary, of the \$2,703,231 in enforceable obligations for this six-month period, \$2,578,231 is for outstanding debt obligations and fees of the former CDA including \$1,557,822 for 2003 Tax Allocation Bond A payments, \$1,008,409 for 2003 Tax Allocation Bond B payments, and \$12,000 for debt service fees. These bond payments will continue through 2034 for the Tax Allocation Bonds. The maximum allowable reimbursement for administrative costs and associated expenses is \$250,000, even though actual costs may exceed that amount. Half of this amount is identified on each ROPS and will be funded with cash through the RPTTF funds. Unspent current period administrative costs are recovered by the RPTTF in future ROPS periods. In the last three ROPS approvals, the Department of Finance has denied RPTTF funding for administrative costs and instead directed that administrative costs be funded through cash available in the Successor Agency fund rather than allotting cash from the RPTTF.

FISCAL IMPACT

There is no fiscal impact as a result of this staff report. Recognized obligations are paid from property tax revenue that previously was allocated to the Tracy Community Development Agency.

RECOMMENDATION

It is recommended that the Oversight Board adopt the attached resolution approving the Recognized Obligation Payment Schedule of the former Tracy Community Development Agency for the period January 1, 2016, through June 30, 2016.

Prepared by: Robert Harmon, Senior Accountant

Reviewed by: V. Rachelle McQuiston, Administrative Services Director

Approved by: Troy Brown, Executive Director

ATTACHMENTS

Attachment A – ROPS 15-16B

ATTACHMENT A

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

Name of Successor Agency: Tracy
Name of County: San Joaquin

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A	Sources (B+C+D):	\$ 125,000
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	125,000
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 2,578,231
F	Non-Administrative Costs (ROPS Detail)	2,578,231
G	Administrative Costs (ROPS Detail)	-
H	Total Current Period Enforceable Obligations (A+E):	\$ 2,703,231

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	2,578,231
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(14,295)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 2,563,936

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	2,578,231
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	2,578,231

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) 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 agency.

Name	Title
/s/ _____	
Signature	Date

ATTACHMENT A

Tracy Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
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	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
1	2003 Tax Allocation Bonds A	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2034	BNY Mellon	Debt Principle Thru 2034	1	\$ 81,553,488	N	\$ -	\$ -	\$ 125,000	\$ 2,578,231	\$ -	\$ 2,703,231
2	2003 Tax Allocation Bonds A	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2034	BNY Mellon	Debt Interest Thru 2034	1	26,845,000	N				920,000		\$ 920,000
3	2003 Tax Allocation Bonds B	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2034	BNY Mellon	Debt Principle Thru 2034	1	14,277,734	N				637,822		\$ 637,822
4	2003 Tax Allocation Bonds B	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2034	BNY Mellon	Debt Principle Thru 2034	1	16,770,000	N				500,000		\$ 500,000
5	2003 Tax Allocation Bonds B	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2034	BNY Mellon	Debt Interest Thru 2034	1	11,520,234	N				508,409		\$ 508,409
6	2008 Lease Revenue Bonds	Bonds Issued On or Before 12/31/10	12/16/2008	12/1/2038	City of Tracy	Agency Share of City debt thru 2038	1	9,200,000	N				-		\$ -
7	Successor Agency Admin Costs	Admin Costs	1/1/2013	6/30/2014	City of Tracy	Successor Agency Administration	1	125,000	N			125,000			\$ 125,000
8	2003 Tax Alloc. Bonds A & B	Fees	12/1/2003	6/30/2014	BNY Mellon	Payee and trustee expenses	1	12,000	N				12,000		\$ 12,000
9	SERAF	SERAF/ERAF	1/31/2012	12/31/2012	City of Tracy Housing	SERAF		2,803,520	N						\$ -
10									N						\$ -
11									N						\$ -
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ATTACHMENT A

**Tracy Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#)

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments	
ROPS 14-15B Actuals (01/01/15 - 06/30/15)									
1	Beginning Available Cash Balance (Actual 01/01/15)	3,543,555		2,167,122			67,598		
2	Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015	18,739					2,521,782		
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q			125,000			2,459,662		
4	Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S	No entry required						1,100	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 3,562,294	\$ -	\$ 2,042,122	\$ -	\$ -	\$ 128,618		
ROPS 15-16A Estimate (07/01/15 - 12/31/15)									
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 3,562,294	\$ -	\$ 2,042,122	\$ -	\$ -	\$ 129,718		
8	Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	15,000					1,417,734		
9	Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15)			125,000			1,546,231		
10	Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 3,577,294	\$ -	\$ 1,917,122	\$ -	\$ -	\$ 1,221		

RESOLUTION _____

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE TRACY COMMUNITY DEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) OF THE TRACY COMMUNITY DEVELOPMENT AGENCY

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") for 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 prepare a draft 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 15-16B on September 15, 2015.

NOW, THEREFORE, BE IT RESOLVED, That the Oversight Board of the Successor Agency of the Tracy Community Development Agency does hereby approve the Recognized Obligation Payment Schedule (ROPS 15-16B) for the period of January 1, 2016, through June 30, 2016.

ADOPTED, October 6, 2015 by the Oversight Board of the Successor Agency of the Tracy Community Development Agency.

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair

ATTEST:

Successor Agency Secretary