

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, February 2 2016, 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 TO THE TRACY COMMUNITY DEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)
6. STAFF UPDATE ON BOND REFUNDING
7. ITEMS FROM THE AUDIENCE
8. BOARD MEMBER ITEMS
9. ADJOURNMENT

Date Posted: January 26, 2016

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

December 1, 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 3:31 p.m.
2. ROLL CALL - Roll call found Board Members Borwick, Khan, Maciel, Thomas and Chair Sensibaugh present; Board Members Miller and Puentes-Griffith absent. Also present were Andrew Malik, Development Services Director, 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 Borwick to approve the regular meeting minutes of October 6, 2015. Voice vote found Board Members Borwick, Khan, Maciel, Thomas and Chair Sensibaugh in favor. Board Members Miller and Puentes-Griffith absent.
5. ADOPT A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY APPROVING A LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5 - Robert Harmon, Senior Accountant provided the staff report and Andrew Malik, Development Services Director, provided information regarding the Park and Ride lot. State legislation implementing the dissolution of Redevelopment in California requires the disposal of all real property owned by the former Redevelopment Agency. The disposal process is to be carried out pursuant to a Long Range Property Management Plan (LRPMP) prepared by the Successor Agency and approved by the Successor Agency Oversight Board and the Department of Finance. Staff has prepared a Long Range Property Management Plan for the properties owned by the former Agency that are subject to this requirement. Staff recommends approval of the Plan.

It was moved by Board Member Maciel and seconded by Board Member Borwick to adopt Resolution OB2015-003, a Resolution of the Oversight Board of the Successor Agency to the City of Tracy Community Development Agency approving a Long-Range Property Management Plan pursuant to Health and Safety Code Section 34191.5. Voice vote found all in favor; passed and so order. Board Members Miller and Puentes-Griffith absent.
6. ADOPT A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH - 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 (CDA) following the dissolution of redevelopment

agencies by the California State Legislature in February 2012. The CDA previously issued bonds to finance redevelopment projects within the CDA project area. Because of the interest rate environment, it is possible to refinance the outstanding bonds at a rate favorable to the Successor Agency and to reduce the interest paid out of the Redevelopment Property Tax Trust Fund (RPTTF). This will in turn increase property tax distributions to all the affecting taxing agencies in the project area, including the City of Tracy. The Oversight Board is required to approve certain Successor Agency actions. A similar item will be taken up by the Successor Agency and any approval by the Oversight Board is contingent upon the Successor taking similar action.

It was moved by Board Member Maciel and seconded by Board Member Khan to adopt Resolution OB2015-004, a Resolution of the Oversight Board of the Successor Agency to the Community Development Agency approving the issuance of Refunding Bonds and making related findings and declarations and taking related actions in connection therewith. Voice vote found all in favor; passed and so order. Board Members Miller and Puentes-Griffith absent.

7. ITEMS FROM THE AUDIENCE - None
8. BOARD MEMBER ITEMS – Board Member Borwick announced his retirement from the City of Tracy at the end of the year and added a replacement for his position on the Oversight Board to the Successor Agency to the Tracy Community Development Agency will need to be found.

Robert Harmon, Senior Accountant announced the State in changing the Recognized Obligation Payment schedule (ROPs). The ROPs will be due February 1, 2016, instead of March 1, 2016.

9. ADJOURNMENT: It was moved by Board Member Maciel and seconded by Board Member Khan to adjourn at 4:30 p.m. Voice vote found Board Members Borwick, Khan, Maciel, Thomas and Chair Sensibaugh in favor. Board Members Miller and Puentes-Griffith absent.

Chair

Successor Agency Secretary

AGENDA ITEM 5

REQUEST

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

EXECUTIVE SUMMARY

The City of Tracy has elected to act as the Successor Agency to 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 July 1, 2016, through June 30, 2017, 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 to 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). Beginning in 2016, the 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) 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 16-17 for the period July 1, 2016, through June 30, 2017.

This action will approve Recognized Obligation Payment Schedule 16-17; which lists the various obligations of the former CDA which require payment between July 1, 2016 through June 30, 2017. The ROPS 16-17 is scheduled for approval by the Successor Agency on February 2, 2016. Any action taken by this board is contingent upon approval of a similar action taken by the Successor Agency.

The table below summarizes the obligations and amounts requested for the ROPS period. The maximum allowable reimbursement for administrative costs and associated expenses is \$250,000 annually; however only actual administrative costs are reimbursable.

| Description | Maturity | 16-17A | 16-17B | Total ROPS |
|---------------------------------------|----------|-----------|---------|------------|
| 2016 Tax Allocation Bonds – Principal | 2033 | 1,730,000 | | 1,730,000 |
| 2016 Tax Allocation Bonds – Interest | 2033 | 2,247,563 | | 2,247,563 |
| 2007 Bonds | 2038 | 400,000 | | 400,000 |
| Debt Service Fees | | 12,000 | | 12,000 |
| Administrative Costs | | 125,000 | 125,000 | 250,000 |
| Total Request | | 4,514,563 | 125,000 | 4,639,563 |

Finally, On December 1, 2015, both the Successor Agency and the Oversight Board authorized the refunding of the 2003 Tax Allocation Bonds. On January 21, 2016, the Successor Agency sold \$33,720,000 in refunding bonds for a total present value savings of approximately \$11.2M. The refunding payment schedule reflects the sale of these refunded bonds.

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 Successor Agency to the Tracy Community Development Agency for the period July 1, 2016, through June 30, 2017 contingent upon the Successor taking similar action.

Prepared by: Robert Harmon, Senior Accountant

Reviewed by: V. Rachele McQuiston, Administrative Services Director

Approved by: Troy Brown, Executive Director

ATTACHMENTS

Attachment A – ROPS 16-17

Attachment B – Successor Agency Resolution

RESOLUTION _____

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

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 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, later today, the Successor Agency is scheduled to consider a resolution (the "Successor Agency Resolution") approving the ROPS 16-17, a form of which Successor Agency Resolution is attached hereto as Attachment B; and

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 16-17) for the period of July 1, 2016, through June 30, 2017.

ADOPTED, February 2, 2016 by the Oversight Board of the Successor Agency to the Tracy Community Development Agency.

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair

ATTEST:

Successor Agency Secretary

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Tracy
County: San Joaquin

| Current Period Requested Funding for Enforceable Obligations (ROPS Detail) | | 16-17A Total | 16-17B Total | ROPS 16-17 Total |
|--|---|---------------------|---------------------|-------------------------|
| Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding | | | | |
| A | Sources (B+C+D): | \$ - | \$ - | \$ - |
| B | Bond Proceeds Funding | - | - | - |
| C | Reserve Balance Funding | - | - | - |
| D | Other Funding | - | - | - |
| E | Enforceable Obligations Funded with RPTTF Funding (F+G): | \$ 4,514,563 | \$ 125,000 | \$ 4,639,563 |
| F | Non-Administrative Costs | 4,389,563 | - | 4,389,563 |
| G | Administrative Costs | 125,000 | 125,000 | 250,000 |
| H | Current Period Enforceable Obligations (A+E): | \$ 4,514,563 | \$ 125,000 | \$ 4,639,563 |

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

Attachment A - ROPS 16-17

Tracy Recognized Obligation Payment Schedule (ROPS 16-17) - 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 15-16A Actuals (07/01/15 - 12/31/15) | | | | | | | | | |
| 1 | Beginning Available Cash Balance (Actual 07/01/15) | 3,562,294 | - | - | - | 1,894,718 | 320,594 | OFA-DDR: \$1,894,718 orig \$2,281,718 (less: 387,000) | |
| 2 | Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015 | 2,126,315 | - | - | - | 2,336,680 | 1,417,734 | OFA-DDR - rec'd from City: \$2,126,000 in unspent bond proceeds \$2,336,680 contested funds | |
| 3 | Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15) | - | - | - | - | 4,231,398 | 1,639,740 | OFA-DDR: \$4,231,398 disbursed to C.A.C. | |
| 4 | Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 5,688,609 | - | - | - | - | - | | |
| 5 | ROPS 15-16A RPTTF Balances Remaining | No entry required | | | | | | - | |
| 6 | Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 98,588 | | |
| ROPS 15-16B Estimate (01/01/16 - 06/30/16) | | | | | | | | | |
| 7 | Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6) | \$ 5,688,609 | \$ - | \$ - | \$ - | \$ - | \$ 98,588 | | |
| 8 | Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016 | - | - | - | - | - | 2,688,936 | | |
| 9 | Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16) | - | - | - | - | - | 2,703,231 | | |
| 10 | Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 5,688,609 | - | - | - | - | - | | |
| 11 | Ending Estimated Available Cash Balance (7 + 8 - 9 - 10) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 84,293 | | |

RESOLUTION _____

THE CITY COUNCIL OF THE CITY OF TRACY ACTING AS THE GOVERNING BOARD OF
THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE
CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE

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, On January 19, 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, 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;

NOW, THEREFORE, BE IT RESOLVED, That the City Council, acting as the Governing Board of the Successor Agency, hereby authorizes and directs the City Manager or the City Manager's designee, acting on behalf of the Successor Agency, to organize and call the meetings of the Oversight Board to facilitate the Oversight Board's approval of the ROPS.

BE IT FURTHER RESOLVED, That the City Council, acting as the Governing Board of the Successor Agency, hereby approves the ROPS 16-17 which contains the Successor Agency Administrative Cost Estimates.

BE IT FURTHER RESOLVED, That the City Council, acting as the Governing Board of the Successor Agency, hereby authorizes and directs the City Manager or the City Manager's designee, acting on behalf of the Successor Agency, to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with approval of the ROPS, and other actions taken pursuant to this Resolution.

BE IT FURTHER RESOLVED, That this Resolution shall take immediate effect upon adoption.

Attachment B - Successor Agency Resolution

Resolution _____
Page 2

ADOPTED _____, 2016 by the City Council of the City of Tracy, acting in its capacity as the Successor Agency of the Community Development Agency of the City of Tracy, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Chair

ATTEST:

Successor Agency Secretary

APPROVED AS TO FORM:

Successor Agency Counsel