

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