

NOTICE OF SPECIAL MEETING

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

Date/Time: **Wednesday, February 13, 2013, 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 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. APPROVAL OF MINUTES
4. OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)
5. ADOPTION OF A RESOLUTION APPROVING THE DUE DILIGENCE REVIEW REPORT ON NON-HOUSING FUND ASSETS HELD BY THE SUCCESSOR AGENCY
6. ITEMS FROM THE AUDIENCE
7. BOARD MEMBER ITEMS
8. ADJOURNMENT

February 11, 2013

Posted Date

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 of the Successor Agency to the City of Tracy Community Development Agency regarding any item on this agenda will be made available for public inspection in the Development and Engineering Service Department located at 333 Civic Center Plaza, Tracy, California, during normal business hours.

DRAFT

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

SPECIAL MEETING MINUTES (REVISED)

Thursday, October 4, 2012, 3:30 p.m.

City Council Chambers, 333 Civic Center Plaza

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

1. Chair Sensibaugh called the meeting to order at 3:30 p.m., and led the Pledge of Allegiance.
2. Roll call found Board Members Borwick, Khan, Miller, Thomas, and Chair Sensibaugh present.
3. The minutes of August 7, 2012, were approved as revised.
4. CONDUCT A PUBLIC COMMENT SESSION TO REVIEW THE DUE DILIGENCE REVIEW REPORT ON LOW & MODERATE INCOME HOUSING FUND ASSETS HELD BY THE HOUSING SUCCESSOR AGENCY

Zane Johnston introduced Robert Harmon, Senior Accountant, and Jenny Haruyama, Administrative Services Director.

Mr. Harmon provided a summary of the audit for the Board, explaining the process and why it was necessary.

Chair Sensibaugh asked if the initial transfer of assets to the successor agency was acceptable, or did it have to be dealt with in another way. Mr. Harmon stated that the initial asset transfer of LMIHF assets was done correctly. Mr. Harmon added that the low moderate housing fund was stagnant and that there was nothing going on during that reporting period other than loans. Mr. Harmon indicated per State guidelines, the funds were transferred from the low moderate housing fund to the Successor Agency.

Chair Sensibaugh asked what the \$18.7 million was being used for. Mr. Harmon indicated that was the total amount of loans being used which included 70 down payment assistance and/or rehabilitation loans ranging between \$3,000 and \$70,000, totaling approximately \$500,000; \$2.8 million of that amount was for a payment to the State, and the balance of \$9.0 million represented 6 loans to developers who built senior housing projects which were long term loans and no payments were expected for up to 30-50 years.

Chair Sensibaugh asked if the land that was transferred was a problem with the audit. Mr. Harmon stated the land was not dealt with in this particular report; it was specifically for housing funds.

Mr. Johnston added that the Agency was required to ascertain the assets available which was mostly cash and would be remitted to the Auditor for distribution to the taxing entities.

Mr. Thomas referred to the notes receivable asking based on staff's current understanding of the law, if the Successor Agency would remain in tact for that period of

time and would they expect to continue to receive pass through funds for that period of time. Mr. Johnston stated, yes, as the loans are repaid, those amounts would go into the redevelopment fund with the County from which they pay everything out of.

Mr. Khan referred to Attachment A and the cash balance listed on Attachment C, asking what the difference was. Mr. Harmon stated the difference was an accrual amount that the auditor wanted backed out.

Mr. Thomas referred to page 6, last item, asking if the future obligations had any bearing on pass-through payments to schools. Mr. Harmon stated yes. Mr. Johnston added that the County would be sending those pass-through payments to those agencies.

Chair Sensibaugh invited members of the audience to address the Board. There was no one wishing to address the Board on the item.

5. DISCUSS AND PROVIDE DIRECTION REGARDING THE REGULAR SCHEDULED OVERSIGHT BOARD MEETING OF NOVEMBER 6, 2012

Andrew Malik stated that the November 6, 2012, regularly scheduled Oversight Board meeting falls on the same day as the General Municipal Election and that given the importance of the election to all citizens of Tracy, staff suggests cancelling the meeting.

Since the Oversight Board will be conducting two special meetings in October, staff does not anticipate any items for consideration in the month of November.

Mr. Thomas indicated it was much easier to keep the regular meetings than trying to schedule a special meeting.

Chair Sensibaugh indicated he didn't see anything that would require a meeting in November.

It was moved by Board Member Miller and seconded by Chair Sensibaugh to cancel the November 6, 2012 meeting. Voice vote found all in favor; passed and so ordered.

6. Items from the Audience – None.

7. Board Member Items – None.

Mr. Malik indicated that at the last City Council meeting, Mayor Ives appointed Mayor Pro Mike Maciel as the Board Member and himself as the alternate.

9. Adjournment

Chair Sensibaugh adjourned the meeting at 3:50 p.m.

Chair

City Clerk

DRAFT

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

SPECIAL MEETING MINUTES

Thursday, October 11, 2012, 3:30 p.m.

City Council Chambers, 333 Civic Center Plaza

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

1. Chair Sensibaugh called the meeting to order at 3:30 p.m., and led the Pledge of Allegiance.
2. ROLL CALL – Roll call found Board Members Borwick, Miller, Anderson, and Maciel present.
3. ADOPT A RESOLUTION APPROVING THE DUE DILIGENCE REVIEW REPORT ON LOW & MODERATE INCOME HOUSING FUND ASSETS HELD BY THE HOUSING SUCCESSOR AGENCY.

Robert Harmon, Accounting Manager, indicated this report was the diligence review performed by the CPA firm that was required under AB 1484, which requires a review of the low and moderate income housing fund of the assets that were transferred to the Successor Agency on February 1, and an accounting of those assets as of June 30, 2012.

Mr. Harmon stated the second part of AB 1424 which was not being addressed today, was the second review of all the other funds other than housing funds which needs to be completed by December 15, 2012.

Mr. Harmon added that the City engaged the services of Moss, Levy, and Hartzheim, LLP, to perform the review which was completed on time and distributed to all the agencies as required by AB 1484.

Mr. Anderson asked about the \$3.4 million reported and asked if that was cash. Mr. Harmon stated yes. Mr. Anderson also asked if those were excess funds from low and moderate housing that was no longer needed. Mr. Harmon stated the only impact is that the program is over, has no debt, and therefore no cash needed for on-going business.

It was moved by Board Member Anderson and seconded by Board Member Borwick to adopt Resolution OB2012-0006 approving the Due Diligence Review Report on Low & Moderate Income Housing Fund Assets held by the Housing Successor Agency. Voice vote found all in favor; passed and so ordered.

3. Items from the Audience – None.
4. Items from the Board – None.

- 5. Adjournment – It was moved by Chair Sensibaugh and seconded by Board Member Miller to adjourn. Voice vote found all in favor; passed and so ordered.

Time: 3:38

Chair

City Clerk

AGENDA ITEM 4

REQUEST

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

DISCUSSION

Effective February 1, 2012, the State of California dissolved redevelopment agencies through the passage of ABX1 26 and replaced them with successor agencies. The City of Tracy City Council elected to serve as the successor agency for the former City of Tracy Community Development Agency (CDA). The City Council previously approved an Enforceable Obligation Payment Schedule (EOPS) which listed various financial obligations of the City's former CDA. The law now requires that successor agencies adopt a Recognized Obligation Payment Schedule (ROPS) listing all enforceable obligations proposed for payment and the Oversight Board approve the ROPS. Attached is the ROPS for the period July 1, 2013 – December 31, 2013. The attached ROPS is in conformity with recently released format requirements by the state Department of Finance.

This action will approve Recognized Obligation Payment Schedule 13-14A; which lists the various obligations of the former Tracy Community Development Agency which require payment between July 1, 2013 and December 31, 2013. This ROPS was adopted by the Successor Agency on February 5, 2013.

FISCAL IMPACT

There is no fiscal impact as a result of this staff report. Recognized obligations are paid from property tax revenue previously allocated to the City of Tracy CDA.

RECOMMENDATION

It is recommended the Oversight Board approve the Recognized Obligation Payment Schedule 13-14A adopted by the Successor Agency for the former City of Tracy Community Development Agency.

Prepared by: Robert Harmon, Senior Accountant
Reviewed by: Jenny Haruyama, Administrative Services Director
Approved by: R. Leon Churchill, Jr., City Manager

AGENDA ITEM 5

REQUEST

**ADOPTION OF A RESOLUTION APPROVING THE DUE DILIGENCE REVIEW
REPORT ON NON-HOUSING FUND ASSETS HELD BY THE SUCCESSOR AGENCY**

DISCUSSION

The state legislature adopted Assembly Bill 1484 in June 2012 to facilitate dissolution of the many redevelopment agencies across the state. One provision of AB1484 requires the Successor Agency to obtain the services of a licensed accountant in order to conduct a Due Diligence Review (DDR) of the Non-Housing Assets and Accounts held by the Successor Agency as of June 30, 2012. The purpose of which is to determine the available cash that can be transferred to other taxing entities.

The Finance department obtained the services of Moss, Levy & Hartzheim, LLP, CPA's to conduct the DDR. Moss, Levy, et.al completed the DDR in compliance with state instructions. The initial DDR was due to the state by December 15, 2012; however, due to complications with prior asset transfers and other fiscal deadlines, the report was not completed until January 29, 2013. According to the state Department of Finance, there is no penalty for submitting the report late.

The Oversight Board held the required public meeting on this matter on February 5, 2013. There were no comments from the public

FISCAL IMPACT

According to the completed DDR, \$2,281,467 in non-housing assets will need to be remitted to the County Auditor-Controller for disbursement to other taxing agencies pursuant to AB1484. These funds have been internally restricted for this purpose.

RECOMMENDATION

It is recommended that the Oversight Board of the Successor Agency adopt the attached resolution approving the due diligence review report on non-housing fund assets and accounts held by the Successor Agency.

It is further recommended that the Board authorize the Administrative Services Director to transfer the funds to the County Auditor-Controller in accordance with the provisions of AB1484.

Prepared by: Robert Harmon, Senior Accountant
Reviewed by: Jenny Haruyama, Administrative Services Director
Approved by: R. Leon Churchill, Jr., City Manager

RESOLUTION _____

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE TRACY COMMUNITY DEVELOPMENT AGENCY APPROVING THE DUE DILIGENCE REVIEW REPORT ON NON-HOUSING FUND ASSETS HELD BY SUCCESSOR AGENCY

WHEREAS, the California state legislature adopted Assembly Bill 1484 to facilitate dissolution of the many redevelopment agencies across the state, and

WHEREAS, One provision of AB 1484 requires the Successor Agency to obtain an independent auditor to conduct a due diligence review of the assets of all non-housing funds as of 6/30/12, and

WHEREAS, The services of Moss, Levy and Hartzheim, LLP CPA's, who are licensed accountants, were obtained to conduct this report, and

WHEREAS, The Oversight Board conducted the required public meeting to review this matter on February 5, 2013.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency of the Tracy Community Development Agency does hereby approve the due diligence review report on non-housing fund assets and accounts held by the successor agency.

ADOPTED February 13, 2013

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair

ATTEST:

Successor Agency Secretary