

# 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:** Tuesday, May 1, 2012, 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. OATHS OF OFFICE
4. INTRODUCTION BY DEVELOPMENT SERVICES DIRECTOR
5. ELECT ONE MEMBER TO SERVE AS CHAIRPERSON AND ONE MEMBER TO SERVE AS VICE CHARIPERSON OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY
6. DISCUSS THE GENERAL DUTIES AND RESPONSIBILITIES OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY AND THE REQUIREMENTS OF THE BROWN ACT
7. ADOPT A RESOLUTION ADOPTING THE BY-LAWS FOR THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY
8. DESIGNATE THE DEVELOPMENT AND ENGINEERING SERVICES DIRECTOR OF THE SUCCESSOR AGENCY AS THE CONTACT PERSON FOR THE DEPARTMENT OF FINANCE INQUIRIES REGARDING OVERSIGHT BOARD ACTIONS
9. ADOPT A RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE ADMINISTRATIVE BUDGET OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
10. ITEMS FROM THE AUDIENCE
11. BOARD MEMBER ITEMS
12. ADJOURNMENT

**April 26, 2012**

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.

AGENDA ITEM 5

REQUEST

**ELECT ONE MEMBER TO SERVE AS CHAIRPERSON AND ONE MEMBER TO SERVE AS VICE CHAIRPERSON OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY**

EXECUTIVE SUMMARY

A Chairperson for the Oversight Board of the Successor Agency to the Tracy Community Development Agency (“Oversight Board”) must be selected to preside over the Oversight Board’s meetings. A Vice Chair should also be selected to preside over the meeting when the Chair is unavailable.

DISCUSSION

Health and Safety Code section 34179(a) requires that the Oversight Board elect one of its members to serve as Chairperson. Typically, the Chairperson serves as the “presiding officer” at all meetings and performs other duties as assigned by the Oversight Board.

Although there is no legal requirement to elect a Vice Chairperson, staff is recommending that the Oversight Board do so. A Vice Chairperson typically performs the same duties as the Chairperson, when the Chairperson is absent.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Elect one member to serve as Chairperson and one member to serve as Vice Chairperson for the Oversight Board.

Prepared by: Andrew Malik, Development Services Director

May 1, 2012

AGENDA ITEM 6

REQUEST

**DISCUSS THE GENERAL DUTIES AND RESPONSIBILITIES OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY AND THE REQUIREMENTS OF THE BROWN ACT**

EXECUTIVE SUMMARY

The duties and responsibilities of the Oversight Board are outlined in sections 34179 – 34181 of the Health and Safety Code. The Oversight Board is also subject to the requirements of the Brown Act.

DISCUSSION

The duties and responsibilities of the Oversight Board are outlined in sections 34179 – 34181 of the Health and Safety Code. These sections, along with a brief summary, are attached. The purpose of this item is for general discussion.

The Oversight Board is also subject to the requirements of the Brown Act (the state's open meeting law). A brief overview of the Brown Act will be provided at the Oversight Board's meeting.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Discuss the general duties and responsibilities of the Oversight Board and the requirements of the Brown Act.

Prepared by: Andrew Malik, Development Services Director

Attachments: Health and Safety Code sections 34179 – 34181 and summary

## **ROLE OF THE OVERSIGHT BOARD**

**(Health and Safety Code, §§ 34179 - 34181)**

### **I. Introduction**

The State Legislature created successor agencies to wind down the business and fiscal affairs of the redevelopment agencies dissolved by AB 26. More specifically, a successor agency must: (1) continue to make payments for "enforceable obligations" of the former redevelopment agency; (2) remit unencumbered funds to the county auditor; and (3) dispose of real property assets. Each successor agency has an oversight board to monitor its progress in achieving these goals. In turn, the State Department of Finance and the State Controller may review actions of the Oversight Board.

### **II. Composition and Responsibilities**

Each oversight board has seven members. A majority of the seven members constitutes a quorum and a majority vote of the total membership of the board is required for action. Board members have personal immunity from suit for their actions taken within the scope of their responsibilities. The oversight board has fiduciary responsibilities to the holders of enforceable obligations and taxing entities. The holders of enforceable obligations are owed money by the successor agency. The taxing entities will receive property taxes after the following payments have been made: pass-through payments; enforceable obligations; and successor agency administrative costs.

### **III. Successor Agency Actions Requiring Oversight Board Review**

The successor agency must receive approval from the oversight board before taking the following actions:

- Establishment of new repayment terms for any outstanding loans;
- Refunding of outstanding redevelopment agency debt to provide savings or avoid debt service spikes. The successor agency is not permitted to create additional debt or accelerate debt services;
- Setting aside reserves for outstanding redevelopment agency bonds;
- Merging project areas;
- Continuing acceptance of grants or other financial assistance, if the assistance is conditioned on the provisions of matching funds in an amount greater than 5%;
- If a city or county wishes to retain any property or other assets for future redevelopment activities, the city or county can reach a compensation agreement with the other taxing entities to provide them a share of the value of the property retained. This agreement must also be approved by the oversight board;

- Establishment of the Recognized Obligation Payment Schedule (“ROPS”);
- A request by the successor agency to enter into an agreement with the city that formed the redevelopment agency; and
- A request by the successor agency to pledge, or enter into an agreement for the pledge of, property tax revenues.

#### **IV. Oversight Board Direction of Successor Agency**

The oversight board is also required to direct the successor agency to do all of the following:

- Dispose of all assets and property of the former redevelopment agency that were funded by tax increment. The oversight board may direct the successor agency to transfer ownership of certain public assets, such as roads, school buildings, parks and fire stations, to an appropriate public agency pursuant to any existing agreements relating to the construction or use of such assets;
- Cease performance under any agreements that do not meet the definitions of “enforceable obligations”;
- Terminate any agreements between the redevelopment agency and any public entity providing funding for debt service obligations or for the construction or operation of facilities owned and operated by the public entity, if the oversight board determines that early termination would be in the best interest of the taxing entities;
- Transfer housing responsibilities along with any deposit in the Low and Moderate Income Housing Fund to the appropriate entity; and
- Determine whether any agreements with private parties should be terminated or renegotiated to reduce liabilities and increase revenues to the taxing entities.

## HEALTH AND SAFETY CODE

### SECTION 34179-34181

34179. (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before May 1, 2012. Members shall be selected as follows:

(1) One member appointed by the county board of supervisors.

(2) One member appointed by the mayor for the city that formed the redevelopment agency.

(3) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.

(4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public appointed by the county board of supervisors.

(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

(8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.

(9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.

(10) Where a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, where such appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city where such an appointment is subject to confirmation by the county board of

supervisors, to represent the largest number of former redevelopment agency employees employed by the successor agency at that time.

(b) The Governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by May 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as oversight board members.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) The Department of Finance may review an oversight board action taken pursuant to the act adding this part. As such, all oversight board actions shall not be effective for three business days, pending a request for review by the department. Each oversight board shall designate an official to whom the department may make such requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given oversight board action, it shall have 10 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and such oversight board action shall not be effective until approved by the department. In the event that the department returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Commencing on and after July 1, 2016, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board appointed as follows:

(1) One member may be appointed by the county board of



supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2016, or any member position that remains vacant for more than 60 days.

(l) Commencing on and after July 1, 2016, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (b).

(m) Any oversight board for a given successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

34180. All of the following successor agency actions shall first be approved by the oversight board:

(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part.

(b) Refunding of outstanding bonds or other debt of the former redevelopment agency by successor agencies in order to provide for savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated.

(c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Merging of project areas.

(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained

assets, the value will be the fair market value as of the 2011 property tax lien date as determined by the county assessor.

(g) Establishment of the Recognized Obligation Payment Schedule.

(h) A request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding.

(i) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

34181. The oversight board shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value.

(b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

(c) Transfer housing responsibilities and all rights, powers, duties, and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Section 34176.

(d) Terminate any agreement, between the dissolved redevelopment agency and any public entity located in the same county, obligating the redevelopment agency to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity, in any instance where the oversight board has found that early termination would be in the best interests of the taxing entities.

(e) Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of such agreements where it finds that amendments or early termination would be in the best interests of the taxing entities.

AGENDA ITEM 7

REQUEST

**ADOPT A RESOLUTION ADOPTING THE BY-LAWS FOR THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY**

EXECUTIVE SUMMARY

Staff recommends that the Oversight Board of the Successor Agency to the Tracy Community Development Agency ("Oversight Board") adopt By-laws to outline the basic composition, officers, duties, membership, and meeting requirements of the Oversight Board.

DISCUSSION

Staff recommends that the Oversight Board consider the attached draft By-laws. The proposed By-laws include the following:

- Article 1      The Oversight Board (including name and powers)
- Article 2      Membership and Officers (including composition of the Board, quorum, immunity, officers, chairperson, vice-chairperson, vacancies and compensation)
- Article 3      Meetings (including place of meeting, time of regular meetings, special meetings and adjourned meetings)

Pursuant to the Brown Act, the Oversight Board must specify the time and place for holding regular meetings.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Adopt the Oversight Board By-laws.

Prepared by: Andrew Malik, Development Services Director

Attachment – Draft By-Laws

**Oversight Board of the Successor Agency  
to the City of Tracy Community Development Agency**

**By-Laws**

**Adopted May 1, 2012**

**Resolution No. \_\_\_\_**

**Oversight Board of the Successor Agency  
to the City of Tracy Community Development Agency  
By-Laws**

**ARTICLE 1 THE OVERSIGHT BOARD**

Section 1.1 Name. The official name shall be the “Oversight Board of the Successor Agency to City of Tracy Development Agency.”

Section 1.3 Powers. The Oversight Board is vested with the rights, powers, duties, privileges and immunities established by the California Health and Safety Code sections 34179 - 34181.

**ARTICLE 2 MEMBERSHIP AND OFFICERS**

Section 2.1 Composition. The Oversight Board shall have seven members, selected according to the guidelines set forth in Health and Safety Code section 34179.

Section 2.2 Quorum; Majority for action. A majority of the seven members constitutes a quorum, and a majority vote of the total membership is required for action.

Board actions are not effective for three business days, pending a request for review by the Department of Finance. If the Department of Finance requests a review, it has ten days to approve the action or return it to the Board for reconsideration.

Section 2.3 Immunity. Board members have immunity from suit for their actions taken within the scope of their responsibilities.

Section 2.4 Officers. The members shall annually select one of its members as the chairperson and another as the vice-chairperson.

Section 2.5 Chairperson. The chairperson of the Oversight Board shall preside at the meeting of the Board. The Chair may call a special meeting as needed.

Section 2.6 Vice chairperson. The vice chairperson shall perform the duties of the chairperson in the absence or incapacity of the chairperson.

Section 2.7 Vacancies. When a seat of the Oversight Board becomes vacant, the position will be filled by a member appointed by the agency who originally appointed the former member. The appointment must take place within 60 days of the vacancy. The Governor may appoint an individual to fill a member position that remains vacant for more than 60 days.

Section 2.8 Compensation. Oversight Board members shall serve without compensation or reimbursement for expenses.

### ARTICLE 3 MEETINGS

Section 3.1 Place of meeting. The office and regular meeting place of the Oversight Board shall be at the Tracy City Hall, 333 Civic Center Plaza, Tracy, California, 95376. The Oversight Board may hold its meetings at other locations as the Oversight Board may from time to time designate by resolution, in the order or adjournment, or notice of call of any special meeting.

Section 3.2 Time of regular meetings. The regular meetings of the Oversight Board shall be \_\_\_\_\_, at \_\_\_\_ p.m. If a meeting day falls on a legal holiday, the meeting shall be held on the next business day unless otherwise determined by the Oversight Board.

Section 3.3 Special Meetings. The Chairperson of the Oversight Board may, when he or she deems it necessary, and shall, upon the written request of four members of the Oversight Board, call a special meeting of the Oversight Board for the purpose of transacting the business designated in the call. The means and method for calling such special meeting shall be as set forth in the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*, as it now exists or may hereafter be amended (the "Brown Act")

Section 3.4 Adjourned Meetings. The Board members may adjourn any meeting to a time and place specified in the order of adjournment. When an order of adjournment of any meeting fails to state an hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings.

RESOLUTION \_\_\_\_\_

ADOPTING THE BY-LAWS FOR THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TRACY COMMUNITY DEVELOPMENT AGENCY

WHEREAS, The Oversight Board of the Successor Agency to the Tracy Community Development Agency ("Oversight Board") desires to adopt By-laws to outline the basic composition, officers, duties, membership, and meeting requirements of the Oversight Board.

NOW THEREFORE, BE IT RESOLVED, that the attached By-laws of the Oversight Board are adopted.

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Oversight Board of the Successor Agency to the Tracy Community Development Agency on the 1st day of May, 2012, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

AGENDA ITEM 8

REQUEST

**DESIGNATE THE DEVELOPMENT SERVICES DIRECTOR OF THE SUCCESSOR AGENCY AS THE CONTACT PERSON FOR THE DEPARTMENT OF FINANCE INQUIRIES REGARDING OVERSIGHT BOARD ACTIONS**

EXECUTIVE SUMMARY

Staff recommends designating the Development Services Director of the Successor Agency as the contact person for the Department of Finance inquiries regarding Oversight Board actions.

DISCUSSION

Health and Safety Code section 34179(h) requires that the Oversight Board designate an official as a contact person the Department of Finance inquiries regarding Oversight Board actions.

Staff is recommending that the Oversight Board designate the Development Services Director of the Successor Agency as the contact person.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Designate the Development Services Director of the Successor Agency as the contact person for the Department of Finance inquiries regarding Oversight Board actions.

Prepared by: Andrew Malik, Development and Engineering Services Director



AGENDA ITEM 9

REQUEST

**ADOPT A RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE ADMINISTRATIVE BUDGET OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY**

DISCUSSION

The State of California through the passage of ABX1 26 dissolved redevelopment agencies effective February 1, 2012 and replaced them with successor agencies. The City of Tracy previously elected to serve as the successor agency for its former redevelopment agency. Previously the City Council approved a Recognized Obligations Payment Schedule (ROPS) for the period of January 1, 2012 through June 30, 2012. Attached is the ROPS for this period. The ROPS also needs to be approved by the Oversight Board of the Successor Agency.

The ROPS lists all outstanding enforceable obligations of the former Tracy Community Development Agency. The largest obligation is the outstanding bonds issued by the Agency. Other obligations include pass through and direct allocation allotments of the Agency to various taxing districts as well as bond trustee and auditing expenses associated with providing verification to the bond trustee (not a City administrative expense). The City is statutorily entitled to \$250,000 per year in administrative expenses and as such, the administrative budget has been set at this amount. The amounts due for the period January 1, 2012 through June 30, 2012, have been noted. Bond payments have already been made from funds provided to the Agency from the County Auditor for the FY 12-13 tax levy in January 2012.

RECOMMENDATION

It is recommended the Oversight Board of the Successor Agency to the Tracy Community Development Agency approve the Recognized Obligations Payment Schedule (ROPS) and approve the administrative budget.

Prepared by: Zane Johnston, Finance & Administrative Services Director

Reviewed by: Maria Hurtado, Assistant City Manager

Approved by: Leon Churchill, Jr., City Manager

RESOLUTION 2012-051

RESOLUTION OF 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, ADOPTING AN AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE, 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 17, 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(a)(1) requires the Successor Agency to amend the CDA EOPS to remove specified agreements and adopt the amended EOPS (the "Amended EOPS") and make associated notifications and distributions; 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 and Successor Agency Administrative Budget must be approved by the Oversight Board pursuant to Health and Safety Code Sections 34177(l)(2)(B) and 34177(j), respectively.

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, as soon as practicable after the appointment of the Oversight

Board but no later than the date required by Health and Safety Code Section 34179, to facilitate the Oversight Board's approval of the ROPS and Successor Agency Administrative Budget.

BE IT FURTHER RESOLVED that unless and until the City Council, acting as the Governing Board of the Successor Agency, resolves otherwise, the Successor Agency shall be referred to in all its official documents, papers, reports, agreements, deeds, and other written materials, and shall carry out its duties and exercise its rights as the "City of Tracy, acting in its capacity as the Successor Agency of the Community Development Agency of the City of Tracy", or similar wording.

BE IT FURTHER RESOLVED that the City Council, acting as the Governing Board of the Successor Agency, declares that the assets, obligations, liabilities, and activities of the Successor Agency are and shall remain separate from the assets, obligations, liabilities and activities of the City, and that all costs of, liabilities of, and claims against the Successor Agency and/or the Oversight Board shall be solely the costs and liabilities of the Successor Agency and/or the Oversight Board and shall not be costs of, liabilities of, and/or claims against the City.

BE IT FURTHER RESOLVED that the City Council, acting as the Governing Board of the Successor Agency and in conformance with Health and Safety Code Section 34177(a)(1), hereby adopts the CDA EOPS (a copy of which is on file with the City Clerk) as the Successor Agency's Amended EOPS, conditioned on removal from the RDA EOPS of the Invalidated Agreements. As used in this Resolution, "Invalidated Agreements" means those agreements between the Redevelopment Agency and the City that remain invalidated pursuant to Health and Safety Code Section 34178 following the final outcome of (1) all pending and potential statutory amendments to Health and Safety Code Section 34178 or other applicable provisions of the Dissolution Act (including, without limitation, amendments pursuant to SB 654 and AB 1585), and (2) all pending and potential litigation regarding the validity of Health and Safety Code Section 34178 and other applicable provisions of the Dissolution Act (including, without limitation, any such litigation initiated by the City). "Invalidated Agreements" expressly do not include any agreements that are deemed valid following the final outcome of any of the events described in the preceding sentence, and expressly do not include any agreements that are described as being valid pursuant to Health and Safety Code Section 34178(b).

BE IT FURTHER RESOLVED that the City Council, acting as the Governing Board of the Successor Agency, hereby approves the ROPS and the Successor Agency Administrative Budget, which contains the Successor Agency Administrative Cost Estimates. Copies of the ROPS Budget are also on file with the City Clerk.

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 the adoption of the Amended EOPS, approval of the ROPS, , and other actions taken pursuant to this Resolution.

BE IT FURTHER RESOLVED that nothing in this Resolution shall abrogate, waive, impair or in any other manner affect the right or ability of the City, as a municipal corporation, to initiate and prosecute any litigation with respect to any agreement or other arrangement between the City and the Former CDA, including, without limitation, any litigation contesting the purported invalidity of such agreement or arrangement pursuant to the Dissolution Act.

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

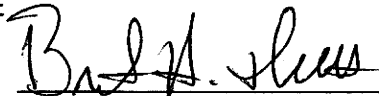
ADOPTED March 20, 2012 by the City Council of the City of Tracy, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Tracy, by the following vote, to wit:

AYES: COUNCIL MEMBERS: ABERCROMBIE, ELLIOTT, MACIEL, RICKMAN IVES

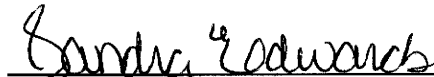
NOES: COUNCIL MEMBERS: NONE

ABSTAIN: COUNCIL MEMBERS: NONE

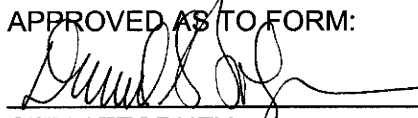
ABSENT: COUNCIL MEMBERS: NONE

  
\_\_\_\_\_  
MAYOR

ATTEST:

  
\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY

Tracy Community Development Agency  
Recognized Obligation Payment Schedule  
as of December 31, 2011

Obligation/Funding Sources Payee	Description	Total		Payments Required 1/1/12 to 6/30/12
			Annual	
2003 Tax Allocation, Bond Series A *1 *4 Bank of New York Bank of New York Bank of New York Willdan	Debt Principal thru 2034 Debt Interest thru 2034 Trustee Fees Disclosure Fee	\$30,190,000 \$18,882,175	\$8,000 \$600	\$790,000 \$704,722 \$8,000 \$600
2003 Tax Allocation, Bond Series B *1 *4 Bank of New York Bank of New York Bank of New York Willdan	Debt Principal thru 2034 Debt Interest thru 2034 Trustee Fees Disclosure Fee	\$18,525,000 \$15,183,976	\$4,000 \$600	\$405,000 \$555,313 \$4,000 \$600
2008 Lease Revenue Bonds *1 *4 Bank of New York thru TOPJA and City	Agency share of debt thru 2038	\$10,800,000		\$0
Property Tax Administration *4 San Joaquin County	FY 11-12 Property Tax Administration		\$195,000	\$195,000
2% Direct Allocation Payments *4 Banta Elementary Tracy Cemetery SJ County Mosquito Banta-Carbona Irrigation Naglee-Burke Irrigation West Side Irrigation District City of Tracy	Estimated Payments due for FY 11-12 (usually paid in following fiscal years, but accrued to current year)		\$20 \$5,500 \$7,700 \$1,000 \$13,100 \$220 \$200,000	\$20 \$5,500 \$7,700 \$1,000 \$13,100 \$220 \$200,000
Pass Through Payments *4 County Sup. Of Schools Delta Community College Jefferson School District Tracy Unified School District Tracy Unified School District San Joaquin County Library Flood Control District	Estimated Payments due for FY 11-12 (usually paid in following fiscal years, but accrued to current year)  Share of debt payment		\$24,000 \$66,000 \$2,000 \$1,030,000 (\$590,400) \$1,286,000 \$97,000 \$8,500	\$24,000 \$66,000 \$2,000 \$1,030,000 (\$590,400) \$1,286,000 \$97,000 \$8,500

Tracy Community Development Agency  
Recognized Obligation Payment Schedule  
as of December 31, 2011

Obligation/Funding Sources Payee	Description	Total	Annual	Payments Required 1/1/12 to 6/30/12
Redevelopment Program Budget *2 various employees various various various	FY 11-12 Personnel Expenses Contracted Services Commodities Other Payments		\$389,140 \$66,710 \$1,400 \$19,570	\$224,195 \$40,307 \$1,400 \$19,570
Housing Program Budget *3 various employees various various	FY 11-12 Budget Personnel Expenses Contracted Services Commodities		\$314,020 \$66,200 \$3,320	\$168,753 \$46,200 \$3,032
Successor Agency Administrative Costs *4 Various employees Various Various	FY 11-12 Budget Personnel Expenses Contracted Services Commodities		\$200,000 \$45,000 \$5,000	\$200,000 \$45,000 \$5,000
Agency Audit *2 Moss Levy & Hartzheim	To be accrued for FY 11-12 and paid in future years		\$7,100	\$7,100
	TOTALS	\$93,581,151	\$3,476,300	\$5,574,432

Amounts are shown as the total due for all future years of this obligation if this can be calculated at the present time or shown as the most current total for one year if all future obligations of this category cannot be calculated at present

**Funding Sources for the Obligations**

- \*1 Debt Fund
- \*2 Project Fund
- \*3 Housing Fund:
- \*4 Redevelopment Property Tax Fund: administered by San Joaquin County Auditor Controller

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34177 (\*)**

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)							
								Payments by month							
								Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total	
1) 2003 Tax Allocation Bonds A	Dec-03	BNY/Mellon	Debt principle thru 2034	1.00	30,190,000.00	790,000.00	RPTTF		790,000.00						\$ 790,000.00
2) 2003 Tax Allocation Bonds A	Dec-03	BNY/Mellon	Debt Interest thru 2034	1.00	18,882,175.00	704,722.00	RPTTF		704,722.00						\$ 704,722.00
3) 2003 Tax Allocation Bonds B	Dec-03	BNY/Mellon	Debt principle thru 2034	1.00	18,525,000.00	405,000.00	RPTTF		405,000.00						\$ 405,000.00
4) 2003 Tax Allocation Bonds B	Dec-03	BNY/Mellon	Debt Interest thru 2034	1.00	15,183,976.00	555,313.00	RPTTF		555,313.00						\$ 555,313.00
5) 2003 Tax Allocation Bonds A/B	Dec-03	BNY/Mellon	Trustee exepenses and fees	1.00	12,000.00	12,000.00	RPTTF	12,000.00							\$ 12,000.00
6) 2003 Tax Allocation Bonds A/B	Dec-03	Willdan Financial	Disclosure Fee	1.00	1,200.00	1,200.00	RPTTF	1,200.00							\$ 1,200.00
7) Property Tax Administration	1993	County of San Joaquin	Prop tax admin fee Rev & Tax code 97.5 (1993)	1.00	195,000.00	195,000.00	RPTTF				195,000.00				\$ 195,000.00
8) 2% Direct Allocation	1991	Banta Elementary	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	20.00	20.00	RPTTF						20.00		\$ 20.00
9) 2% Direct Allocation	1991	Tracy Cemetary	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	5,500.00	5,500.00	RPTTF						5,500.00		\$ 5,500.00
10) 2% Direct Allocation	1991	SJ County Mosquito	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	7,700.00	7,700.00	RPTTF						7,700.00		\$ 7,700.00
11) 2% Direct Allocation	1991	Banta-Carbona Irrigation	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	1,000.00	1,000.00	RPTTF						1,000.00		\$ 1,000.00
12) 2% Direct Allocation	1991	Naglee-Burke Irrigation	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	13,100.00	13,100.00	RPTTF						13,100.00		\$ 13,100.00
13) 2% Direct Allocation	1991	Westside Irrigation	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	220.00	220.00	RPTTF						220.00		\$ 220.00
14) 2% Direct Allocation	1991	City of Tracy	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	200,000.00	200,000.00	RPTTF						200,000.00		\$ 200,000.00
15) Pass Thru Payments	1991	County Sup. Of Schools	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	24,000.00	24,000.00	RPTTF						24,000.00		\$ 24,000.00
16) Pass Thru Payments	1991	Delta Community College	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	66,000.00	66,000.00	RPTTF						66,000.00		\$ 66,000.00
17) Pass Thru Payments	1991	Jefferson School District	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	2,000.00	2,000.00	RPTTF						2,000.00		\$ 2,000.00
18) Pass Thru Payments	1991	Tracy Unified	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	1,030,000.00	1,030,000.00	RPTTF						1,030,000.00		\$ 1,030,000.00
19) Pass Thru Payments	1991	Tracy Unified debt offset	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	(590,400.00)	(590,400.00)	RPTTF						(590,400.00)		\$ (590,400.00)
20) Pass Thru Payments	1991	San Joaquin County	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	1,286,000.00	1,286,000.00	RPTTF						1,286,000.00		\$ 1,286,000.00
21) Pass Thru Payments	1991	Library	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	97,000.00	97,000.00	RPTTF						97,000.00		\$ 97,000.00
22) Pass Thru Payments	1991	Flood Control District	Estimated payments due for FY 11-12 (usually paid in following fiscal years but accrued to current year)	1.00	8,500.00	8,500.00	RPTTF						8,500.00		\$ 8,500.00
23) Loan from Housing Fund	Fiscal Year 11-12	Tracy Com. Dev. Ag. Housing	SCRAF	1.00	2,803,520.00	2,803,520.00	RPTTF						2,803,520.00		\$ 2,803,520.00
24) Agency Audit	Dec-03	Moss, Levy, Hartzheim	audit necessary for bond trustee (not City admin)	1.00	7,100.00	7,100.00	RPTTF						7,100.00		\$ 7,100.00
25) Successor Agency Admin	2/1/12 to 6/30/12	City of Tracy	Successor Agency administrative Expense	1.00	250,000.00	250,000.00	RPTTF						250,000.00		\$ 250,000.00
26)															\$ -
27)															\$ -
28)															\$ -
29)															\$ -
30)															\$ -
31)															\$ -
32)															\$ -
Totals - This Page (RPTTF Funding)					\$ 88,200,611.00	\$ 7,874,495.00	N/A	\$ 13,200.00	\$ 2,455,035.00	\$ -	\$ 195,000.00	\$ -	\$ 5,211,260.00	\$ 7,874,495.00	
Totals - Page 2 (Other Funding)					\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Totals - Page 3 (Administrative Cost Allowance)					\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Totals - Page 4 (Pass Thru Payments)					\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grand total - All Pages					\$ 88,200,611.00	\$ 7,874,495.00		\$ 13,200.00	\$ 2,455,035.00	\$ -	\$ 195,000.00	\$ -	\$ 5,211,260.00	\$ 7,874,495.00	

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

\*\* All totals due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund      Bonds - Bond proceeds      Other - reserves, rents, interest earnings, etc  
 LMIHF - Low and Moderate Income Housing Fund      Admin - Successor Agency Administrative Allowance

RESOLUTION \_\_\_\_\_

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF TRACY COMMUNITY DEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE ADMINISTRATIVE BUDGET OF THE SUCCESSOR AGENCY 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 the successor agency ("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 and Successor Agency Administrative Budget must be approved by the Oversight Board pursuant to Health and Safety Code Sections 34177(l)(2)(B) and 34177(j), respectively;

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency of the Tracy Community Development Agency does hereby approve the attached Required Obligations Payment Schedule (ROPS) for the period January 1, 2012 to June 30, 2012, and approves a \$250,000 administrative budget for the Successor Agency (City of Tracy) for administration activities from February 1, 2012 to June 30, 2012.



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

ADOPTED May 1, 2012:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Successor Agency Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Successor Agency Counsel