RDA OVERSIGHT BOARD
ACTION SUMMARY MINUTES
February 26 2014

Council Chambers, Civic Auditorium
400 N Douty St

<u>RDA Oversight Board- 10:00 AM</u>

ROLL CALL BY THE CITY CLERK:

Chairman John Lehn called the meeting to order at 10:00 AM.

Roll Call:
Present: Steve Corl (SC), Tony Barba (TB), Mike Cavanagh (MC), John Lehn (JL)
Absent: Allison Picard (AP), Melody Haigh (MH), Christine Statton (CS).

Board Member Christine Statton joined the meeting at 10:03 AM, and was introduced as the new representative for the Chancellor of Community Colleges, replacing Mr. Zumwalt.

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PUBLIC COMMENT:

None.

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Any person may directly address the Board at this time on any item on the agenda, or on any item that is within the subject matter jurisdiction of the Board. A maximum of five minutes is allowed for each speaker.

1. <u>CONSENT CALENDAR:</u>

All items listed under the Consent Calendar are considered routine and will be enacted by one motion **(ROLL CALL VOTE required).** For discussion of an item on the Consent Calendar, it will be removed at the request of any member of the RDA Board or any person in the audience and made a part of the regular agenda.

A. Review and Approval of Administrative Budget for the period July 1, 2014 to December 31, 2014 by adopting resolution 14-03-OBR.

Motion to approve the administrative budget for the period of July 1, 2014 through December 31, 2014 and resolution 14-03-OBR was made by TB/MC. Motion passed, unanimously (Ayes: SC, TB, MC, CS, JL)

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B. Review and approval of the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2014 to December 31, 2014 by adopting resolution 14-02-OBR.

Motion to approve the ROPS fro the period of July 1, 2014 through December 31, 2014 and resolution 14-02-OBR was made by TB/CS. Motion passed, unanimously (Ayes: SC, TB, MC, CS, JL)

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Both items 1 A and 1 B were pulled from the Consent calendar to be discussed individually.

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2. PULLED FROM CONSENT TO THE REGULAR AGENDA:

ADJOURNMENT:

The meeting was adjourned at 10:15 AM.

Respectfully Submitted,

Melonie Patrick,
Hanford City Clerk

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RESOLUTION NO. **14-03-R**

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD REGARDING ADMINISTRATIVE COSTS BUDGET FOR THE PERIOD JULY 1 THROUGH DECEMBER 31, 2014

At a special meeting of the members of the Successor Agency to the Community Redevelopment Agency of the City of Hanford ("Successor Agency"), duly called and held on February 26, 2014 at 10:00 A.M. and upon motion by Member ___________________, seconded by Member ____________________, and duly carried, the following resolution was adopted:

WHEREAS, AB 1X 26 effectively dissolved all redevelopment agencies in the State of California "the Dissolution Act" effective February 1, 2012; and

WHEREAS, on June 27, 2012 the California State Legislature passed and the Governor signed AB 1484 of which the primary purpose is to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local levels in implementing that act; and

WHEREAS, AB 1484 requires the Successor Agency to prepare a proposed administrative costs budget for the next six months and submit it to the Oversight Board for approval; and

WHEREAS, a proposed administrative cost budget has been submitted for Oversight Board approval; and

WHEREAS, the Oversight Board has reviewed the proposed administrative costs budget and approves the budget for the period July 1, 2014 through December 31, 2014.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Hanford that the Successor Agency administrative costs budget for the period July 1, 2014 through December 31, 2014, is hereby approved.

Passed and adopted at a meeting of the Oversight Board of the Successor Agency of the Community Redevelopment Agency of the City of Hanford duly called and held on the 26th day of February, 2014, by the following vote:

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, MELONIE PATRICK, HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the Members of the Oversight Board to the Community Redevelopment Agency of the City of Hanford at a special meeting thereof held on February 26, 2014, by the following vote:

MEMBERS BARBA HAIGH CORL CAVANAUGH LEHN PICARD STATTON

AYES: ______________________

NOES: ______________________

ABSTAIN: ______________________

ABSENT: ______________________

____
MELONIE A. PATRICK
CITY CLERK
Oversight Board of the Successor Agency
to the Community Redevelopment Agency
of the City of Hanford

APPROVED

____
John Lehn
Chairperson of the Oversight Board of
the Successor Agency to the Community Redevelopment
Agency of the City of Hanford

CITY OF HANFORD RDA SUCCESSOR AGENCY
BUDGET
JULY 1, 2014 TO DECEMBER 31, 2014

City of Hanford Staff Services	5,570
Advertising (Sale Land)	7,500
Attorney Fees - City	25,000
Attorney Fees - Oversight Board	25,000
Audit Fees	5,000
Land Sale Costs	
Appraisals, Escrow, Reconveyance	27,000
Legal Fees - Agreements	29,930
	125,000
Proposed Source of Funding - RPTTF Admin Allowance	125,000

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02/11/2014

CITY OF HANFORD RDA SUCCESSOR AGENCY
BUDGET LINE ITEM DETAIL
JULY 1, 2014 TO DECEMBER 31, 2014

	Hours	Hourly Rate		
Staff Services				
- City Clerk	8.00	73.66	=	589
- Property Manager	8.00	52.20	=	418
- City Manager	8.00	143.99	=	1,152
- Finance Director	20.00	106.81	=	2,136
- Accounting Technician	4.00	40.07	=	160
				4,455
	25% Overhead			1,115
				5,570
Advertising				
- Realtor, Trade Journals, Local Media				7,500
Attorney Fees				
- City Attorney				25,000
- Oversight Board				25,000
Audit Fees				
- Outside Audit Firm				5,000
Cost of Land Sales				
- Appraisals, Escrow, Reconveyance				27,000
- Legal Fees to Prepare/Negotiate Agreements				29,930
				125,000

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02/11/2014

AGENDA
STAFF REPORT

MEETING DATE: 2/26/2014	**AGENDA SECTION:** 1. A.

SUBJECT:
Review and Approval of Administrative Budget for the period July 1, 2014 to December 31, 2014 by adopting resolution 14-03-OBR.

RECOMMENDATION:
Review and Approval of Administrative Budget for the period July 1, 2014 to December 31, 2014 by adopting resolution 14-03-OBR.

BACKGROUND:

AB 1X 26 dissolved redevelopment agencies. The City of Hanford Successor Agency assumed the wind down responsibilities of the RDA. AB 1484 provides that budgets of the Successor Agency (Exhibit "A") must be approved every six months by the Oversight Board by a majority vote. The attached budget has been prepared to cover the period of July 1, 2014 to December 31, 2014. It includes the following:
• City of Hanford Staff Services
• Advertising (Land Sale)
• Attorney Fees (City)
• Attorney Fees (Oversight Board)
• Audit Fees, and
• Land Sales Costs such as appraisals, escrow fees, reconveyance fees, and legal fees

Staff has prepared the proposed budget for the six month period based on the number of land sales that may occur and the related marketing, preparation of staff reports and agendas, and attorney fees related to land sales.

FISCAL IMPACT:
Actual cost under the six month budget will be paid from the RPPTF Administrative Cost Allowance Funds.

ATTACHMENTS:

Description
- 14-03-OBR Admin Budget Resolution
- Proposed Budget

RESOLUTION NO. 14-02-OBR

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD JULY 1, 2014 TO DECEMBER 31, 2014

At a special meeting of the members of the Oversight Board to the Community Redevelopment Agency of the City of Hanford ("Oversight Board"), duly called and held on February 26, 2014 at 10:00 A.M., and upon a motion by Member _______________ and seconded by Member _______________ and duly carried, the following resolution was adopted:

WHEREAS, AB 1X 26 (Dissolution Act) effectively dissolved all redevelopment agencies in the State of California effective February 1, 2012; and

WHEREAS, on June 27, 2012 the California State Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act; and

WHEREAS, AB 1X 26 and AB 1484 require the preparation by the Successor Agency of Recognized Obligation Payment Schedules (ROPS); and

WHEREAS, each ROPS sets forth the amounts due for enforceable obligations that may be payable during the six-month period covered by each respective ROPS; and

WHEREAS, each ROPS is subject to approval by the Oversight Board; and

WHEREAS, the Successor Agency's authority to pay enforceable obligations is limited to those items shown on an approved ROPS; and

WHEREAS, the Successor Agency to the Community Redevelopment Agency of the City of Hanford prepared the attached ROPS, which covers the period July 1, 2014 through December 31, 2014; and

WHEREAS, the Oversight Board has reviewed the attached ROPS and finds that it complies with the requirements of AB 1X 26 and AB 1484; and

WHEREAS, AB 1484 requires that all actions taken by an Oversight Board be adopted by resolution (Health & Safety Code Section 34179(e)).

NOW, THEREFORE, BE IT RESOLVED that the attached ROPS covering the period July 1, 2014 through December 31, 2014 is hereby approved.

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, MELONIE PATRICK, HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the Members of the Oversight Board to the Community Redevelopment Agency of the City of Hanford at a special meeting thereof held on February 26, 2014, by the following vote:

MEMBERS	BARBA	HAIGH	CORL	CAVANAUGH	LEHN	PICARD	STATTON
AYES:							
NOES:							
ABSTAIN:							
ABSENT:							

MELONIE A. PATRICK
CITY CLERK
Oversight Board of the Successor Agency
to the Community Redevelopment Agency
of the City of Hanford

APPROVED

John Lehn
Chairperson of the Oversight Board of
the Successor Agency to the Community Redevelopment
Agency of the City of Hanford

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Hanford

Name of County: Kings

	Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
A	**Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):**	**$ 893,470**
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	893,470
E	**Enforceable Obligations Funded with RPTTF Funding (F+G):**	**$ 125,000**
F	Non-Administrative Costs (ROPS Detail)	-
G	Administrative Costs (ROPS Detail)	125,000
H	**Current Period Enforceable Obligations (A+E):**	**$ 1,018,470**
	Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I	Enforceable Obligations funded with RPTTF (E):	125,000
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(111,193)
K	**Adjusted Current Period RPTTF Requested Funding (I-J)**	**$ 13,807**
	County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L	Enforceable Obligations funded with RPTTF (E):	125,000
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	**Adjusted Current Period RPTTF Requested Funding (L-M)**	**125,000**

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.

John Lehn	Chairman
Name	Title
/s/	
Signature	Date

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Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail

July 1, 2014 through December 31, 2014

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	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
								$ -		$ -	$ -	$ 893,470	$ -	$ 125,000	$ 1,018,470
1	KINGS EDC LOAN	Third-Party Loans	5/4/2000	6/30/2043	KINGS EDC	LOAN FOR LAND PURCHASE	INDUSTRIAL PK		N			68,470			$ 68,470
2	KINGS EDC LOAN	Third-Party Loans	12/11/2009	6/30/2043	KINGS EDC	LOAN FOR LAND PURCHASE	INDUSTRIAL PK		N			825,000			$ 825,000
3	SUCCESSOR AGENCY ADM	Admin Costs	1/1/2014	6/30/2014	CITY OF HANFORD	ADMINISTRATIVE COSTS	ALL AREAS		N					125,000	$ 125,000
															$ -
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Recognized Obligation Payment Schedule (ROPS) 14-15A - 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.

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 balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments
	ROPS 13-14A Actuals (07/01/13 - 12/31/13)							
1	**Beginning Available Cash Balance (Actual 07/01/13)** Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)			1,643,157			187,717	
2	**Revenue/Income (Actual 12/31/13)** Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013					25,799	29,390	
3	**Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)** Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs			1,643,157		25,799	13,807	Column E is DDR payment per DOF Letter dated 1/28/13
4	**Retention of Available Cash Balance (Actual 12/31/13)** Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A							
5	**ROPS 13-14A RPTTF Prior Period Adjustment** Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required					111,193	
6	**Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)**	$ -	$ -	$ -	$ -	$ -	**$ 92,107**	
	ROPS 13-14B Estimate (01/01/14 - 06/30/14)							
7	**Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)**	$ -	$ -	$ -	$ -	$ -	**$ 203,300**	
8	**Revenue/Income (Estimate 06/30/14)** Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014					10,000	27,805	
9	**Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)**					10,000	115,000	
10	**Retention of Available Cash Balance (Estimate 06/30/14)** Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B							
11	**Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**	$ -	$ -	$ -	$ -	$ -	**$ 116,105**	

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Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Prior Period Adjustments

Reported for the ROPS 13-14A (July 1, 2013 through December 31, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)

(Report Amounts in Whole Dollars)

ROPS 13-14A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14A (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 14-15A (July through December 2014) period will be offset by the SA's self-reported ROPS 13-14A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
		Non-RPTTF Expenditures						RPTTF Expenditures											
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin					Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 14-15A Requested RPTTF)	
Item #	Project Name / Debt Obligation	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)	SA Comments
		$ -	$ -	$ -	$ -	$ 893,470	$ -	$ -	$ -	$ -	$ -	$ -	$ 125,000	$ 187,717	$ 125,000	$ 13,807	$ 111,193	$ 111,193	
1	KINGS EDC LOAN	-		-		68,470		-		$ -		$ -						$ -	
2	KINGS EDC LOAN	-		-		825,000		-		$ -		$ -						$ -	
3	SUCCESSOR AGENCY ADM	-		-		-		-		$ -		$ -	125,000	187,717	$ 125,000	13,807	$ 123,613	$ 123,613	
										$ -		$ -						$ -	
										$ -		$ -						$ -	
										$ -		$ -						$ -	
										$ -		$ -						$ -	
										$ -		$ -						$ -	

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments

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AGENDA
STAFF REPORT

MEETING DATE: 2/26/2014	AGENDA SECTION: 1. B.

SUBJECT:
Review and approval of the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2014 to December 31, 2014 by adopting resolution 14-02-OBR.

RECOMMENDATION:
Review and approval of the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2014 to December 31, 2014 by adopting resolution 14-02-OBR.

BACKGROUND:

AB 1484 requires Redevelopment Agency Successor Agencies to prepare a Recognized Obligation Payment Schedule (ROPS) each six months and submit the ROPS to the State Department of Finance (DOF). The Successor Agency Oversight Board must approve the ROPS prior to submittal to DOF.

The sixth month ROPS is a list of obligations or payments that are or may be due within the six-month period. The attached ROPS is for the period of July 1, 2014 to December 31, 2014. The Agency owes Kings EDC $893,470 on loans for purchase of land in the Kings Industrial Park. $125,000 is for proposed administrative expenses of the Successor Agency to wind down the activities of the former Redevelopment Agency. The Agency owes the City of Hanford $7,679,886 from loans (funds advanced) to the Agency for capital improvement projects and operation expenses incurred from the inception of each of the two project areas to dissolution of The Redevelopment Agency. Pursuant to AB 1484 guidelines, the city could not place the unpaid loan balances on the ROPS Schedule until the due diligence reviews were complete, approved by the Oversight Board, approved by the Department of Finance (DOF), and the DOF issued a "Finding of Completion" (FOC). The due diligence reviews have been completed and approved by the DOF and the DOF has issued a FOC to the city effective July 16, 2013. The AB 1484 guidelines also provide that a defined repayment schedule must be developed and that the maximum annual repayment amount is limited to one-half of the increase between the residual amount distributed to the taxing entries in that fiscal year and the residual amount distributed in the 2012-13 base year. The first request for funding may begin with ROPS 14-15A (July 1, 2014 – December 31, 2014).

Staff is requesting the Oversight Board approve the ROPS for the period July 1, 2014 to December 31, 2014, which must be submitted to the State Department of Finance and the Kings County Auditor-Controller by March 3, 2014. Under AB 1484, all actions taken by the Oversight Board must be adopted by resolution.

FISCAL IMPACT:
None.

ATTACHMENTS:

Description

- 14-02-OBR ROPS Resolution
- ROPS 14-15A