



**SPECIAL MEETING
AGENDA
CITY OF GUSTINE
REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT BOARD MEETING
COUNCIL CHAMBERS, CITY HALL
352 5th STREET GUSTINE, CALIFORNIA
JANUARY 25, 2017 – 4:00 P.M.**

CALL TO ORDER - PLEDGE OF ALLEGIANCE

ROLL CALL

Board Members: Amarante – Wright – Nagy - DeMartini – Tietjen – Pareira -
Public Member (Vacant)

PRESENTATIONS

PUBLIC COMMENT

At this time, any person may comment on any item which is not on the agenda. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD. Action will not be taken on the topic unless deemed an urgency matter by a 3/5 vote of the Board. Topics not considered an urgency matter may be referred to City staff and/or placed on a subsequent agenda for consideration, by a 3/5 vote of the Board.

Members of the public, who have questions regarding a specific agenda item, may comment on that item before consideration of that item, when recognized by the Chair.

ADMINISTRATIVE AGENDA

- 1. Approve Minutes of the January 25, 2016 Meeting**
 - 1. Recommendation: Review and Approve*

- 2. Consider a Resolution Approving and Adopting a Recognized Obligation Payment Schedule (ROPS 17-18) Pursuant to Health and Safety Code Section 34177(I)**
 - 1. Receive Staff Report*
 - 2. Receive Public Comment*
 - 3. Consider a motion to approve the Resolution*

PUBLIC HEARING

REPORTS

CLOSED SESSION

ADJOURNMENT

Note:

- 1. In compliance with the Americans with Disabilities Act, a disabled person requesting a disability-related modification or accommodation to participate in this meeting, must contact City Hall at (209) 854-6471 or (209) 854-2127 (fax). Requests must be made as early as possible, preferably one-full business day before the start of the meeting.*

2. Any document provided to a majority of the City Council regarding any open session item on this agenda is available for public inspection during normal business hours at the front counter of City Hall located at 352 5TH Street, Gustine, CA. Documents or writings received after the general distribution of the agenda are also available for inspection.

CERTIFICATION

I, Melanie Correa, Deputy City Clerk, do hereby declare under penalty of perjury that the foregoing agenda was posted at the Gustine City Hall, 352 5th Street, Gustine CA and made available for public review on this 20th day of January, 2017, at or before 5:00 p.m.



Melanie Correa

**MINUTES OF
SUCCESSOR AGENCY OVERSIGHT BOARD
January 25, 2016**

CALL TO ORDER - PLEDGE OF ALLEGIANCE

Board member Nagy called the meeting to order at 4:00 P.M. and conducted the pledge of allegiance.

ROLL CALL

Board Members: Amarante, Scully, Nagy, DeMartini

Staff Present: Deputy City Clerk Melanie Correa, Finance Manager Jami Westervelt

PRESENTATIONS

ORAL COMMUNICATIONS

There were no oral communications.

ADMINISTRATIVE AGENDA

1. Approve Minutes of the September 17, 2015 Meeting

1. *Recommendation: Review and Approve*

Board member Nagy introduced the minutes. Board member Scully made a motion to approve the minutes from September 17, 2015. The motion was seconded by Board member Amarante, and carried 4-0 with Board members Kelsey and Gomes absent.

2. Consider a Resolution Approving and Adopting a Recognized Obligation Payment Schedule (ROPS 16-17) Pursuant to Health and Safety Code Section 34177(I)

1. *Receive Staff Report*
2. *Receive Public Comment*
3. *Consider a motion to approve the Resolution*

Finance Manager Westervelt presented the staff report. There was no public comment. After a brief discussion, Board member Scully made a motion to approve the resolution. The motion was seconded by Board member DeMartini, and carried 4-0 with Board members Kelsey and Gomes absent.

REPORTS

There were no reports.

CLOSED SESSION

ADJOURNMENT

Board member DeMartini moved to adjourn the meeting. The motion was seconded by Board member Amarante, and carried 4-0 with Board members Kelsey and Gomes absent. The meeting was adjourned at 4:09 P.M.

ATTEST:

BOARD CLERK

Board Chair



OVERSIGHT BOARD OF THE REDEVELOPMENT SUCCESSOR AGENCY ITEM

JANUARY 25, 2017

PREPARED BY: Jami Westervelt, Finance Manager

SUBJECT: Consider a Resolution Approving and Adopting a Recognized Obligation Payment Schedule 17-18 (ROPS) Pursuant to Health and Safety Code Section 34177(I).

BACKGROUND/DISCUSSION

In January of 2012, the City elected to become the Successor Agency to the Gustine Redevelopment Agency. One of the responsibilities of the City, as Successor Agency, is to prepare Recognized Obligation Payment Schedule ("ROPS"), which sets forth the nature, amount, and source(s) of payment of all "enforceable obligations" of the Agency (as defined by law) to be paid by the Successor Agency after the Agency's dissolution. You will also see a sheet on "Additional History of City of Gustine Redevelopment Agency" should you desire additional information.

Distributions to the Redevelopment Property Tax Fund (RPTTF) were sufficient starting in 2015 to result in a net amount available to deposit into the RPTTF fund for the City of Gustine. Prior to that point, the City received no funding to repay the loan amount. It is important to note that the *loan* has been determined to be for legitimate purposes but that the request for funding was denied previously to that point due to insufficient eligible funds.

The State cited Health and Safety Code, section 34191.4 (b) (3), governs the maximum dollar amounts that each Agency can be repaid per fiscal year. The formula utilizes distributions in prior fiscal years in its calculation (see attached).

Attached are copies of the applicable distributions for the Gustine RDA for the past two ROPS periods, as well as the Loan repayment calculator supplied by the California Department of Finance which are required to be used in calculating current ROPS maximum funding requests.

The State is requiring completion of the entirety of 17-18 year again for this ROPS, as was started in 16-17. While this change reduces meetings and administration time, it also requires assumptions for an entire year.

Last year during approval, the Agency was also offered the opportunity to complete a "Last and Final" ROPS. Staff spent some time researching this option and its implications, including a requirement to forecast a schedule of future ROPS repayment request years through the completion of the obligation. The ability to alter those forecasts in the future is limited, while data exists only for a short period of time for Gustine. At the same time, a Last and Final can be filed in the future. Therefore, staff recommends considering the Last and Final option in the future, when more data will be available to help craft the repayment schedule.

Staff has also been advised that, regardless of either the property tax amounts actually collected or additional filing of a Last and Final, the maximum authorized amount for the fiscal year for repayment of the ROPS obligation will be the maximum per the code. Therefore, the attached ROPS document reflects a request for the maximum of \$76,606 toward the obligation. The request also includes \$240 reimbursement to cover the cost of attorney consult fees for the project, which is permissible if funding allows.

The ROPS must be reviewed by the Oversight Board of the Successor Agency for approval. Once approved by the Oversight Board, certification of the ROPS documents approval, along with the document, will be submitted to the County Auditor-Controller, the State Controller's Office and the State Department of Finance, and posted on the City's website.

RECOMMENDED ACTION

Staff recommends that the Oversight Board of the Successor Agency to the dissolved Redevelopment Agency of the City of Gustine, adopt the attached Resolution approving and adopting the a Recognized Obligation Payment Schedule (ROPS) 17-18 pursuant to Health and Safety Code Section 34177(l).

EXHIBIT

- A) Additional History of Gustine RDA
- B) Resolution No. 2017-XX
Exhibit to ROPS (three pages)
- C) Sponsoring Entity Loan Repayment Calculator
- D) Schedule ROPS Recognized Obligation Payment Schedule (ROPS)
Redevelopment Property Tax Trust Fund (RPTTF) Distributions 16-17A
- E) Schedule ROPS Recognized Obligation Payment Schedule (ROPS)
Redevelopment Property Tax Trust Fund (RPTTF) Distributions 16-17B

EXHIBIT A:

ADDITIONAL HISTORY OF GUSTINE RDA

On June 28, 2011, as part of the 2011-2012 State of California Budget Bill, Companion Bills Assembly Bill 1X 26 ("AB 26") and Assembly Bill 1X 27 ("AB 27") were enacted, dissolving the Redevelopment Agency of the City of Gustine ("Agency"), unless the City of Gustine ("City") elected to participate in the "Alternative Voluntary Redevelopment Program" established by AB 27 and paid an annual "community remittance" payment to the County of Merced.

On July 18, 2011, a Petition for Writ of Mandate was filed in the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("Legal Action"), challenging the constitutionality of AB 26 and AB 27 on behalf of cities, counties and redevelopment agencies. On December 29, 2011, the Supreme Court issued its opinion in the Legal Action, upholding AB 26, invalidating AB 27, extending certain statutory deadlines under Health and Safety Code Sections 34170 through 34191, and dissolving all redevelopment agencies throughout the State, effective February 1, 2012.

In January of 2012, the City elected to become the Successor Agency to the Gustine Redevelopment Agency. One of the responsibilities of the City, as Successor Agency, is to prepare Recognized Obligation Payment Schedule ("ROPS"), which sets forth the nature, amount, and source(s) of payment of all "enforceable obligations" of the Agency (as defined by law) to be paid by the Successor Agency after the Agency's dissolution.

Pursuant to Health and Safety Code Section 34177(l)(2), as modified by the Supreme Court's opinion in the Legal Action, the City, as Successor Agency, is required to prepare ROPS. These schedules are submitted to an external auditor (pursuant to Health and Safety Code Section 34182, either the County Auditor-Controller or its designee), for review and certification as to its accuracy ("Certified ROPS").

The obligations include primarily start up fees loaned from the City of Gustine for the establishment of the Agency and some ongoing anticipated administration and legal costs. The Successor agency will continue to list the obligations until which time the obligations are satisfied by any available tax increment.

RESOLUTION NO. 2017-XX

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF GUSTINE,
APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT
SCHEDULE 17-18 (July 1, 2017 through June 30, 2018) PURSUANT TO HEALTH
AND SAFETY CODE SECTION 34177(I)**

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Gustine ("Successor Agency") elected to become the Successor Agency to the Redevelopment Agency of the City of Gustine by Resolution No. 2012-2247 on January 17, 2012; and

WHEREAS, Health and Safety Code Section 34177(l)(2), as modified by the Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, requires the Successor Agency to prepare recognized obligation payment schedules ("ROPS") covering the period July 1, 2017 through June 30, 2018; and

WHEREAS, Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS schedule to an external auditor, either the Merced County Auditor-Controller or its designee, for the auditor's review and certification as to their accuracy; and

WHEREAS, Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS schedule certified by the external auditor ("Certified ROPS") to the Successor Agency's Oversight Board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS 17-18 ("Approved ROPS") schedule to the Merced County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS III schedule on the Successor Agency's website; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF GUSTINE, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of the ROPS 17-18 through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. Approval of the ROPS. The Oversight Board of the Successor Agency of the dissolved Redevelopment Agency of the City of Gustine hereby approves and adopts the final ROPS schedule's covering the period from July 1, 2017 through June 30, 2018 (Exhibit A); in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

Section 4. Transmittal of the ROPS. The City Manager is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS 17-18, including submitting the ROPS 17-18 to the Merced County Auditor-Controller, or its designee, the California State Controller, and the State of California Department of Finance, and posting the approved ROPS 17-18 schedules on the Successor Agency's website.

Section 5. Effectiveness. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a meeting of the Oversight Board of the Successor Agency to the dissolved Redevelopment Agency of the City of Gustine on the 25th day of January 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Acting Chair

Secretary

EXHIBIT A

**THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD
COVERING July 1, 2017 through June 30, 2018**

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Gustine
 County: Merced

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ - \$	- \$	- \$
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 76,846 \$	- \$	76,846
F RPTTF	76,606	-	76,606
G Administrative RPTTF	240	-	240
H Current Period Enforceable Obligations (A+E):	\$ 76,846 \$	- \$	76,846

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

Gustine Recognized Obligation Payment Schedule (ROPS 17-18) - 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
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								
Cash Balance Information by ROPS Period														
ROPS 15-16B Actuals (01/01/16 - 06/30/16)														
1	Beginning Available Cash Balance (Actual 01/01/16)													
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016													
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)						30,759							
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						30,759							
5	ROPS 15-16B 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)	\$	-	\$	-	\$	-	\$	-					

ROPS Review Period:	ROPS 17-18		
Sponsoring Entity Loan Repayment Calculator			
Base Year:	ROPS II July thru December 2012	ROPS III January thru June 2013	Total For Base Year
Residual Balance	0	0	0

Comparison Year:	ROPS 16-17 A July thru December 2016	ROPS 16-17 B January thru June 2017	Total For Comparison Year
Residual Balance	26,650	126,561	153,211

A	Total Residual Balance for Comparison Year	153,211
B	Total Residual Balance for Base Year	0
A-B	Difference of Residual Balance	153,211
		÷2
Maximum Repayment for Fiscal Year 2017-18		76,606

Recognized Obligation Payment Schedule (ROPS) Redevelopment Property Tax Trust Fund (RPTTF) Distributions

Allocation Period: July 2016 - December 2016

ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation Cycle: 16-17A

County : MERCED

Line #	Title of Former Redevelopment Agency:	GUSTINE RDA
1	RPTTF Deposits - Entering the deposits by source is optional.	
2	Secured & Unsecured Property Tax Increment (TI)	68,233
3	Supplemental & Unitary Property TI	
4	Interest Earnings/Other	77
5	Penalty Assessments	
6	Total RPTTF Deposits (sum of lines 2:5)	68,309
7	Total RPTTF Balance Available to Fund CAC Administrative Costs and Passthroughs	68,309
	RPTTF Distributions - Include all payments made pursuant to Health and Safety Code (H&S) Section 34183.	
8	Note that the following distributions are not necessary listed in the priority order required by H&S 34183.	
9	Administrative Distributions-	
10	Administrative Fees to CAC	125
11	SB 2557 Administration Fees	
12	when there is sufficient RPTTF to fully fund the approved enforceable obligations as shown on line 31.	
13	Total Administrative Distributions (sum of lines 10:12)	125
14	Passthrough Distributions-	
15	City Passthrough Payments	2,945
16	County Passthrough Payments	5,092
17	Special District Passthrough Payments	792
18	K-12 School Passthrough Payments - Tax Portion	3,534
19	K-12 School Passthrough Payments - Facilities Portion	
20	Community College Passthrough Payments - Tax Portion	704
21	Community College Passthrough Payments - Facilities Portion	
22	County Office of Education - Tax Portion	595
23	County Office of Education - Facilities Portion	
24	Education Revenue Augmentation Fund (ERAF)	
25	Total Passthrough Distributions (sum of lines 15:24)	13,662
26	Total Administrative and Passthrough Distributions (sum of lines 13 and 25)	13,787
27	Total RPTTF Balance Available to Fund Successor Agency (SA) Enforceable Obligations (EOs) (line 6 - 26)	54,522
	Finance Approved RPTTF for Distribution - Include the total RPTTF approved for SA non-admin and admin costs. Should the RPTTF be insufficient to fund all approved amounts during the "A" period of the annual ROPS, the "A" period shortfall amount will be funded during the "B" period if sufficient RPTTF is available.	
29	Non-Admin EOs	27,872
30	Admin EOs	-
31	Total Finance Approved RPTTF for Distribution (sum of lines 29 plus 30)	27,872
32	CAC Distributed ROPS RPTTF	
33	Non-Admin EOs	27,872
34	Admin EOs	
35	Insufficient RPTTF available to fund Finance Approved items in "A" ROPS (line 31 minus 36)	26,650
36	Total CAC Distributed RPTTF for SA EOs (sum of lines 33 plus 34)	27,872

37	Pension Override/State Water Project Override Revenues pursuant to HSC 34183 (a) (1) (B)	-
38	Total ROPS Only RPTTF Balance Available for Distribution to ATEs (line 27 minus 36 minus 37) -	26,650
39	RPTTF Distributions to ATEs	
40	Cities	5,745
41	Counties	9,933
42	Special Districts	1,545
43	K-12 Schools	6,893
44	Community Colleges	1,373
45	County Office of Education	1,161
46	Total ERAF - Please break out the ERAF amounts into the following categories if possible. (sum of lines 47:49)	-
47	ERAF - K-12	
48	ERAF - Community Colleges	
49	ERAF - County Offices of Education	
50	Total RPTTF Distributions to ATEs (sum of lines 40:46) - Total residual distributions must equal the total residual balance as shown on line 43	26,650
51	Total Residual Distributions to K-14 Schools (sum of lines 43:46):	9,428
52	Percentage of Residual Distributions to K-14 Schools	35.4%
53	Comments:	

Recognized Obligation Payment Schedule (ROPS) Redevelopment Property Tax Trust Fund (RPTTF) Distributions

Allocation Period: January 2017 - June 2017

ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation Cycle: 16-17 B

County : MERCED

Line #	Title of Former Redevelopment Agency:	GUSTINE RDA
1	RPTTF Deposits - Entering the deposits by source is optional.	
2	Secured & Unsecured Property Tax Increment (TI)	166,400
3	Supplemental & Unitary Property TI	
4	Interest Earnings/Other	
5	Penalty Assessments	
6	Total RPTTF Deposits (sum of lines 2:5)	166,400
7	Total RPTTF Balance Available to Fund CAC Administrative Costs and Passthroughs	166,400
	RPTTF Distributions - Include all payments made pursuant to Health and Safety Code (H&S) Section 34183.	
8	Note that the following distributions are not necessary listed in the priority order required by H&S 34183.	
9	Administrative Distributions-	
10	Administrative Fees to CAC	125
11	SB 2557 Administration Fees	6,434
12	SCO Invoices for Audit and Oversight - Funding should only be allocated for this purpose when there is sufficient RPTTF to fully fund the approved enforceable obligations as shown on line 31.	
13	Total Administrative Distributions (sum of lines 10:12)	6,559
14	Passthrough Distributions-	
15	City Passthrough Payments	7,176
16	County Passthrough Payments	12,406
17	Special District Passthrough Payments	1,922
18	K-12 School Passthrough Payments - Tax Portion	8,610
19	K-12 School Passthrough Payments - Facilities Portion	
20	Community College Passthrough Payments - Tax Portion	1,715
21	Community College Passthrough Payments - Facilities Portion	
22	County Office of Education - Tax Portion	1,451
23	County Office of Education - Facilities Portion	
24	Education Revenue Augmentation Fund (ERAF)	
25	Total Passthrough Distributions (sum of lines 15:24)	33,280
26	Total Administrative and Passthrough Distributions (sum of lines 13 and 25)	39,839
27	Total RPTTF Balance Available to Fund Successor Agency (SA) Enforceable Obligations (EOs) (line 6 - 26)	126,561
	Finance Approved RPTTF for Distribution - Include the total RPTTF approved for SA non-admin and admin costs. Should the RPTTF be insufficient to fund all approved obligations during the "A" period of the annual ROPS, enter the amount of RPTTF available in the "B" period (if any) that will be distributed to fund the "A" period shortfall. See line 35 in "A" ROPS.	
28		
29	Non-Admin EOs	-
30	Admin EOs	-
31	Total Finance Approved RPTTF for Distribution (sum of lines 29:34)	-
32	CAC Distributed ROPS RPTTF-	
33	Non-Admin EOs	-
34	Admin EOs	-

35	Insufficient RPTTF in "A" Period for Finance Approved RPTTF to be Funded in "B" Period (See line 35 in "A" ROPS)	
36	Total CAC Distributed RPTTF for SA EOs (sum of lines 33, plus 34, plus 35)	-
37	Pension Override/State Water Project Override Revenues pursuant to HSC 34183 (a) (1) (B)	
38	Total ROPS 16-17B Only RPTTF Balance Available for Distribution to ATEs (line 27 minus 36 minus 37)	126,561
39	RPTTF Distributions to ATEs	
40	Cities	27,301
41	Counties	47,201
42	Special Districts	7,258
43	K-12 Schools	32,758
44	Community Colleges	6,525
45	County Office of Education	5,519
46	Total ERAF - Please break out the ERAF amounts into the following categories if possible. (sum of lines 47:49)	-
47	ERAF - K-12	
48	ERAF - Community Colleges	
49	ERAF - County Offices of Education	
50	Total RPTTF Distributions to ATEs (sum of lines 40:46) - Total residual distributions must equal the total residual balance as shown on line 38.	126,561
51	Total Residual Distributions to K-14 Schools (sum of lines 43:46)	44,801
52	Percentage of Residual Distributions to K-14 Schools	35.4%

Comments:

53