



AGENDA SUMMARY
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE
DISSOLVED ARROYO GRANDE REDEVELOPMENT AGENCY
THURSDAY, JANUARY 21, 2016
2:00 P.M.
ARROYO GRANDE CITY HALL CONFERENCE ROOM
300 E. BRANCH STREET, ARROYO GRANDE

1. CALL TO ORDER

2. ROLL CALL

3. FLAG SALUTE

4. PUBLIC COMMENT

Members of the public wishing to address the Oversight Board may do so when recognized by the Presiding Officer.

5. PRESENTATIONS

None.

6. BUSINESS ITEMS

6.a. Consideration Of A Resolution Approving Minutes

Recommended Action: Adopt a Resolution approving the minutes of the Oversight Board to the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency meeting of September 18, 2015, as submitted.

Documents: [OB 06a Approval of 09-18-15 Minutes.pdf](#)

6.b. Consideration Of The Administrative Budget For The Period July 1, 2016 Through June 30, 2017 And The Recognized Obligation Payment Schedule (ROPS) For The Period July 1, 2016 Through June 30, 2017

Recommended Action: 1) Adopt a Resolution approving the Administrative Budget for the City of Arroyo Grande as Successor Agency to the Dissolved Redevelopment Agency for the period July 1, 2016 through June 30, 2017; and 2) Adopt a Resolution approving the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2016 through June 30, 2017.

Documents: [OB 06b Approval of Admin Budget and ROPS.pdf](#)

7. ADJOURNMENT

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**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE DISSOLVED REDEVELOPMENT AGENCY
OF THE CITY OF ARROYO GRANDE**

AGENDA REPORT

TO: Oversight Board
FROM: Kitty Norton, Secretary to the Board
MEETING OF: January 21, 2016
SUBJECT: Approval of Minutes of the September 18, 2015 Meeting

RECOMMENDATION

That the Oversight Board adopt the Resolution entitled "A Resolution of the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Arroyo Grande Approving the Minutes of the Oversight Board Meeting of September 18, 2015."

DISCUSSION

Health & Safety Code Section 34179(e) was recently amended by AB 1484 to include the following language [shown in bold underlined text], as follows:

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. **All actions taken by the oversight board shall be adopted by resolution.**

This change became effective June 27, 2012. Therefore, the minutes of the September 18, 2015 meeting are presented to the Oversight Board for review, and it is recommended the minutes be approved by Resolution, as submitted.

ALTERNATIVES

The Oversight Board may desire to amend and then adopt the minutes.

ATTACHMENTS

- 1) Resolution Approving the Minutes of the September 18, 2015 Meeting
- 2) Minutes of the September 18, 2015 Meeting

RESOLUTION NO. OB-2016-XXX

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF ARROYO GRANDE APPROVING THE MINUTES OF THE OVERSIGHT BOARD MEETING OF SEPTEMBER 18, 2015

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Redevelopment Agency of the City of Arroyo Grande met on September 18, 2015; and

WHEREAS, at the Oversight Board's meeting of January 21, 2016, the Oversight Board considered the minutes of the September 18, 2015 meeting and the approval of said minutes.

NOW, THEREFORE, the Oversight Board resolves as follows:

Section 1. The minutes of the Oversight Board's September 18, 2015 meeting are approved.

Section 2. The Secretary shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the 21st day of January, 2016.

JIM HILL, CHAIR

ATTEST:

KITTY NORTON, BOARD SECRETARY

ACTION MINUTES

SPECIAL MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE
DISSOLVED ARROYO GRANDE REDEVELOPMENT AGENCY
FRIDAY, SEPTEMBER 18, 4:00 P.M.
ARROYO GRANDE CITY HALL CONFERENCE ROOM, 300 EAST BRANCH STREET
ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

Chair Hill called the meeting of the Oversight Board to the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency to order at 4:08 p.m.

2. ROLL CALL

Board Members: Board Member Lynn Compton, Board Member Michelle Mayfield, Board Member Will Clemens, and Chair Jim Hill, were present. Board Member Pamela Ralston and Board Member Mary Jarvis were absent.

City Staff Present: Administrative Services Director Debbie Malicoat, Accounting Manager Ryan Cornell, Board Secretary Kitty Norton, and Legal Counsel to Successor Agency David Hirsch were present.

3. FLAG SALUTE

Chair Hill led the Flag Salute.

4. PUBLIC COMMENT

None.

5. PRESENTATIONS

None.

6. BUSINESS ITEMS

6.a. Consideration of a Resolution Approving Minutes

Recommended Action: Adopt a Resolution approving the minutes of the Oversight Board to the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency meeting of July 30, 2015, as submitted.

Action: Board Member Compton moved to adopt Resolution No. OB-2015-005 entitled: ***"A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF ARROYO GRANDE APPROVING THE MINUTES OF THE OVERSIGHT BOARD MEETING OF JULY 30, 2015"***. Board Member Clemens seconded the motion, and the motion passed on the following roll-call vote:

AYES: Board Members Compton, Clemens, Mayfield, and Chair Hill
NOES: None
ABSTAIN: None
ABSENT: Board Members Ralston and Jarvis

6.b. Consideration of a Resolution Establishing a New Regular Meeting Date for the Oversight Board

Recommended Action: Adopt a Resolution establishing a new meeting date of the Oversight Board to the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency.

Action: Board Member Clemens moved to adopt Resolution No. OB-2015-006 entitled: **“A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF ARROYO GRANDE ESTABLISHING A NEW REGULAR MEETING DATE FOR OVERSIGHT BOARD MEETINGS”**. Board Member Compton seconded the motion, and the motion passed on the following roll-call vote:

AYES: Board Members Clemens, Compton, Mayfield, and Chair Hill
NOES: None
ABSTAIN: None
ABSENT: Board Members Ralston and Jarvis

6.c. Consideration of the Administrative Budget for the period January 1, 2016 through June 30, 2016 and the Recognized Obligation Payment Schedule (ROPS) for the period January 1, 2016 through June 30, 2016

Recommended Action: 1) Adopt a Resolution approving the Administrative Budget for the City of Arroyo Grande as Successor Agency to the Dissolved Redevelopment Agency for the period January 1, 2016 through June 30, 2016; and 2) Adopt a Resolution approving the Recognized Obligation Payment Schedule (ROPS) for the period January 1, 2016 through June 30, 2016.

Action: Board Member Clemens moved to adopt Resolution No. OB 2015-007 entitled: **“A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF ARROYO GRANDE APPROVING AND ADOPTING THE SUCCESSOR AGENCY’S ADMINISTRATIVE BUDGET FOR THE PERIOD JANUARY 1, 2016 THROUGH JUNE 30, 2016, PURSUANT TO THE PROVISIONS SET FORTH IN HEALTH AND SAFETY CODE SECTION 34177(j) (AB 1X 26)”** and Resolution No. OB 2015-008 entitled: **“A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF ARROYO GRANDE APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 1, 2016 THROUGH JUNE 30, 2016, PURSUANT TO THE PROVISIONS SET FORTH IN HEALTH AND SAFETY CODE SECTION 34180(g) (AB 1X 26)”**. Board Member Mayfield seconded the motion, and the motion passed on the following roll-call vote:

AYES: Board Members Clemens, Mayfield, Compton, and Chair Hill
NOES: None
ABSTAIN: None
ABSENT: Board Members Ralston and Jarvis

**Minutes: Special Meeting of the Oversight Board to the
Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency
Friday, September 18, 2015**

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7. ADJOURNMENT

Chair Hill adjourned the meeting at 4:14 p.m.

Jim Hill, Chair

ATTEST:

Kitty Norton, Secretary to the Board

(Approved at OB Mtg _____)

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**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE DISSOLVED REDEVELOPMENT AGENCY
OF THE CITY OF ARROYO GRANDE**

AGENDA REPORT

TO: Oversight Board
FROM: Ryan Cornell, Accounting Manager, City of Arroyo Grande
(Successor Agency)
MEETING OF: January 21, 2016
SUBJECT: Consideration of the Administrative Budget for the period July 1, 2016 through June 30, 2017 and the Recognized Obligation Payment Schedule (ROPS) for July 1, 2016 through June 30, 2017

RECOMMENDATION

That the Oversight Board:

1) Adopt a Resolution approving the Administrative Budget for the City of Arroyo Grande as Successor Agency to the Dissolved Redevelopment Agency for the period July 1, 2016 through June 30, 2017; and 2) Adopt a Resolution approving the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2016 through June 30, 2017.

DISCUSSION

The Department of Finance (DOF) requires that by February 1, 2016, Successor Agencies must provide the DOF with an Oversight-Board approved ROPS covering the July 1, 2016 through June 30, 2017 period. The DOF will then have 45 days to review the ROPS, and to object to any items that do not meet the definition of an Enforceable Obligation.

Below is an explanation of each of the debt items listed on the July 1, 2016 through June 30, 2017 ROPS:

- 1) **2007 Tax Allocation Bonds** – Bonds in the amount of \$6,285,000 were issued to repay funds that had been borrowed from internal funds for start-up costs for the Redevelopment Agency and to fund new economic development and affordable housing projects. This is a 30 year debt and the last payment is due on September 1, 2037.
- 2) **Administrative Costs** - Per ABX1 26, the Successor Agency is eligible to receive an “administrative cost allowance” in the minimum amount of \$250,000 annually for reimbursement of the Successor Agency’s administrative costs. The amount of \$40,000 is the estimated amount needed for the next fiscal year of

OVERSIGHT BOARD

CONSIDERATION OF ADOPTION OF RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIODS JULY 1, 2016 THROUGH JUNE 30, 2017

JANUARY 21, 2016

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reimbursable administrative costs. Staff has included the Administrative budget for Oversight Board approval.

- 3) 2007 Tax Allocation Bond Fees** – This is the fiscal agent fee of \$2,000 per year that is charged by Wells Fargo Bank.
- 4) City In-Lieu Housing Fund Loan** – On July 25, 2006, the Former Redevelopment Agency entered into an agreement with the City to borrow funds to purchase a vacant lot at the corner of El Camino Real and Faeh Street. The purpose of purchasing the property was to facilitate a hotel or other project. On April 26, 2013, the Successor Agency received its Finding of Completion from the DOF allowing the loan in the amount of \$836,257 between the City of Arroyo Grande and the Former Redevelopment Agency to be considered an enforceable obligation. The oversight board approved this loan as an enforceable obligation and was for legitimate redevelopment purposes on May 14, 2013. Pursuant to HSC section 34191.4 (b), the SA is requesting the maximum repayment allowable in the amount of \$163,821.

ALTERNATIVES

- 1) Do not adopt the Administrative Budget and ROPS for July 1, 2016 through June 30, 2017 and direct staff to notify the DOF, State Controller, and County Auditor-Controllor of the delay.

ATTACHMENTS

1. Resolution approving and adopting Administrative Budget for July 1, 2016 through June 30, 2017.
2. Resolution approving and adopting the ROPS for July 1, 2016 through June 30, 2017.

RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF ARROYO GRANDE APPROVING AND ADOPTING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017, PURSUANT TO THE PROVISIONS SET FORTH IN HEALTH AND SAFETY CODE SECTION 34177(j) (AB 1X 26)

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Redevelopment Agency of the City of Arroyo Grande has been appointed pursuant to the provision of Health and Safety Code Section 34179; and

WHEREAS, Health and Safety Code Section 34177(j) requires Oversight Board approval for the Successor Agency Administrative Budget for the period July 1, 2016 through June 30, 2017,

WHEREAS, the Administrative Budget for the period July 1, 2016 through June 30, 2017 has been presented to the Oversight Board for its consideration at a regular meeting of the Oversight Board held on January 21, 2016;

NOW, THEREFORE, the Oversight Board resolves as follows:

Section 1. The foregoing Recitals are incorporated herein and made a part hereof.

Section 2. The Administrative Budget for the period July 1, 2016 through June 30, 2017, as set forth in "Exhibit A" attached hereto and by this reference incorporated herein, is hereby approved and adopted by the Oversight Board.

Section 3. The Secretary shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the th day of , 2016.

, CHAIR

ATTEST:

KITTY NORTON, BOARD SECRETARY

CITY OF ARROYO GRANDE AS SUCCESSOR AGENCY
 TO THE DISSOLVED REDEVELOPMENT AGENCY
 OF THE CITY OF ARROYO GRANDE

Administrative Budget
 July 1, 2016 -June 30, 2017

Estimated Administrative Costs:

Administrative Expenses - staff personnel costs for City employees carrying out the dissolution functions; legal and audit fees and expenses. Also, additional personnel costs will be required in order to sale the properties held by the Successor Agency.	\$ 40,000
Training, publishing, supplies	<u>\$ -</u>
Total Proposed Administrative Budget	<u><u>\$ 40,000</u></u>

Proposed Source(s) of Payment:

Administrative cost allowance	<u>\$ 40,000</u>
Total proposed Source(s) of Payment	<u><u>\$ 40,000</u></u>

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. The Successor Agency shall reimburse the General Fund up to the allowable 3% administrative cost cap.

RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF ARROYO GRANDE APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017, PURSUANT TO THE PROVISIONS SET FORTH IN HEALTH AND SAFETY CODE SECTION 34180(g) (AB 1X 26)

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor signed, from the 2011-12 First Extraordinary Session, Assembly Bill 1X 26 (“AB 1X 26”), requiring that each redevelopment agency be dissolved; and

WHEREAS, on December 29, 2011, the California Supreme Court upheld the validity of AB 1X 26 and modified certain of the dates pertaining to actions related to the dissolution of redevelopment agencies; and

WHEREAS, as of February 1, 2012, the Redevelopment Agency of the City of Arroyo Grande was dissolved pursuant to the provision of AB 1X 26; and

WHEREAS, the City Council of the City of Arroyo Grande by operation of law and by action duly and regularly taken became the successor agency to the dissolved redevelopment agency (“Successor Agency”); and

WHEREAS, pursuant to the requirements of AB 1X 26, the Successor Agency has prepared a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017; and

WHEREAS, the Oversight Board to the Successor Agency has been appointed pursuant to Health and Safety Code Section 34179; and

WHEREAS, the Successor Agency has presented the Recognized Obligation Payment Schedule described above to the Oversight Board for its approval pursuant to Health and Safety Code Section 34180(g);

NOW, THEREFORE, the Oversight Board resolves as follows:

Section 1. The foregoing Recitals are incorporated herein and made a part hereof.

Section 2. The Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017, attached as “Exhibit A” to this Resolution, is hereby approved and adopted.

Section 3. The Board has authorized and directed Successor Agency staff to (1) post the Recognized Obligation Payment Schedule on the Successor Agency’s website; (2) notify, by mail or electronic means, the County Auditor-Controller, the State Department of Finance, and the State Controller of the Oversight Board’s action approving and adopting the Recognized Obligation Payment Schedule and (3) provide those offices with an address to the City’s website where the Recognized Obligation Payment Schedule is posted.

RESOLUTION NO.
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Section 4. The Secretary shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the th day of ,
2016.

, CHAIR

ATTEST:

KITTY NORTON, BOARD SECRETARY

EXHIBIT A

Arroyo Grande Recognized Obligation Payment Schedule (ROPS 16-17) - 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	
	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 RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
ROPS 15-16A Actuals (07/01/15 - 12/31/15)								
1	Beginning Available Cash Balance (Actual 07/01/15)	489,654				-	-	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	25				15	528,881	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)	1,061				15	528,881	
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	458,078						
5	ROPS 15-16A 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)	\$ 30,540	\$ -	\$ -	\$ -	\$ -	\$ -	
ROPS 15-16B Estimate (01/01/16 - 06/30/16)								
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 488,618	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					43	187,527	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)					43	187,527	
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	458,078						
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 30,540	\$ -	\$ -	\$ -	\$ -	\$ -	

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