



Oversight Board Agenda

Special Meeting

Thursday, January 28, 2016

6:00 P.M.

Bell City Hall
Council Chambers
6330 Pine Avenue

Alicia Romero
Chair

Greg Tsujiuchi
Oversight Board Member

Hector David Giron
Oversight Board Member

Andrew Sanchez
Oversight Board Member

Megan Moret
Oversight Board Member

John Walsh
Oversight Board Member

Rosie Vasquez
Oversight Board Member

Welcome to the Oversight Board Meeting

City of Bell and staff welcome you. This is your City Government. Individual participation is a basic part of American Democracy and all Bell residents are encouraged to attend meetings of the City Council. Oversight Board meetings are held in the Bell Council Chambers, 6330 Pine Avenue. For more information, you may call City Hall during regular business hours 8:00 a.m. to 4:00 p.m., Monday through Friday at (323) 588-6211 Extension 205.

Addressing the Oversight Board

If you wish to speak to the Oversight Board on any item which is listed or not listed on the Oversight Board Agenda, please complete a *Request to Speak Card* available in the meeting room. Please submit the completed card prior to the meeting.

Compliance with Americans with Disabilities Act

The City of Bell, in complying with the Americans with Disabilities Act (ADA), request individuals who require special accommodation(s) to access, attend, and or participate in a City meeting due to disability. Please contact the City Clerk's Office, (323) 588-6211, Ext. 205, at least one business day prior to the scheduled meeting to insure that we may assist you.

**OVERSIGHT BOARD TO THE SUCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BELL**

SPECIAL MEETING AGENDA

CITY COUNCIL CHAMBERS

**THURSDAY, JANUARY 28, 2016
6:00 P.M.**

NOTICE IS HEREBY GIVEN that the Oversight Board to the Successor Agency to the Bell Community Redevelopment Agency of the City of Bell will hold a Special Meeting on January 28, 2016 at 6:00 P.M., at Bell City Hall to consider the following:

REGULAR SESSION AGENDA

6:00 P.M.

CALL TO ORDER

Pledge of Allegiance.
Invocation.
Roll Call and Introductions.
Changes to the Agenda.

ANNOUNCEMENTS

PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS

PUBLIC COMMENTS

This is the time for the public to address the Oversight Board on issues within the jurisdiction of the Oversight Board that are NOT on this agenda. All comments are to be directed to the Oversight Board and shall not consist of any personal attacks. Members of the public are expected to maintain a professional, courteous decorum during their comments. There is a time limitation of three minutes per person. If you haven't already done so, please fill out name and address slips and give them to the Secretary to the Oversight Board. The Oversight Board is prohibited by State law from taking action or discussing items not included on the printed agenda. Public comments on specific agenda items will be deferred until consideration of the item on the agenda.

CONSENT CALENDAR

1. Approval of Minutes of the September 14, 2015 Oversight Board Meeting

ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION

DISCUSSION AND POTENTIAL ACTION ITEMS

1. Review and Approval of the Successor Agency Recognized Obligation Payment Schedule for the period July 1, 2016 to June 30, 2017 (ROPS 16-17)
2. Oversight Board Communications

ADJOURNMENT

MINUTES
Special Meeting
Bell Oversight Board Meeting
Bell City Council Chambers
Monday, September 14, 2015 at 5:30 P.M.

Meeting was called to order by Chair Romero at 5:32 P.M.

Pledge of Allegiance was led by Board Member Greg Tsujiuchi.

Roll Call of the Oversight Board:

Members Present: Board Members Sanchez, Tsujiuchi, Vasquez, Walsh and Chair Romero (5)

Members Absent: Board Members Giron and Moret (2)

Staff present: RSG Consultant Jane Carlson; Finance Director Shally Lin and Board Secretary Angela Bustamante.

Changes to the Agenda

None.

Announcements

Jane Carlson, RSG Consultant, provided information on Senate Bill 107 that was recently passed. She also provided an update on the Pension Override. Lastly, she spoke about possibly amending the Property Management Plan (PMP) to include public parking lots which were recently added to the definition of government use.

Presentations, Appointments, and Proclamations

None.

Public Comment

None.

DISCUSSION AND POTENTIAL ACTION ITEMS:

1. Review and Approval of the Successor Agency Recognized Obligation Payment Schedule for the period January 1 to June 30, 2016 (ROPS 15-16B)

Jane Carlson, RSG Consultant, provided a brief report on the item.

Board Member Vasquez asked for clarification on the amount owed by Jack's Car Wash.

Ms. Carlson responded that they still owe the full amount.

A brief discussion ensued amongst the Board and Staff.

Ms. Carlson provided additional updates on the winding down process of the Redevelopment Agency.

It was moved by Board member Vasquez to approve the item. Motion was seconded by Board Member Walsh which carried with the following roll call:

AYES: Board members Sanchez, Tsujiuchi, Vasquez, Walsh, and Chair Romero
NOES: None
ABSTENTION: None
ABSENT: Board members Giron and Moret

2. Oversight Board Communications

None

Chair Romero adjourned the meeting at 6:00 P.M.

I, Angela Bustamante, Oversight Board Secretary, certify that the foregoing minutes were approved by the Bell Oversight Board at a special meeting held on January 28, 2016.

Alicia Romero,
Chair

Angela Bustamante,
Board Secretary

Bell Oversight Board

Staff Report

Oversight Board Meeting Date: January 28, 2016

TO: Honorable Oversight Board Members

FROM: Successor Agency Staff

SUBJECT: Approval of the Successor Agency's Recognized Obligation Payment Schedule 16-17 for the July 1, 2016 through June 30, 2017 period.

RECOMMENDATIONS:

It is recommended that the Oversight Board:

1. Adopt a Resolution of the Oversight Board of the Successor Agency to the Bell Community Redevelopment Agency approving the Recognized Obligation Payment Schedule 16-17 for the July 1, 2016 through June 30, 2017 period and authorizing its transmittal.

BACKGROUND

On December 29, 2011, the California Supreme Court issued its decision in *CRA v. Matosantos*, upholding AB X1 26, which dissolves all redevelopment agencies in California, and overturning AB X1 27, the "voluntary alternative redevelopment program." After the redevelopment program provided in AB X1 27 was ruled unconstitutional by the Court, all California redevelopment agencies were required to dissolve. On February 1, 2012, redevelopment agencies throughout the State were eliminated and successor agencies assumed the responsibility of winding down the activities of their respective redevelopment agencies. The City of Bell ("City") serves as the Successor Agency of the former Bell Community Redevelopment Agency.

As part of the dissolution process, the Successor Agency is required prepare a Recognized Obligation Payment Schedule ("ROPS") showing all the obligations of the former Redevelopment Agency and the sources of funds for the repayments. On September 22, 2015, Governor Brown signed Senate Bill 107 ("SB 107"), which went into effect immediately. SB 107 made several key changes to the Health and Safety Code sections that oversee dissolution and the ROPS process. These changes are summarized below:

Annual ROPS Submission Beginning for Fiscal Year 2016-17

Beginning in 2016, the Successor Agency's ROPS will be due to the Department of Finance ("DOF") annually by February 1st, instead of biannually as in previous years. ROPS periods will cover July 1st to June 30th. The Annual ROPS will still be split into two payment periods, A and B, and the County Auditor-Controller will still distribute Redevelopment Property Tax Trust Fund ("RPTTF") money to the Successor twice a year.

Once per ROPS period, but not later than October 1st, successor agencies may submit to their oversight board and DOF one amendment to the DOF-approved ROPS if the oversight board makes a finding that the revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period.

Bifurcation of ROPS and Prior Period Adjustment Processes

Previously, on ROPS, successor agencies provided the DOF both an itemized list of payments of enforceable obligations for the upcoming ROPS period and an itemized list of differences between actual payments and past estimated obligations for the preceding ROPS period ("Prior Period Adjustment"). SB 107 specifies that, beginning in 2018, the Prior Period Adjustment process will be handled separately from the ROPS by county auditor-controllers and on an annual basis, instead of biannually as in previous years. Successor agencies will provide information regarding their Prior Period Adjustment to county auditor-controllers on October 1, 2018, and each October 1st thereafter. The law does not specify a change to when or how the successor agencies will provide this information before October 1, 2018. DOF has indicated that they are working on a new annual Prior Period Adjustment form to be introduced during the ROPS 18-19 period. ROPS 16-17 does not include the Prior Period Adjustment tab.

Pension Override Revenue

There have been several changes to how the revenue collected from a debt service override levied by the City has been handled during dissolution. Prior to SB 107, the Successor Agency was collecting all the override revenue and DOF barred the Successor Agency from transferring the money back to the City. SB 107 clarified how override revenue throughout the State should be treated. If the override revenue is pledged to Successor Agency's bonded indebtedness, but not *needed* to make debt service payments during a ROPS period, the override revenue transfers back to the City. For the ROPS 15-16B RPTTF distribution made on January 4, 2016, the City did receive all override revenue. This should continue so long as the Successor Agency continues to receive enough property tax revenue to cover its debt service obligations.

City/RDA Loans

SB 107 replaced the Local Agency Investment Fund (LAIF) interest rate on City loans with a simple interest rate of 3%. Also, repayments must be applied first to principal and then to interest.

DISCUSSION

The Oversight Board will be asked to approve ROPS 16-17 at its meeting schedule for January 28, 2016. Following Oversight Board approval, ROPS 16-17 will be transmitted to the Department of Finance, State Controller, and Los Angeles County Auditor-Controller for their review by the February 1, 2016 deadline.

The items on ROPS 16-17 are substantially the same as those included on prior ROPS approved by the Oversight Board. Recent changes include:

Repayment of City Loan to Cover October 2011 Debt Service Payment

On September 26, 2014, the Successor Agency approved a loan agreement and promissory note between the City of Bell and the Bell Successor Agency to eliminate a carryover cash deficit that would have prohibited the Successor Agency from making its October 1, 2014 debt service payment as well as other enforceable obligations listed on ROPS 14-15A. Following Oversight Board approval, DOF approved the Loan Agreement on February 3, 2015.

Per the approved repayment schedule, the Successor Agency paid the City of Bell \$400,960 during ROPS 15-16A. The Successor Agency is now requesting \$504,102 to make another payment on the loan. This payment will be split between the two ROPS 16-17 periods.

Repayment of SERAF Loans

As previously discussed with the City Council, the former Redevelopment Agency borrowed money from its Low and Moderate Income Housing Fund to make two statewide Supplemental Educational Revenue Allocation Fund (SERAF) payments imposed by the State in 2009-10 and 2010-11. The total outstanding amounts due are \$1,033,669 and \$211,850 respectively. Pursuant to H&SC Section 34171(d)(1)(G) and 34191.4(b), the Successor Agency can repay these loans once it has received its Finding of Completion. However, the maximum annual payment amount is subject to a formula that compares the residual RPTTF distributed to the taxing entities in 2012-13 to the residual RPTTF distributed to the taxing entities in the previous fiscal year, which in this case is 2015-16.

The maximum annual payment amount allowed in 2016-17 is \$35,088. The Successor Agency is requesting funding to make this payment in the second half of ROPS 16-17 because more funding will be available during that period.

FISCAL IMPACT

Preparation and administration of ROPS 16-17 is funded through the Successor Agency's annual administrative allowance of \$250,000.

ATTACHMENTS

- Resolution to Approve ROPS 16-17
- ROPS 16-17 covering July 2016 through June 2017.

RESOLUTION NO. 2016-01 OB

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED BELL COMMUNITY REDEVELOPMENT AGENCY APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (“ROPS”) COVERING THE JULY 2016 TO JUNE 2017 TIME PERIOD PURSUANT TO HEALTH AND SAFETY CODE § 34176 AND TRANSMITTING THE ROPS TO THE NECESSARY AGENCIES

WHEREAS, the Bell Successor Agency (“Successor Agency”) is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code §§ 33000 *et seq.*); and

WHEREAS, the City of Bell is a municipal corporation and a Charter city organized and existing under the Constitution of the State of California (“City”); and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill x1 26 (“ABx1 26”) and invalidated Assembly Bill x1 27; and

WHEREAS, the Court’s decision results in the implementation of ABx1 26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, the City is, by operation of law, the Successor Agency to the Redevelopment Agency for purposes of winding-down the Redevelopment Agency under ABx1 26, AB 1484 and Senate Bill 107 (“SB107”) (together “the Dissolution Act”); and

WHEREAS, pursuant to the provisions of the Dissolution Act, the City as Successor Agency is required to adopt the Recognized Obligation Payment Schedules; and

WHEREAS, the approval of the Recognized Obligation Payment Schedule includes authorization to the Successor Agency allowing it to approve and implement any contracts needed for the performance of any approved enforceable obligations; and

WHEREAS, Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare a proposed administrative budget and submit it to the Oversight Board for approval; and

WHEREAS, pursuant to Section 34177(j), the Successor Agency’s “Administrative Budget” is to include all of the following: (a) estimated amounts of the Successor Agency’s administrative costs for the up-coming twelve-month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and

WHEREAS, the proposed ROPS and Administrative Budget for the twelve-month period from July 1, 2016 through June 30, 2017 attached hereto as Exhibit “A” has been prepared by staff and consultants consistent with the provisions of the Dissolution Act and in the format made available by DOF; and

WHEREAS, pursuant to Health and Safety Code sections 34177(l) and 34180(g), the Oversight Board must approve all ROPS and Administrative Budgets for them to become established, valid, and operative for the applicable twelve-month fiscal period.

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

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE BELL COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference; and

SECTION 2. The ROPS 16-17 and 2016-17 Administrative Budget, attached hereto and incorporated herein by reference as Exhibit "A", is hereby approved pursuant to Health & Safety Code Sections 34177 and 34180.

SECTION 3. The City Manager/Executive Director or his designee is hereby directed to post this Resolution and the ROPS on the Successor Agency's website and to provide notice of adoption of the ROPS by the Oversight Board of the Successor Agency to the County Auditor-Controller, the State Controller and the State Department of Finance.

SECTION 4. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED at a meeting of the Bell Oversight Board held on this 28th day of January, 2016, by the following vote:

OVERSIGHT BOARD CHAIR

ATTEST:

OVERSIGHT BOARD SECRETARY

APPROVED AS TO FORM:

David Aleshire, CITY ATTORNEY

I, Rebecca Valdez, City Clerk, Bell, California, hereby certify that the foregoing resolution was adopted by the Bell Oversight Board to the former Bell Community Redevelopment Agency at the Oversight Board meeting held on the 28th day of January, 2016 and passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

OVERSIGHT BOARD SECRETARY

EXHIBIT A

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17
JULY 2016 TO JUNE 2017**

AND

2016-17 ADMINISTRATIVE BUDGET

[Attached behind this page]

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Bell
County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding			
A Sources (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds Funding	-	-	-
C Reserve Balance Funding	-	-	-
D Other Funding	-	-	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 2,266,711	\$ 1,196,958	\$ 3,463,669
F Non-Administrative Costs	2,141,711	1,071,958	3,213,669
G Administrative Costs	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 2,266,711	\$ 1,196,958	\$ 3,463,669

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

Bell Successor Agency Administrative Budget for ROPS 16-17

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET	Total	Source
Successor Agency Staff		
Salaries, Wages and Overhead	<u>150,000</u>	RPTTF / Admin
Subtotal \$	<u>150,000</u>	
Consultant Staffing Costs for Successor Agency		
Aleshire & Wynder	50,000	RPTTF / Admin
RSG	50,000	RPTTF / Admin
Subtotal \$	<u>100,000</u>	
FINAL BUDGET	<u>250,000</u>	