

**REGULAR MEETING OF THE  
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY  
TO THE FORMER MADERA REDEVELOPMENT AGENCY**

**Monday, April 15, 2013**

**9:00 a.m. – Regular Session**

City of Madera City Hall – Council Chambers  
205 West Fourth Street, Madera, California

**Action/Summary Minutes**

**1. CALL TO ORDER – REGULAR SESSION**

Meeting called to order by Chairperson Brett Frazier at 9:00 a.m.

**ROLL CALL**

**Board Members Present:**

Brett Frazier, Chairperson  
Stell Manfredi, Vice-Chairperson  
Donald Horal, Board Member  
Geri Kendal Cox, Alternate Board Member  
Bob Wilson, Board Member

**Board Members Absent:**

Ric Arredondo, Board Member  
Max Rodriguez, Board Member

**Successor Agency Staff Members Present:**

Successor Agency Executive Director Jim Taubert, General Counsel Brent Richardson, and Successor Agency Secretary Sandi Brown.

The Pledge of Allegiance was led by Chairperson Brett Frazier.

**PUBLIC COMMENT**

The first fifteen minutes of the meeting are reserved for members of the public to address the Board on items which are within the subject matter jurisdiction of the Board. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Chairperson has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Board is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Board does not respond to public comment at this time.

*Chairperson Frazier opened the public comment portion of the meeting. There being no comments offered, the public comment portion of the meeting was closed.*

**2. CONSENT CALENDAR**

**2.1 Minutes of the Regular Meeting of the Oversight Board for March 18, 2013**

**2.2 Consideration of a Resolution Approving the Rescission of Resolution No. OB 13-04 in its Entirety and Approving an Amended Agreement for the Purchase and Sales Agreement for 300 South "G" Street (APN 010-162-001)**

**Action:** Approval of the Consent Calendar item as presented.

**Moved by:** Board Member Manfredi; seconded by Board Member Wilson.

**Vote:** 5/0. Ayes: Board Members Frazier, Manfredi, Horal, Cox, and Wilson; Noes: None; Absent: Board Members Arrendondo and Rodriguez.





### **3. PRESENTATIONS/ADMINISTRATIVE REPORTS**

#### **3.1 Report Regarding Meet and Confer Discussion Related to the Housing Assets Transfer Form**

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report informing the members of the Oversight Board of the results of the Meet and Confirm session on the Housing Assets Transfer Form. Discussion followed.

Informational staff report only – no formal action required.

#### **3.2 Report on Communications from the Department of Finance and State Controller's Office**

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report providing the members of the Oversight Board with an update on recent communications with the Department of Finance and the State Controller's Office. Discussion followed.

Informational staff report only – no formal action required.

#### **3.3 Report on Department of Finance Response to the Due Diligence Review of All Non-Housing and Other Accounts**

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report providing the members of the Oversight Board with an update on the Department of Finance response to the Due Diligence Review of all non-housing funds and other accounts. Mr. Taubert reviewed the determination made by DOF and noted that a request to Meet and Confer has been submitted. Discussion followed.

Informational staff report only – no formal action required.

#### **3.4 Discussion Regarding Department of Finance Determination on the Recognized Obligation Payment Schedule 13-14A**

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report providing the members of the Oversight Board with an update on the Department of Finance's response received on April 10, 2013 to the ROPS 13-14A for the period July 1, 2013 through December 31, 2013. Mr. Taubert reviewed the items that DOF has determined do not qualify as enforceable obligations and noted that a request to Meet and Confer will be submitted by Successor Agency staff. Discussion followed.

Informational staff report only – no formal action required.

### **4. NEW BUSINESS**

There are no items for this section.

### **5. GENERAL**

There are no items for this section.

### **6. BOARD MEMBER REPORTS**

Geri Kendal Cox reported that she attended a State County Business Peoples' meeting in Sacramento last week and the group was asked by the Executive Director of the Fiscal Crisis Management Assistance Team if there was a need for trainings in the field and what those topics might be. Ms. Cox suggested if members of the Board have suggestions, they contact either her or Dr. Massetti. Mr. Taubert suggested that training and dialogue on the completion of the ROPS form would be helpful.

Mr. Taubert reported that Agency Secretary Sandi Brown was retiring effective April 30, 2013 and this would be her last Oversight Board meeting.

### **7. ADJOURNMENT**

The meeting was adjourned at 9:24 a.m.

  
Sandi Brown, Agency Secretary

\_\_\_\_\_  
Brett Frazier, Chairperson

/sb



# **REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY**

**BOARD MEETING OF:** May 13, 2013  
**AGENDA ITEM NUMBER:** 3.1  
**APPROVED BY:**

  
\_\_\_\_\_  
Executive Director

**Subject:** Report Regarding Correspondence from Department of Finance

**Summary:** The Oversight Board will be provided with an update on recent communications

## **HISTORY/BACKGROUND**

- 1) The Department of Finance communications that occurred from August to October 2013. These would include:
  - a) 218 East Yosemite Avenue – The Board acknowledged and approved a Disposition and Development Agreement and Sales Agreement for the expansion of Tijuana Bar and Grill. The Department of Finance objects to the Disposition and Development Agreement because they incorrectly assume it creates a new enforceable obligation. The agreement included certain performance benchmarks which were not met so the agreement has expired.
  - b) 109/111 South “B” Street – The property must be included in the Long Range Property Management Plan and ultimately the sales proceeds may be distributed to the taxing entities. Once again they incorrectly view the Disposition and Development Agreement to be an enforceable obligation.
  - c) 103 Grove Street – Department of Finance views the property as not being exclusively used for a governmental purpose and wants the Board to reconsider which is Agenda item 4.1.
- 2) 300 South “G” Street – The Oversight Board acknowledged and approved the acquisition of this property per our MOU with Madera County. Department of Finance wants until May 28, 2013 to review the action.
- 3) Other Funds and Accounts Due Diligence Review - Following a Meet and Confer session held on April 22, 2013, The Department of Finance determined that no funds were available for distribution.

## **RECOMMENDATION**

No action required.

JET/cm

### **Attachments:**

Department of Finance Correspondence dated April 12, 2013 (3 letters)  
Department of Finance Correspondence dated May 3, 2013 (1 letter)  
Department of Finance Correspondence dated May 5, 2013 (1 letter)





**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 12, 2013

Mr. Jim Taubert, Executive Director  
City Madera  
428 East Yosemite Avenue  
Madera, CA 93638

Dear Mr. Taubert:

Subject: Objection of Oversight Board Action

The City of Madera Successor Agency (Agency) notified the California Department of Finance (Finance) of its August 13, 2013 Oversight Board (OB) resolutions on December 24, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolutions No. 12-25 and 12-26 approving the sale of property known as 218 East Yosemite Avenue to expand the restaurant portion of Tijuana Bar and Grill and the related disposition and development agreement are not permitted.

HSC section 34191.3 prohibits Agency's from disposing of assets and properties of the former redevelopment agency until Finance approves a Long-Range Property Management Plan (LRPMP) for the Agency. Since the property sale has not yet closed escrow, the Agency should list this property on the LRPMP for review and approval by Finance.

Furthermore, HSC 34177.3 (a) states that Agency's shall not create new enforceable obligations, or begin new redevelopment work, unless that enforceable obligation existed prior to June 28, 2011. Therefore, the two resolutions relating to expansion of the Tijuana Bar and Grill are not approved.

As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

Please direct inquiries to Beliz Chappuie, Supervisor, or Todd Vermillion, Lead Analyst at (916) 445-1546

Sincerely,

**STEVE SZALAY**  
Local Government Consultant

cc: On following page

Mr. Jim Taubert  
April 12, 2013  
Page 2

cc: Mr. Bob Wilson, Redevelopment Manager, City of Madera  
Ms. Sandi Brown, Agency Secretary, City of Madera  
Mr. Jim Boyajian, Assistant Auditor-Controller, County of Madera  
California State Controller's Office



**DEPARTMENT OF  
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April 12, 2013

Jim Taubert, Executive Director  
City Madera  
428 East Yosemite Avenue  
Madera, CA 93638

Dear Mr. Taubert:

Subject: Objection of Oversight Board Action

The City of Madera Successor Agency (Agency) notified the California Department of Finance (Finance) of its September 17, 2012 Oversight Board (OB) resolutions on December 24, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolutions No. 12-28 and 12-29 approving the sale of property at 109 and 111 South "B" Streets for the construction of medical offices and the related disposition and related development agreement are not permitted.

HSC section 34191.3 prohibits Agency's from disposing of assets and properties of the former redevelopment agency until Finance approves a Long-Range Property Management Plan (LRPMP) for the Agency. However, our understanding is that the property sale has closed escrow and is now owned by Camarena Health. Despite the sale of the property, the Agency should still list this property on the LRPMP for review and approval by Finance. The proceeds derived from the property sale income would need to be remitted to the Madera County Auditor-Controller to be distributed to the taxing entities as required by HSC section 34177 (d).

Furthermore, HSC 34177.3 (a) states that Agency's shall not create new enforceable obligations, or begin new redevelopment work, unless the enforceable obligation existed prior to June 28, 2011. Therefore, the two resolutions relating to 109 and 111 South "B" Street are not approved.

As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

Mr. Jim Taubert  
April 12, 2013  
Page 2

Please direct inquiries to Beliz Chappuie, Supervisor, or Todd Vermillion, Lead Analyst at  
(916) 445-1546

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Bob Wilson, Redevelopment Manager, City of Madera  
Ms. Sandi Brown, Agency Secretary, City of Madera  
Mr. Jim Boyajian, Assistant Auditor-Controller, County of Madera  
California State Controller's Office





**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 12, 2013

Mr. Jim Taubert, Executive Director  
City Madera  
428 East Yosemite Avenue  
Madera, CA 93638

Dear Mr. Taubert:

Subject: Objection of Oversight Board Action

The City of Madera Successor Agency (Agency) notified the California Department of Finance (Finance) of its October 15, 2012 Oversight Board (OB) resolution on December 24, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, the Agency's OB Resolution No. 12-31 related to the conveyance of real property located at 103 Grove Street to the City of Madera (City) is not approved.

HSC section 34181 (a) authorizes the OB to transfer ownership of assets that were constructed and used for a governmental purpose. Finance's review has concluded that the property located at 103 Grove Street was not exclusively used for governmental purposes. Furthermore, HSC section 34191.3 prohibits Agency's from disposing of assets and properties of the former redevelopment agency not used for governmental purpose until Finance approves a long-range property management plan for the Agency. Therefore, the property should be returned to the Agency and disposed of in a manner consistent with the Agency's long-range property management plan pursuant to HSC section 34191.5.

As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

Please direct inquiries to Beliz Chappule, Supervisor, or Todd Vermillion, Lead Analyst at (916) 445-1546

Sincerely,

**STEVE SZALAY**  
Local Government Consultant

cc: Mr. Bob Wilson, Redevelopment Manager, City of Madera  
Ms. Sandi Brown, Agency Secretary, City of Madera  
Mr. Jim Boyajian, Assistant Auditor-Controller, County of Madera  
California State Controller's Office





**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 3, 2013

Mr. Jim Taubert, Executive Director  
City Madera  
428 East Yosemite Avenue  
Madera, CA 93638

Dear Mr. Taubert:

Subject: Oversight Board Action

The City of Madera Successor Agency (Agency) notified the California Department of Finance (Finance) of its March 18, 2013 Oversight Board (OB) resolution on March 20, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance reviewed the OB action.

Although Finance had initiated the review of Agency's Resolution OB 13-04 related to the purchase of real property located at 300 South "G" Street, the Agency notified Finance through Resolution OB 13-07 on April 15, 2013 that Resolution OB 13-04 has been rescinded in its entirety. Therefore, Finance is not making a determination on OB 13-04 resolution. However, Finance initiated a review of the OB 13-07 resolution related to amended purchase agreement for the real property and will be making a determination by May 28, 2013.

Please direct inquiries to Beliz Chappuie, Supervisor, or Todd Vermillion, Lead Analyst at (916) 445-1546

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: Mr. Bob Wilson, Redevelopment Manager, City of Madera  
Ms. Sandi Brown, Agency Secretary, City of Madera  
Mr. Jim Boyajian, Assistant Auditor-Controller, County of Madera





EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 5, 2013

Mr. Jim Taubert, Executive Director  
City of Madera  
428 East Yosemite Avenue  
Madera, CA 93638

Dear Mr. Taubert:

Subject: Other Funds and Accounts Due Diligence Review

This letter supersedes the California Department of Finance's (Finance) original Other Funds and Accounts (OFA) Due Diligence Review (DDR) determination letter dated April 1, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Madera Successor Agency (Agency) submitted an oversight board approved OFA DDR to Finance on January 14, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Finance issued an OFA DDR determination letter on April 1, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer session was held on April 22, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed. Specifically, the following adjustments were made:

- The Agency's request to retain \$5,915,344 to satisfy the Recognized Obligations Payment Schedule (ROPS) for the June through December 2012 (ROPS II) and January through June 2013 (ROPS III) period. Our review indicates the Agency's Redevelopment Property Tax Trust Fund (RPTTF) distribution was included in the June 30, 2012 balance. The Agency also requested to retain reserves to fund enforceable obligations for the ROPS III period. Finance verified reserve funds were approved as the funding source for certain ROPS III enforceable obligations. In addition, the Agency did not receive sufficient RPTTF distribution to satisfy all approved enforceable obligations. Therefore, the Agency will be permitted to retain these funds. No adjustment to the OFA balance available for distribution is needed.

The Agency did not object to the following adjustment made by Finance during the Meet and Confer process. HSC section 34179.6 (d) authorizes Finance to make adjustments. We maintain that the following adjustment is appropriate:

- Balances retained for future obligations in the amount of \$4,258,342. The Agency's request to retain unencumbered OFA balances for the amount to cover future obligations is not allowed. Finance has only approved funding through the January through June 2013 Recognized Obligation Payment Schedule (ROPS III) period, the Agency's fund

balances are only encumbered to the extent they have been approved on a ROPS through the June 30, 2013 period. The cash flow analysis provided by the Agency does not demonstrate an immediate need to retain these unencumbered OFA balances, nor does it suggest available funding will be insufficient to service the Agency's bond debt.

Should a deficit occur in the future, HSC provides successor agencies with various methods to address short term cash flow issues. These may include requesting a loan from the city pursuant to HSC section 34173 (h), requesting the accumulation of reserves on the ROPS when a future balloon or uneven payment is expected, or subordinating pass-through payments pursuant to HSC section 34183 (b). The Agency should seek counsel from their oversight board to determine the solution most appropriate for their situation if a deficiency were to occur.

Since the Agency has not demonstrated an immediate need to retain unencumbered OFA balances and possesses alternatives to address short term cash flow shortages, Finance deems it is not necessary for the Agency to retain \$4,258,342 in OFA unencumbered balances.

The Agency's OFA balance available for distribution to the affected taxing entities is \$0 (see table below).

<b>OFA Balances Available For Distribution To Taxing Entities</b>	
Available Balance per DDR*:	\$ (5,915,344)
Finance Adjustments:	
Unallowed balances retained for future obligations	4,258,342
<b>Total OFA available to be distributed:</b>	<b>\$ (1,657,002)</b>

\*Available balance adjusted for actuals instead of zero as reported on DDR.

This is Finance's final determination of the OFA balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient. Upon submission of payment, it is requested you provide proof of payment to Finance within five business days.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable

Mr. Jim Taubert  
May 5, 2013  
Page 3

obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC sections 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Please direct inquiries to Evelyn Suess, Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Bob Wilson, Redevelopment Manager, City of Madera  
Mr. Brent Richardson, Deputy City Attorney, City of Madera  
Ms. Sandi Brown, Agency Secretary, City of Madera  
Mr. Jim Boyajian, Auditor-Controller, Madera County  
California State Controller's Office



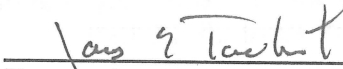


# **REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER OF THE FORMER MADERA REDEVELOPMENT AGENCY**

**BOARD MEETING OF:** May 13, 2013

**AGENDA ITEM NUMBER:** 3.2

**APPROVED BY:**

  
\_\_\_\_\_  
**Executive Director**

**Subject:** Update Regarding Legislation Related to Infrastructure, Economic Development and Affordable Housing Financing

**Summary:** The Oversight Board will be provided with an update regarding the legislature's efforts to provide stable and ongoing funding for infrastructure, economic development, and affordable housing.

## **HISTORY/BACKGROUND**

To date, 23 bills have been introduced that would address activities previously funded by former redevelopment agencies. Most of the legislation is being authored by members of the majority party (Democrats).

A number of bills are similar to those that were passed last year but were vetoed by the Governor because dissolution wasn't far enough along. The attached list provides a summary of each bill. Those of greatest interest include the following:

- AB 229 (Perez) – Passed last year
- AB 564 (Mullin) – Makes sure Department of Finance can't keep badgering us once we receive Finding of Completion
- AB 1080 (Alejo) – Creates redevelopment lite
- SB 1 (Steinberg) – Passed last year
- SB 33 (Wolk) – Passed last year
- SB 341 (DeSaulnier) – Provides Successor Housing Agency ongoing funding for the purpose of monitoring and enforcing affordable housing developed by the former RDA.
- SB 391 (DeSaulnier) – Imposes a fee of \$75.00 on every real estate transaction. It would provide permanent funding for affordable housing programs.

Again, the complete list is attached.

## **RECOMMENDATION**

No action is required.

JET:cm

Attachment:

-Email regarding Legislative Update

**Jim Taubert**

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**From:** Tom Hart [jfreitas@calredevelop.org]  
**Sent:** Monday, April 29, 2013 4:45 PM  
**To:** Jim Taubert  
**Subject:** CRA Legislative Update - 042913



## California Redevelopment Association

### Redevelopment-Related Legislation (As of April 26, 2013\*)

\* Changes marked from prior report dated April 10, 2013.

**AB 229 (John A. Perez) Infrastructure and Revitalization financing districts**  
**Amended 4/8/2013**  
**Status: 4/17/2013 A L. Gov. (Passed 8-1); 5/1/2013 A Approp (9:00 a.m., Room 4202)**

**Summary:** This bill would authorize the creation of an infrastructure and revitalization financing district, and the issuance of debt with 2/3 voter approval. This bill would authorize the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years.

This bill sets forth the procedures for adoption of an infrastructure financing plan, and would authorize a district to adopt finance projects in redevelopment project areas and former redevelopment project areas and former military bases.

This bill would authorize the legislative body of a city to dedicate any portion of its funds received from the Redevelopment Property Tax Trust Fund to the district, if specified criteria are met.

This bill would authorize a city to form a district to finance a project or projects on a former military base, if specified conditions are met.

This bill would authorize a district to fund various projects of communitywide significance, including, among others, watershed land used for the collection and treatment of water for urban uses, flood management, levees, bypasses, open space, habitat restoration, brownfields restoration, environmental mitigation, purchase of land and property for development purposes, including commercial property, hazardous cleanup, former military bases, and specified transportation purposes.

This bill would authorize a district to implement hazardous cleanup pursuant to the Polanco Redevelopment Act.

The bill authorizes tax increment financing, with the approval of each affected taxing entity.

This bill would impose reporting requirements on districts, and would define the term "public works" for purposes of these provisions.

**AB 243 (Dickinson) Infrastructure and revitalization financing districts**  
**Introduced: 2/6/2013**  
**Status: 4/17/2013 L. Gov. (Passed 6-3); 5/1/2013 A Approp (9:00 1.m., Room 4202)**

**Summary:** This bill would authorize the creation of an infrastructure and revitalization financing district, the adoption of an infrastructure revitalization financing district plan, and the issuance of debt with 55% voter approval.

This bill would authorize the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years.

This bill would authorize a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases and would authorize the legislative body of a city to dedicate any portion of its funds received from the Redevelopment Property Tax Trust Fund to the district, if specified criteria are met.

This bill would provide that the formation of the district and the issuance of debt by such a district on land of a former military base that is publicly owned is not subject to voter approval.

This bill would authorize a district to fund various projects of communitywide significance, including, among others, watershed land used for the collection and treatment of water for urban uses, flood management, levees, bypasses, open space, habitat restoration, brownfields restoration, environmental mitigation, purchase of land and property for development purposes, including commercial property, hazardous cleanup, former military bases, and specified transportation purposes.

This bill would authorize a district to implement hazardous cleanup pursuant to the Polanco Redevelopment Act.

This bill would impose reporting requirements on districts, and would define the term "public works" for purposes of these provisions.

**AB 294 (Holden) Infrastructure financing districts; Use of tax increment revenue**

**Introduced:** 2/11/2013

**Status:** 5/1/2013 Com. L. Gov. (9:00 a.m., Room 477)

**Summary:** This bill would authorize an infrastructure financing district to utilize the Educational Revenue Augmentation Fund (ERAF) portion of tax increment revenues to finance public facilities or brownfield cleanup that promotes infill housing and other infill development if the intent to use such revenues is included in the financing plan, and prior to adopting a resolution authorizing the first debt issuance utilizing the ERAF share, obtain and submit an economic analysis to the California Infrastructure and Economic Development Bank for review and approval, as specified.

**AB 440 (Gatto) Local agency cleanup or remedy of hazardous substances**

**Introduced:** 2/15/2013

**Status:** 4/17/2013 E.S & T.M. (Passed 6-1); 5/1/2013 L. Gov. (1:30 p.m., Room 447)

**Summary:** This bill would authorize a local agency to take any action similar to that under the Polanco Redevelopment Act that the local agency determines is necessary, consistent with other state and federal laws, to remedy or remove a release of hazardous substances within the boundaries of the local agency, pursuant to the procedures specified in the bill, including adoption and posting of cleanup guidelines by DTSC and the regional water quality control board, approval of a cleanup plan to DTSC. The local agency is allowed to take those remedial or removal actions only under specified conditions with regard to the responsible party for the release, unless the local agency is taking action to investigate or conduct feasibility studies concerning a release or determines that conditions require immediate action. The local agency may designate another agency, in lieu of DTSC or the regional board, to review and approve a cleanup plan or remedial action plan and to oversee the remediation or removal of hazardous substances from a hazardous substance release site.

The bill would also immunize a local agency that remedies or removes a hazardous substance release from liability under specified state laws, if the action is in accordance with a cleanup plan or remedial action plan prepared by a qualified independent contractor, and approved by DTSC, a regional board or the designated agency, and the remedial or removal action is undertaken and properly completed. The bill would authorize the recovery by a local agency of cleanup and remedial

costs from the liable party.

**AB 564** (Mullin) **Oversight board actions final**  
**Amended:** 3/12/2013  
**Status:** 4/24/2013 Com. On L. Gov. (Passed 9-0); 5/1/2013 A H&CD (9:00 a.m., Room 126)

**Summary:** This bill would provide that, following issuance of a finding of completion by the Department of Finance, and the effectiveness of an approval (and required findings) by the oversight board of loan agreements entered into between the redevelopment agency and the city, county, or city and county that created the redevelopment agency, pursuant to Section 34179(h), the oversight board's action shall be final and may be relied upon by all public and private entities, and may not be modified or reversed by any future action by the Department of Finance.

This bill would also prohibit the Department of Finance from taking any future action to modify enforceable obligations following the effective date of the approval of those enforceable obligations after review by the oversight board and the Department of Finance.

After approval by the Department of Finance, any action to use or liquidate property consistent with the approved long-range property management plan may not be modified or revised by future action of the Department of Finance and may be relied upon by all public and private entities.

**AB 569** (Chau) **Redevelopment reports**  
**Amended:** 3/18/13  
**Status:** Re-referred to Com. H. & C.D.

**Summary:** This bill would eliminate the requirement that a community redevelopment agency furnish the Controller with an annual financial report and make related, conforming changes.

This bill would also repeal provisions requiring redevelopment agencies to submit the final report of any audit to the legislative body and to present an annual report to the legislative body. This bill would also repeal the requirement that the Department of Housing and Community Development compile and publish reports of the activities of redevelopment agencies.

**AB 662** (Atkins) **Infrastructure financing districts**  
**Introduced:** 2/21/2013  
**Status:** 4/17/2013 Com. L. Gov. (Passed 9-0); 4/25/2013 Passed Assembly; 4/25/2013 Senate Rules for Assignment

**Summary:** This bill would delete the existing prohibition in Government Code Section 53395.4 on infrastructure financing districts including any portion of a redevelopment project area.

**AB 690** (Campos) **Jobs and infrastructure financing districts; voter approval**  
**Amended:** 4-9-2013  
**Status:** A L Gov.

**Summary:** This bill would revise and recast provisions governing infrastructure financing districts and instead provide for the creation of jobs and infrastructure financing districts (JIDs) in areas of high unemployment, without voter approval, and adoption of a job creation plan, for purposes of financing public facilities and commercial property improvements.

The bill would also authorize a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only. The bill would authorize a district to implement hazardous cleanup pursuant to the Polanco Redevelopment Act.

**AB 750** (Garcia) **Economic development; cities**  
**Amended:** 4/19/2013  
**Status:** 5/8/2013 Com. L. Gov. (1:30 p.m., Room 127)

**Summary:** This bill would authorize a city to dispose of real property, as provided, or provide compensation to a private entity, if the legislative body of the city is

presented with, or presents, substantial evidence that the disposition of the property or provision of compensation would stimulate job creation and economic development within the boundaries of the city, and that the amount of private benefit provided would not outweigh the amount of public benefit received through the disposition of the property or the provision of compensation.

The bill would also provide that the disposition of real property or provision of compensation under these circumstances would not constitute a gift of public funds under the California Constitution.

**AB 981 (Bloom) Expenditure of bond proceeds; extension of dates**

**Introduced:** 2/22/2013

**Status:** 4/24/2013 Coms. L. Gov. (Passed 9-0); 5/1/2013 H. & C.D. (9:00 a.m., Room 126)

**Summary:** This bill would authorize the successor housing entity to designate the use of, and commit, indebtedness obligations proceeds that were issued prior to June 28, 2011 (instead of January 1, 2011), and would authorize a successor agency to expend excess bond proceeds derived from bonds issued on or before June 28, 2011 (instead of January 1, 2011).

**AB 1080 (Alejo) Community Revitalization and Investment Authorities**

**Amended** 4/24/2013

**Status:** 4/17/2013 A H. & C.D. (Passed); 5/1/2013 A L Gov (1:30 p.m., Room 447)

**Summary:** This bill would authorize certain public entities of a community revitalization and investment area to form a community revitalization and investment authority (school entities may not participate) to carry out the CRL in a specified manner.

This bill would authorize the adoption of a community revitalization plan for a community revitalization and investment area (area must meet certain income, unemployment and blight requirements) and authorize the authority to include in that plan a provision for the receipt of tax increment funds. An authority will have most of the same authorities of former redevelopment agencies, including among other things, to receive tax increment revenues, provide funding for infrastructure and affordable housing, remediate hazardous substances, acquire and sell property, obtain loans and grants, and issue bonds.

**AB 1207 (Brown) Blight**

**Introduced:** 2/22/2013

**Status:** 2/25/2013 Read first time

**Summary:** This bill would make technical nonsubstantive changes to Health and Safety Code Section 33031 regarding the causes of blight.

**AB 1320 (Bloom) Allocation of property tax; pass through agreements**

**Amended** 4/10/2013

**Status:** A L Gov (Hearing cancelled)

**Summary:** This bill would provide that, for each fiscal year that a former redevelopment agency would have been permitted to receive tax increments had the agency not been dissolved, the portion of property taxes distributed to local education agencies equal to the pass-through payments or payments under Section 33445 agreements that would have been due to those local education agencies in that fiscal year are not considered to be property taxes for purposes of the educational agency's revenue limit.

**SB 1 (Steinberg) Sustainable community investment authority**

**Amended:** 4/15/2013

**Status:** 4/23/2013 Com. T. & H. (Passed); Refer S Approp

**Summary:** This bill would authorize certain public entities of a Sustainable Communities Investment Area (transit priority project areas, which may include a



military base reuse plan area; small walkable communities) to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law in a specified manner.

This bill would require the authority to adopt a Sustainable Communities Investment Plan for a Sustainable Communities Investment Area and authorize the authority to include in that plan a provision for the receipt of tax increment funds provided that certain economic development and planning requirements are met. An authority may also implement a local transaction and use tax and issue bonds.

This bill would authorize the legislative body of a city or county forming an authority to dedicate any portion of its net available revenue, as defined, to the authority through its Sustainable Communities Investment Plan.

This bill would require the authority to contract for an independent financial and performance audit every 5 years.

This bill also addresses related issues under the Labor Code (prevailing wages), Public Resources Code (CEQA), and Public Contracts Code (bidding).

**SB 33 (Wolk) Infrastructure financing districts**

**Amended: 3/6/2013**

**Status: 4/11/2013 S 3rd Reading File**

**Summary:** This bill would eliminate the requirement of voter approval for creation of an infrastructure financing district and for bond issuance, and would authorize the legislative body to create the district subject to specified procedures.

This bill would authorize the creation of a district for up to 40 years.

This bill would authorize a newly created public financing authority, consisting of 5 members, 3 of whom are members of the city council or board of supervisors that established the district, and 2 of whom are members of the public, to adopt the infrastructure financing plan, subject to approval by the legislative body, and issue bonds by majority vote of the authority by resolution.

This bill would authorize a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only.

This bill would authorize an infrastructure financing district to finance specified actions and public capital facilities of communitywide significance, and prohibit the district from providing financial assistance to a vehicle dealer or big box retailer.

The bill authorizes tax increment financing, with the approval of each affected taxing entity.

If an infrastructure financing plan contains a provision that provides for the division of taxes of any affected taxing entity, a public accountability committee shall be established to conduct an annual performance review and an annual independent financial review of the public financing authority.

**SB 341 (DeSaulnier) Housing successors; affordable housing requirements**

**Amended: 4/1/2013**

**Status: 4/16/2013 S T. & H. (Passed 10-0); 4/29/2013 S Approp (11:00 a.m., Room 4203)**

**Summary:** This bill retains the housing provisions of the CRL as the basic law governing housing successors, with certain modifications: allows housing successors to expend available funds first for the purpose of monitoring and preserving the long-term affordability of units in its portfolio and for administering its activities, up to an annual cap of 2% of its statutory value of property (adjusted by CPI) or \$200,000, whichever is greater; allows housing successors to expend up to \$250,000 per year for homeless prevention and rapid rehousing services to individuals and families who are homeless or at risk of homelessness; alters the income targeting requirements and applies them only to funds left after allowed monitoring and administration expenditures and homeless prevention services; housing successors must spend all remaining funds on the development of housing affordable to lower-income households (80% AMI) (requirements to be met every 5 years), with at least 30% for extremely-low income households (30% AMI) and no more than 20% for households earning between 60% and 80% AMI; relaxes the limitations on senior housing allowing no more than 50% of housing financed by the

jurisdiction over a ten-year period to be limited to seniors; allows housing successors to transfer funds among themselves under certain conditions for the purpose of developing affordable units in transit priority projects, permanent supportive housing, farmworker housing, or special needs housing; resets the 10-year clock on the development of properties purchased by the former redevelopment agency and eliminates the time limit on developing newly purchased properties; a housing successor must encumber an excess surplus for specified purposes or transfer the funds within 3 fiscal years, or transfer the excess surplus to HCD for expenditure pursuant to the Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program; provides that program income received by a housing successor is not associated with a project area and may be expended anywhere within the jurisdiction of the housing successor; clarifies and streamlines reporting requirements.

**SB 391** (DeSaulnier) **California Homes and Jobs Act of 2013**  
**Introduced:** 2/20/2013  
**Status:** 4/24/2013 S T. & H. (Passed 5-2); 5/6/2013 S Approp (11:00 a.m., Room 4203)

**Summary:** This bill would enact the California Homes and Jobs Act of 2013. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development; impose a fee of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded; and require that revenues from this fee be sent quarterly to the Department of Housing and Community Development for deposit in the California Homes and Jobs Trust Fund, which the bill would create within the State Treasury. The moneys in the fund may be expended for supporting affordable housing (including but not limited to emergency shelters, transitional and permanent rental housing, including necessary services and operating subsidies; foreclosure mitigation and homeownership opportunities), administering housing programs, and the cost of periodic audits, as specified. The bill would impose certain auditing and reporting requirements.

**SB 409** (Emmerson) **Disaster Recovery Project Areas**  
**Amended:** 4/9/2013  
**Status:** 4/22/2013 S Appr; Placed on Suspense File

**Summary:** This bill would provide that a loan provided by a city, county or city and county to a redevelopment agency that was entered into prior to January 1, 2011, for the purposes of funding the installation and construction of roadways, public improvements, and public utilities in a disaster recovery project area, and for the provision of residential water system or other utility connection subsidies to low- and moderate-income residents of that project area is an enforceable obligation and may be repaid, as specified. The bill would authorize a successor agency to retain and use those loan proceeds pursuant to the loan agreement and would require the return of any funds previously deposited into the Low and Moderate Income Housing Fund of the redevelopment agency to the successor housing entity. The bill would also prohibit the Department of Finance, the State Board of Equalization, the State Controller, and the County Auditor-Controller from imposing any statutory remedies upon the successor agency, and would require the reversal, within 30 days of the effective date of this bill, of any statutory remedy previously imposed.

**SB 470** (Wright) **Local economic development**  
**Amended:** 4/9/2013  
**Status:** 5/1/2013 S Env. Qual. (9:30 am, Room 3191)

**Summary:** This bill would state the intent of the Legislature to promote economic development on a local level so that communities can enact local strategies to increase jobs, create economic opportunity, and generate tax revenue for all levels of government. The bill would define economic opportunity and declare that it is the policy of the state to protect and promote the sound development of economic opportunity in cities and counties, and the general welfare of the inhabitants of those communities through the employment of all appropriate means. The bill would authorize a city, county, or city and county to establish a program under which it

loans funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures and to assist with the financing of facilities or capital equipment as part of an agreement that provides for the development or rehabilitation of property that will be used for industrial or manufacturing purposes. The bill would authorize a city, county, or city and county to exercise authority to remedy or remove the release of hazardous substances within its boundaries consistent with state and federal laws; require the city, county or city and county to request cleanup guidelines from the DTSC or regional water quality control board, and limit the liability of a city, county or city and county for taking an action under these provisions. The bill would also authorize a city, county or city and county to enter into a voluntary agreement with another city, county, or city and county, or local taxing entity or joint powers authority, to jointly finance an economic opportunity project.

**SB 628 (Beall) Infrastructure financing; transit priority project program**  
**Amended:** 4/10/2013  
**Status:** 4/17/2013 S Gov. & Fin. (Passed 5-2); 5/7/2013 S T&H (1:30 p.m., Room 4203)

**Summary:** This bill would eliminate the requirement of voter approval for the creation of an infrastructure financing district, the issuance of bonds and the establishment or change of the appropriations limit with respect to a transit priority project.

This bill would require a 20% set-aside of the associated property tax revenues for the purposes of increasing, improving and preserving the supply of lower and moderate-income housing, available and occupied by moderate-, low-, very low and extremely low income households. Declaration of Legislature of intent that development of transit priority projects be environmentally conscious and sustainable, and that related construction meet or exceed California Green Building Standards Code requirements.

**SB 636 (Hill) RPTTF allocation; excess ERAF moneys**  
**Introduced:** 2/22/2013  
**Status:** 5/6/2013 S Appr. (11:00 am, Room 4203)

**Summary:** This bill modifies the provision of law relating to the allocation of remaining local property tax revenues in the Redevelopment Property Tax Trust Fund by deleting language requiring that the provision be construed in such manner so as to not increase any allocations of excess, additional or remaining ERAF funds that would otherwise have been allocated to cities, counties, cities and counties or special districts pursuant to existing law.

**SB 684 (Hill) Advertising displays for redevelopment projects**  
**Amended:** 4/1/2013  
**Status:** 4/30/2013 S T. & H. (1:30 pm, Room 4203)

**Summary:** This bill would provide that an advertising display advertising businesses and activities within the boundary limits of, and as a part of, an individual redevelopment agency project, as the project boundaries existed on December 29, 2011, may continue to exist and be considered an on-premises display, for a period not to exceed 10 years, or the expiration of the redevelopment project area if the advertising display meets specified criteria. The 10 year period for existing displays commences January 1, 2013.

**SCA 9 (Corbett) Economic development; special taxes; voter approval**  
**Introduced:** 12/18/2012  
**Status:** 5/15/2013 S Gov. & Fin. (9:30 am, Room 112)

**Summary:** This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for community and economic development projects (projects that improve, upgrade or revitalize areas within the local government's jurisdiction that have become blighted because of deterioration, disuse or unproductive economic conditions) requires the



approval of 55% of its voters voting on the proposition.



# **REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY**

**BOARD MEETING OF:** May 13, 2013

**AGENDA ITEM NUMBER:** 3.3

**APPROVED BY:**

  
\_\_\_\_\_  
**Business Manager**

  
\_\_\_\_\_  
**Executive Director**

**Subject:** Status Report on Finding of Completion issued by Department of Finance

**Summary:** The Oversight Board will be provided with information on the process associated with the Finding of Completion

## **HISTORY/BACKGROUND**

Pursuant to Health and Safety Code (HSC) Section 34179.7, the Department of Finance (DOF) will issue a finding of completion to the successor agency, within five business days, once the following three conditions have been met and verified:

1. The successor agency has paid the full amount as determined during the due diligence reviews and the county auditor-controller has reported those payments to the Department of Finance. And
2. The successor agency has paid the full amount as determined during the July True-Up process. Or
3. The successor agency has paid the full amount upon a final judicial determination of the amounts due and confirmation that those amounts have been paid by the county auditor-controller.

Upon receiving the finding of completion, the Successor Agency will be allowed to do the following:

- Retain dissolved RDA assets per HSC Section 34191.5(c)(2)
- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC Section 34191.4(b)(1)
- Utilize proceeds derived from bonds issued prior to Jan. 1, 2011 in a manner consistent with the original bond covenants per HSC Section 34191.4(c)

Additionally, upon receiving the finding of completion the successor agency is required to submit a Long-Range Property Management Plan to the Department of Finance for Review and Approval per HSC Section 34191.4 (b)

### **SITUATION**

The Successor Agency has completed all of the conditions needed to request a Finding of Completion. Surprisingly, they sent us the attached letter prior to us submitting additional paperwork.

### **RECOMMENDATION**

Informational only.

JET:bw

Attachment:

- Correspondence from Department of Finance dated May 7, 2013



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 7, 2013

Mr. Jim Taubert, Executive Director  
City of Madera  
428 East Yosemite Avenue  
Madera, CA 93638

Dear Mr. Taubert:

Subject: Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Madera Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: Mr. Bob Wilson, Redevelopment Manager, City of Madera  
Mr. Brent Richardson, Deputy City Attorney, City of Madera  
Mr. Jim Boyajian, Auditor-Controller, Madera County  
California State Controller's Office



# REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: May 13, 2013

AGENDA ITEM NUMBER: 4.1

APPROVED BY:

  
Executive Director

**Subject:** Reconsideration of Oversight Board Resolution 12-31 Related to the Transfer of Property at 103 Grove Street in the City of Madera (APN 012-015-001)

**Summary:** The Oversight Board has been asked by the Department of Finance to reconsider OB Resolution 12-31 Related to the transfer of property at 103 Grove Street.

## HISTORY/BACKGROUND

At the meeting of October 15, 2012, the Oversight Board acknowledged and approved the transfer of 103 Grove Street to the City of Madera. The property was originally acquired in March 7, 2006 to accommodate the Olive Avenue Improvement Project. Its current condition is illustrated below:



HSC Section 34181(a) authorize the Oversight Board to transfer ownership of assets that were constructed and used for governmental purposes. Department of Finance's review has concluded that the property located at 103 Grove Street "was not exclusively used for governmental purposes". The transfer can be completed upon Department of Finance approval of a Long Range Property Management Plan.





**RECOMMENDATION**

Staff recommends the Oversight Board determine that the property is being used for government purposes (Olive Street Right-of-Way).

JET:cm

Attachment:  
None

