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

Monday, May 13, 2013, 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
Cecelia Massetti, Ed.D, 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 Office Assistant Claudia Mendoza

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 April 15, 2013

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, Massetti, and Wilson. Noes: None; Absent: Board Members Arredondo and Rodriguez.

3. PRESENTATIONS/ADMINISTRATIVE REPORTS

3.1 Report Regarding Correspondence from Department of Finance

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. Discussion followed.

Informational staff report only – no formal action required.

3.2 Update Regarding Legislation Related to Infrastructure, Economic Development and Affordable Housing Financing

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report providing the members of the Oversight Board with an update regarding the legislature's efforts to provide stable and ongoing funding for infrastructure, economic development, and affordable housing. Discussion followed.

Informational staff report only – no formal action required.

3.3 Status Report on Finding of Completion issued by Department of Finance

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report providing the members of the Oversight Board with information on the process associated with the Finding of Completion. Discussion followed.

Informational staff report only – no formal action required.

4. NEW BUSINESS

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

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report noting that The Department of Finance is asking the Oversight Board to reconsider the finding that the property located at 103 Grove Street (APN 012-015-001) is being used for governmental purposes.
This item is asking you to, if in your opinion; feel that this property is used for a governmental purpose. If so, we will send back to the Department of Finance with the finding that the Oversight Board reviewed it, reconsidered it, and based on the all the information provided, came to the determination it is being used for a governmental purpose.

Vice-Chairperson Manfredi stated this is for a right-of-way, and they do not think that this may not be for a governmental purpose?
Executive Director Taubert responded "yes".

Board Member Wilson stated that we transferred this property to the City. An action we should have taken quite a long time ago. But since we hadn't taken it at that point, when we did it that is what brought it to their attention. I don't even think they really looked at it to see what the property is. It is an uneconomic reminant, when Olive was changed over there.

Vice-Chairperson Manfredi stated "Unless Jim, there is something that at least I or we don't know as the Oversight Board, unless there is a discussion; I make a motion that we send it back saying that it is a public purpose. People are walking on it as a pathway."

Action: Oversight Board determined that the property located at 103 Grove Street (APN 012-015-001) is being used for government purposes.
Moved by: Board Member Manfredi; seconded by Board Member Horal.
Vote: 5/0. Ayes: Board Members Frazier, Manfredi, Massetti, and Wilson;
Noes: None
Absent: Board Members Arredondo and Rodriguez.

5. GENERAL

There are no items for this section.

6. **BOARD MEMBER REPORTS**
No reports were offered.

7. **ADJOURNMENT**
The meeting was adjourned at 9:25 a.m.

Claudia Mendoza, Office Assistant

Brett Frazier, Chairperson

/cm

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

BOARD MEETING OF: June 17, 2013

AGENDA ITEM NUMBER: 2.2

APPROVED BY:

James G Taubert
Executive Director

SUBJECT: MINUTE ORDER – REJECTING ALL BIDS FOR THE E. YOSEMITE AVENUE (SR 145) & ELM AVENUE TRAFFIC SIGNAL – RDA PROJECT NO. RDA 13-01

SUMMARY: By previous action on September 13, 2010 the Agency Board approved an agreement between the Agency and Ironhorse Elm, LLC. Per the terms of the agreement;

> Ironhorse Elm, LLC shall bear all costs for improving the property located at the Southeast corner of Yosemite Avenue and Fig Avenue (APN: 008-022-010/008-022-035), including without limitation all costs for constructing the Project. The Agency shall bear all costs related to design and construction of the traffic signal located at the intersection of Yosemite Avenue (State Route 145) and Elm Avenue.

The new signal when constructed will accommodate the Project and development along Yosemite between Elm Avenue and Fig Street. It will provide a controlled intersection that allows left turns into and out of the Project site, the recently developed Rancho San Miguel shopping center and future businesses along Yosemite Avenue.

The State Department of Finance, letter dated May 17, 2013, denied the Agency's request to fund the project in the ROPS 13-14A period but stated that the Agency may be able to request funding in future ROPS.

SITUATION:

The "Notice Inviting Bids" for the above project was duly noticed. Plans and specifications were distributed to local building exchanges and made available to contractors and sub-contractors. The plans and specifications were also posted on EBidBoard.com, a projects listing service for contractors.

On March 28, 2013, the City received five bids. The bidders and bid amounts are as listed below:

AC Electric	$316,200.00
Hobbs Construction	$327,650.00
Seal Rite Paving & Grading	$336,560.00
MJ Avila Company. Inc	$376,494.00
Tennyson Electric Company	$438,100.00
Engineers Opinion of Cost	$398,000.00

All bids were checked for accuracy with the bidding requirements of the specifications, and for validity of licenses and bid security. AC Electric submitted the lowest bid however, their bid was not responsive with regard to required bid documents. AC Electric was notified of their non-responsive bid.

At this time it is recommended that the Council reject all bids for the traffic signal project. Staff will continue to work with DOF to resolve the issue.

RECOMMENDATION:

Staff recommends that due to the State of California's failure to recognize the construction of the signal as an Agency enforceable obligation and therefore not providing approval of funding for construction of the project, that the project be cancelled until funding is restored and the project can be rebid and/or Agency staff comes back to the Board with other recommendations.

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

BOARD MEETING OF: June 17, 2013

AGENDA ITEM NUMBER: 2.3

APPROVED BY:

Executive Director

Subject: **Consideration of Resolutions Acknowledging and Approving the Conveyance of an Easement Deed from the City of Madera Successor Agency to the Former Madera Redevelopment Agency to the City of Madera to Complete a Projected 80 Foot Right of Way for "E" Street at Clinton Street**

Summary: **The Oversight Board will consider a resolution acknowledging and approving the conveyance of an easement deed from the City of Madera Successor Agency to the Former Madera Redevelopment Agency to the City of Madera to complete a projected 80 foot right of way for "E" Street at Clinton street.**

HISTORY/BACKGROUND

The City of Madera as the Successor Agency to the Former Madera Redevelopment Agency ("the Agency") is preparing for the sale to a private party of an Agency-owned parcel, APN 011-011-005. As part of the preparation, the Agency wishes to dedicate to the City, for street easement purposes, a portion of the subject parcel which extends into the projected right-of-way limits established for 'E' Street at this location, as shown in Exhibit "A" and illustrated in Exhibit "B" aerial photo.

The subject parcel, along with the adjacent parcel, APN 011-011-006, just to the south, was bought by the then Madera Redevelopment Agency from Union Pacific Railroad Company in 2008. It included some 1469 square feet which were within the limits of the projected 80-foot right-of-way for 'E' Street. The present proposed action is to dedicate that 1469 square foot area to the City for 'E' Street right-of-way, prior to the parcel being sold to a private party.

RECOMMENDATION

Staff recommends the Oversight Board adopt the resolution acknowledging and approving the conveyance of an easement deed from the City of Madera Successor Agency to the Former Madera Redevelopment Agency to the City of Madera to complete a projected 80 foot right of way for "E" Street at Clinton Street.

JET:sb

Attachments:

- Exhibit A
- Exhibit B
- Resolutions (Oversight Board)
- Easement Deed

EXHIBIT "A"

LEGAL DESCRIPTION

Dedication of street easement for 'E' Street from APN 011-011-005

A parcel of land as shown on the map of Sunmaid Addition to the City of Madera, filed and recorded in Volume 5 of Maps at Page 123, Madera County Records, being in the Southeast Quarter of Section 24, Township 11 South, Range 17 East, Mount Diablo Base and Meridian, City of Madera, Madera County, State of California, being more particularly described as follows:

Commencing at the Northeast Corner of the Southeast Quarter of Section 24, Township 11 South, Range 17 East, Mount Diablo Base and Meridian;

Thence South 0° 04' 57" West along the East line of said Section 24, a distance of 536.89 feet to **THE POINT OF BEGINNING;**

Thence, continuing on the East line of said Section 24, South 0° 04' 57" West, a distance of 75.15 feet to a point on the Southwesterly line of an 80-foot right-of-way for 'E' Street;

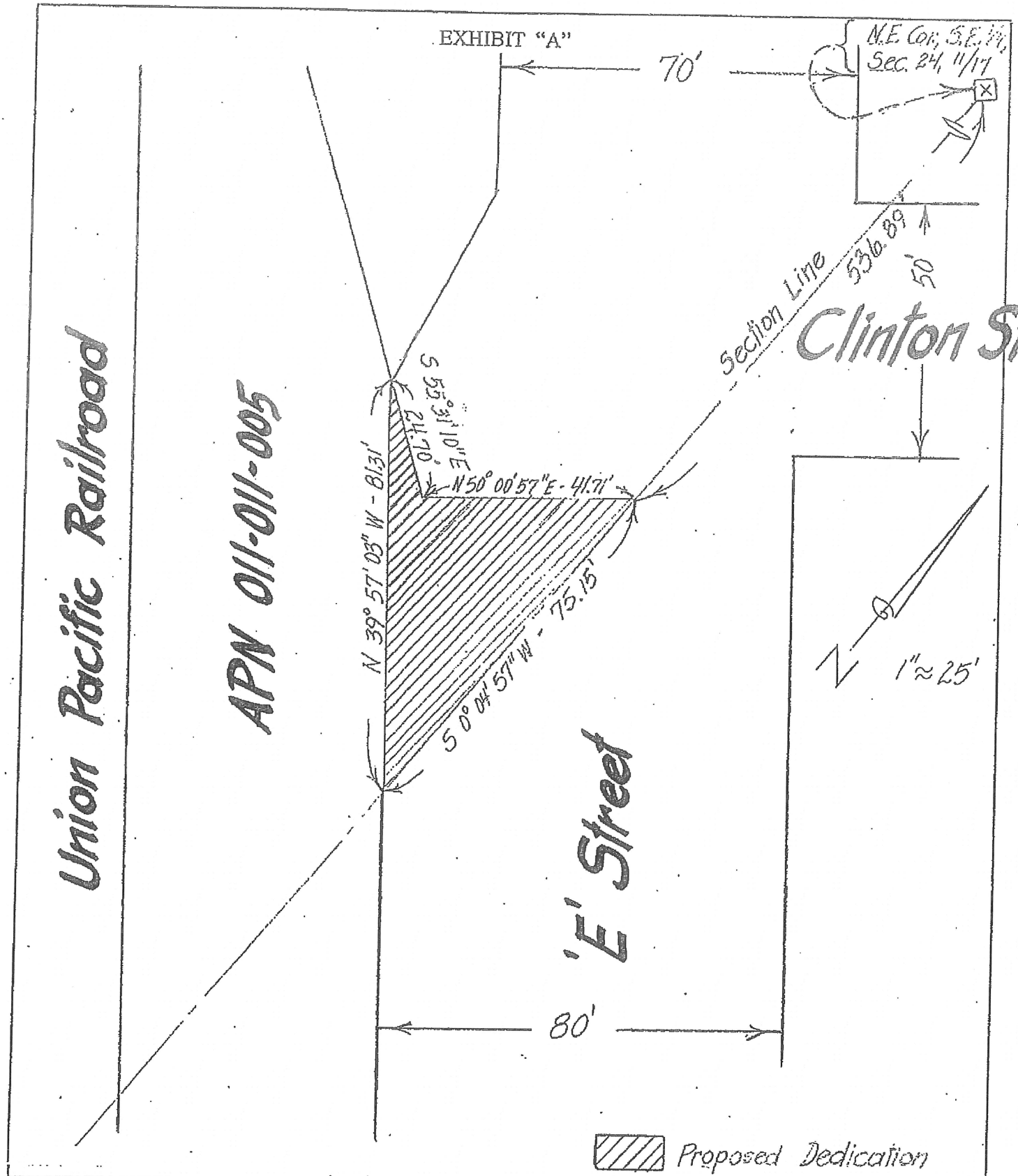
Thence, on a line which is an extension of said 80-foot right-of-way line, North 39° 57' 03" West, a distance of 81.31 feet, to a point:

Thence South 55° 31'10" East, a distance of 24.70 feet, to a point;

Thence North 50° 00' 57" East, a distance of 41.71 feet, to **THE POINT OF BEGINNING.**

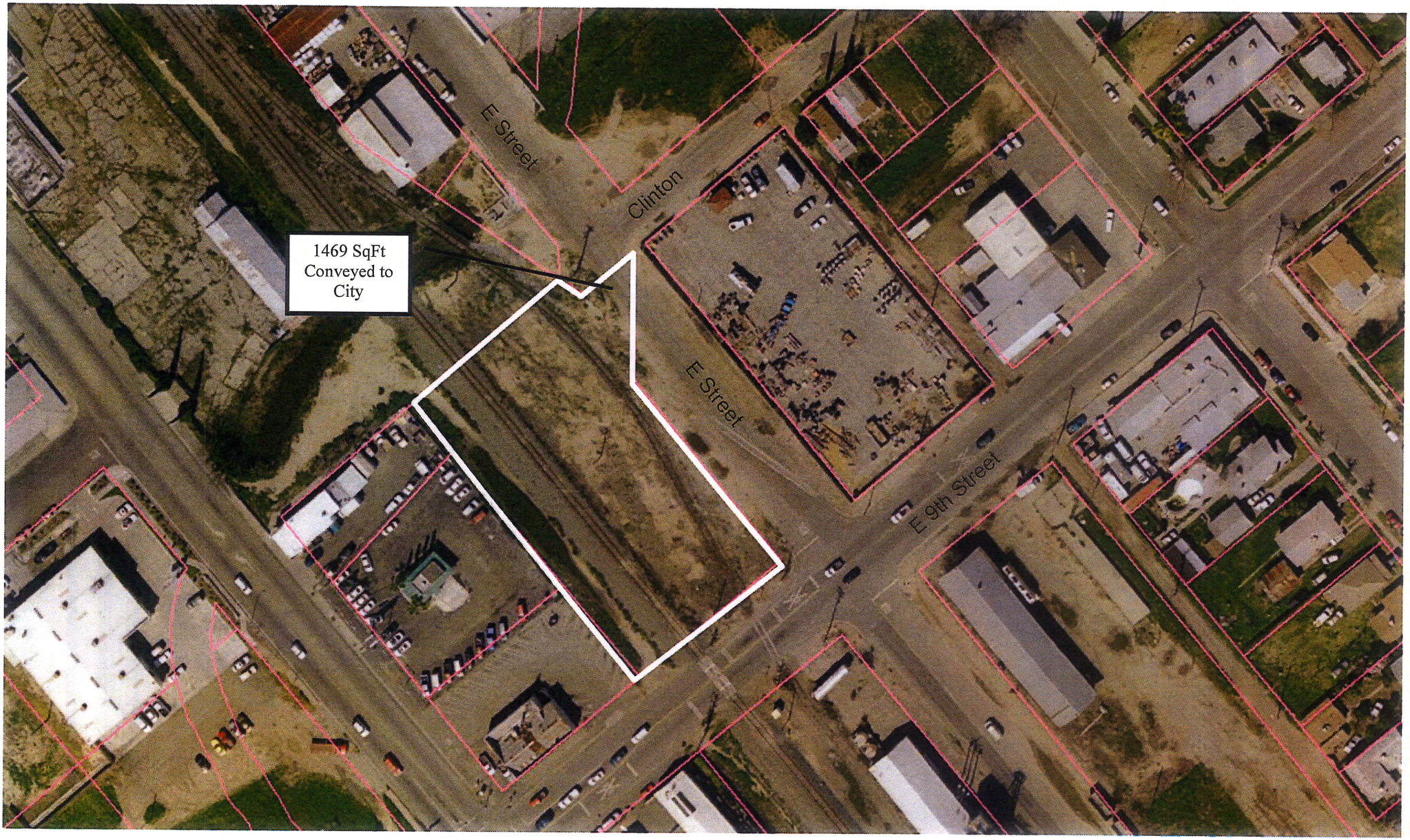
Containing 1468.73 square feet, more or less.





CITY OF MADERA ENGINEERING DIVISION 205 W. FOURTH STREET, MADERA, CA 93637 (559) 661-5418 FAX (559) 675-6605	'E' Street R/W Dedication from APN 011-011-005	BY: C.M.B. DATE: 5-28-13 SHEET: 1 of 1 FILE:

Exhibit B
Aerial Photo
Irregular Shaped Parcel—Enters "E" Street



RESOLUTION NO. 13-_____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA CALIFORNIA ACKNOWLEDGING AND APPROVING THE CONVEYANCE OF AN EASEMENT DEED FROM THE CITY OF MADERA SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY TO THE CITY OF MADERA TO COMPLETE A PROJECTED 80 FOOT RIGHT OF WAY FOR "E" STREET AT CLINTON STREET

WHEREAS, the Legislature of the State of California enacted Assembly Bill AB 1x26 dissolving redevelopment agencies in the State of California; and

WHEREAS, the Madera Redevelopment Agency designated the City of Madera as Successor Agency to the Madera Redevelopment Agency by Resolution No. MRA – 1497 adopted on January 12, 2012; and

WHEREAS, the City of Madera accepted its role as Successor Agency to the former Madera Redevelopment Agency by Resolution No. CC 12-08 adopted on January 12, 2012; and

WHEREAS, the Successor Agency to the former Madera Redevelopment Agency acknowledged the transfer of Properties pursuant to Health and Safety Code Section 34175(b) acquired with Redevelopment Non-Housing Tax Increment and Tax Allocation Bond Proceeds from the Madera Redevelopment Agency to the City of Madera as the Successor Agency to the former Madera Redevelopment Agency; and

WHEREAS, the Successor Agency to the former Madera Redevelopment Agency (the 'Agency") has offered to the City of Madera (the "City"), property to complete a projected 80 foot right of way for "E" Street at Clinton Street (the "Property"); and

WHEREAS, the Property is more specifically described in the Easement Deed on file in the office of the City Clerk for more particulars; and

WHEREAS, the conveyance of the Property was deemed to be categorically exempt and to have no significant impacts on the environment pursuant to the California Environmental Quality Act; and

WHEREAS, conveyance of the Property is consistent with the General Plan of the City of Madera.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY hereby finds, determines, resolves and orders as follows:

1. The recitals listed above are true and correct.

2. The Oversight Board has reviewed and considered the proposed conveyance of the Property by Easement Deed executed by the Agency as approved and presented by the Successor Agency to the former Madera Redevelopment Agency, a copy of which is on file in the office of the Executive Director of the Successor Agency, and the conveyance of the Property is hereby approved.

3. This resolution is effective immediately upon adoption.

* * * * * * * * * * *

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the former Madera Redevelopment Agency of the City of Madera this 17th day of June 2013, by the following vote:

AYES:

NOES:

ABSENT:

_____
Robert L. Poythress, Mayor

ATTEST:

_____
Claudia Mendoza, Agency Secretary

Approved as to Legal Form:

_____
J. Brent Richardson, General Counsel

Reso. No. OB

RECORDING REQUESTED BY:
City of Madera
AFTER RECORDING RETURN TO:
City of Madera, ATTN: City Clerk
205 W. 4th Street
Madera, CA 93637

Fee waived per Section 27383 of the Government Code Fee Due: $0

EASEMENT DEED

FOR A VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED,

THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY

DOES HEREBY GRANT TO

THE CITY OF MADERA, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA

An easement for street, sidewalk, public utility and any other municipal purposes over, under, through and across, on and in the following described real property in the City of Madera, County of Madera, State of California, being more particularly described in the attached legal description.

See Exhibit "A" attached hereto for legal description

Dated this _____ day of _____, 2013 By: _____
Robert L. Poythress, Mayor

On _____, before me, _____, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/ they executed the same in his/her/their authorized capacity(ies) and that by his/her/ their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS MY HAND AND OFFICIAL SEAL

_____
Signature

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

BOARD MEETING OF: June 17, 2013

AGENDA ITEM NUMBER: 3.1

APPROVED BY:

James S Taubert
Executive Director

Subject: Update on Pending Legislation Related to Infrastructure, Economic Development and Affordable Housing

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

Attached is a summary of the redevelopment bills that have been introduced during the current session. From staff's perspective, the most interesting include the following:

- AB 564 (Mullin) – Following the issuance of a Finding of Completion, this bill would limit the ability of the Department of Finance to challenge certain Oversight Board actions. Given our experience with the Yosemite/Elm traffic signal and the acquisition of properties on behalf of the County, this bill would provide greater certainty to Successor Agency/ Oversight Board actions.
- AB 1080 (Alejo) – Essentially creates redevelopment lite (without school funds)
- SB 33 (Wolk) – Allows for creation of infrastructure financing districts and the issuance of bonds with the approval of the legislative body.
- SB 391 (DeSaulnier) – California Homes and Jobs Act of 2013 – Permanent and ongoing funding for affordable housing would be provided through a $75.00 fee on all real estate transactions.

It is uncertain as to whether Governor Brown would support any legislation related to redevelopment.

RECOMMENDATION

No action is required.

JET:cm

Attachment:
-Email regarding Legislative Update

Jim Taubert

om: Tom Hart [jfreitas@calredevelop.org]
Sent: Wednesday, May 29, 2013 11:07 AM
To: Jim Taubert
Subject: CRA Legislative Update - May 29, 2013



California Redevelopment Association
Redevelopment-Related Legislation
(As of May 24, 2013*)

* Click for marked changes from prior report dated May 20, 2013.

AB 229 (John A. Perez) Infrastructure and Revitalization financing districts
Amended 4/8/2013
Status: 6/5/2013 S Gov & F (9:30 am, Room 112)
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: 6/12/2013S Gov & F (9:30 am, Room 112)
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: Failed deadline, 2-year bill
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: A Approp Suspense File (Passed 16-1); 5/28/2013 A 2nd Reading
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. This bill requires local agencies to take specified actions to provide an opportunity for the public and other agencies to participate in decisions regarding removal or remediation. 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: A Approp Suspense File (Passed 17-0); 5/28/2013 A 3rd Reading

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: Failed deadline, 2-year bill

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
Amended: 5/24/2013
Status: 6/5/2013 S Gov & F (9:30 am, Room 112)

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.

This bill would authorize a successor agency, after receiving a finding of completion, to enter into or amend existing contracts and agreements, make land use decisions or otherwise administer projects in connection with long-term enforceable obligations, if the action will not commit new tax funds or otherwise adversely affect the flow of tax increment to the taxing agencies.

This bill makes various changes and clarifications with respect to ROPS schedule and payments and enforceable obligations, under specified circumstances.

For purposes of the long-term property management plan, this bill would specify that the term "identified in an approved redevelopment plan" includes properties listed in a community plan, a 5-year implementation plan or other similar document.

AB 690 (Campos) Jobs and infrastructure financing districts; voter approval
Amended: 4-9-2013
Status: Failed deadline, 2-year bill

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: Failed deadline, 2-year bill
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: Failed deadline, 2-year bill
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 5/20/2013
Status: Passed to Senate; Senate Rules for assignment
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: Failed deadline, 2-year bill
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: Failed deadline, 2-year bill
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: 5/2/2013

Status: **5/28/2013 S 3rd Reading**
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: **6/12/2013 A Lgov (1:30 pm, Room 444)**
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: **Referred to A H&CD and LGov**
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
Amended: 5/7/2013
Status: 5/28/2013 S 3rd Reading
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: Failed deadline, 2-year bill
Summary: This bill would provide that a loan provided by a city, county or city and couty 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 for 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: 5/8/2013
Status: Passed to Assembly; Assembly Desk
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. This bill specifies

procedures for the sale or lease of property returned to the city, county or city and county under the property management plan. 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 from property within its jurisdiction and previously within the jurisdiction of a former redevelopment agency 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.

SB 628 (Beall) Infrastructure financing; transit priority project program
Amended: 5/14/2013
Status: Assembly Desk
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 in accordance with specified provisions of CRL; would require replacement of low-income dwelling units within 2 years of displacement; and would require metropolitan planning organization to certify that proposed project is consistent with region's sustainable communities strategy. 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: Failed deadline, 2-year bill
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: 5/15/2013
Status: 5/20/2013 Urgency clause adopted; passed to Assembly, at Assembly Desk
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 until January 1, 2023 (department may authorize extensions to not to exceed the expiration of the redevelopment project area if the advertising display meets specified criteria.

SCA 9 (Corbett) Economic development; special taxes; voter approval
Amended: 5/21/2013
Status: Referred to S E&CA
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 if certain specified requirements are met.

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

BOARD MEETING OF: June 17, 2013

AGENDA ITEM NUMBER: 4.1

APPROVED BY:

Executive Director

Subject: **Discussion Regarding Department of Finance Objection to Oversight Board Action Related to the Successor Agency Acquisition of the property located at 300 South "G" Street (APN 010-162-001) and Reconsideration of Prior Approval of this Item.**

Summary: **The Oversight Board has been asked by the Department of Finance to reconsider OB Resolution 13-07 related to the acquisition of property at 300 South "G" Street (APN 010-162-001)**

HISTORY/BACKGROUND

At the meeting of April 10, 2013, the Successor Agency approved a resolution rescinding Resolution SA 13-05 and approving an amended Purchase and Sale Agreement for property at 300 South "G" Street. The Oversight Board took a similar action with the adoption of OB Resolution No. 13-07.

The actions were related to an enforceable obligation created by Memorandum of Understanding between the County of Madera and the former RDA. The MOU was approved on November 12, 2008 and amended on March 11, 2009. **Both actions occurred prior to June 27, 2011.**

In their May 28, 2013 letter, the Department of Finance requests Oversight Board to reconsider the action based upon.

"Furthermore, HSC 34177.3(a) states that Agency's shall lack the authority to, and shall not create new enforceable obligations or begin new redevelopment work."

They either conveniently or inadvertently omitted that last part of HSC 34177.3(a) which states:

"...except in compliance with an enforceable obligation that existed prior to June 28, 2011."

Clearly, this obligation meets this definition.

SITUATION

Oversight Board Vice-Chair Stell Manfredi was the County's head negotiator on the specific terms and conditions of the MOU. Oversight Board Member Max Rodriguez was the signator for the County and Member Bob Wilson was employed by the former RDA during this period. All three (3) have a significant amount of familiarity with the project.

RECOMMENDATION

Staff recommends the Oversight Board move to reaffirm their prior action based on the following findings:

1) The County MOU constitutes an Enforceable Obligation that occurred prior to June 27, 2011.
2) The Successor Agency approved the acquisition 300 South "G" Street as a means to satisfy this Enforceable Obligation.
3) On April 10, 2013 the Oversight Board acknowledged and approved the Successor Agency action related to the acquisition of 300 South "G" Street.
4) The Oversight Board finds this action to be in compliance with HSC 34163(b) and HSC 34177.3(a).

JET:sb

Attachment:
-Letter from Department of Finance dated May 28, 2013

DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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

May 28, 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 April 15, 2013 Oversight Board (OB) resolution on April 15, 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. 13-07 related to the purchase of real property located at 300 South "G" Street is not approved.

The Agency states that the property being acquired will be used in the Courthouse Project. However, documentation provided including the OB Resolution No. 13-07, Amended Agreement for Purchase of Real Property and Escrow Instructions, and the Amended Memorandum of Understanding between the former redevelopment agency (RDA) and the County of Madera do not support Agency's claim. HSC section 34163 (b) prohibits agencies from entering into new contracts and making commitments to any entity after June 27, 2011. Furthermore, HSC 34177.3 (a) states that Agency's shall lack the authority to, and shall not create new enforceable obligations or begin new redevelopment work. Therefore, the OB action approving a new purchase and sale agreement is not allowed.

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: 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