

AGENDA

STANISLAUS COUNTY REDEVELOPMENT AGENCY

1010 10TH STREET, BASEMENT LEVEL, MODESTO

AUGUST 23, 2011

9:00 A.M.

- I. CALL TO ORDER**
- II. CONSENT CALENDAR (Those items marked with an *)**
- III. APPROVAL OF MINUTES**
 - *A. Minutes of April 19, 2011
- IV. CORRESPONDENCE**
 - A. None
- V. PUBLIC HEARINGS**
 - A. None
- VI. AGENDA ITEMS**
 - A. Approval to Adopt an Enforceable Obligation Payment Schedule for Existing Redevelopment Agency Debt Service in Compliance with AB 1X 26
- VII. PUBLIC FORUM**
- VIII. ADJOURNMENT**

**MINUTES
STANISLAUS COUNTY REDEVELOPMENT AGENCY
APRIL 19, 2011**

The Stanislaus County Redevelopment Agency met in the Joint Chambers at 10th Street Place, Basement Level, 1010 10th Street, Modesto, California.

I. CALL TO ORDER

The meeting was called to order at 7:18 p.m.

Members present: Jim DeMartini, Terry Withrow, William O'Brien, and Vito Chiesa

Members absent: Dick Monteith

Staff present: Kirk Ford, Executive Director and Angela Freitas, Manager IV,

II. CONSENT CALENDAR (*)

Upon motion by Agency members Chiesa/DeMartini (4-0)(Monteith absent), Agency approved the Consent Calendar, including approval of the minutes. (4-0)

III. APPROVAL OF MINUTES

*A. Upon motion by Agency members, Chiesa/DeMartini (4-0)(Monteith absent), the Agency approved the minutes of October 19, 2010. (4-0)

IV. CORRESPONDENCE

A. None

V. PUBLIC HEARINGS

A. None

VI. AGENDA ITEMS

A. DeMartini/Withrow (4-0)(Monteith absent) Approved Staff Recommendations Nos. 1 through 7 as follows: 1. finds that the Airport Neighborhood Sewer, Empire Storm Drain, and Parklawn Neighborhood Sewer projects are consistent with the Agency's 2010-2014 Implementation Plan; 2. accepted the January 19, 2011 Debt Capacity Analysis, prepared by KNN Public Finance, and the January 10, 2011 Fiscal Impact Analysis and Pass-Through Analysis, prepared by Urban Analytics; 3. amended the 2010-2011 Agency budget to increase combined expenditures for the Airport Neighborhood, Empire Storm Drain, and Parklawn Neighborhood Sewer projects in the Capital Projects fund to \$6,013,108; 4. finds that: a. The amended budget is consistent with the Agency's adopted 2010-2014 Implementation Plan; b. As set forth in detail

below, pursuant to Section 33445 of the Health and Safety Code: (1) the provision of sewer and storm drain infrastructure improvements are a benefit to the Stanislaus County Redevelopment Project Area No. 1; (2) no other reasonable means of financing improvements is currently available, (3) the improvements will assist in the elimination of one or more blight conditions inside the project area; and (4) construction of the improvements are consistent with the Agency's adopted 2010-2014 Implementation Plan: (1) The provision of sewer and storm drain infrastructure improvements are a benefit to the Stanislaus County Redevelopment Project Area No. 1, consistent with the 2010-2014 Implementation Plan ("Implementation Plan"), staff reports, and other documents, as well as the Redevelopment Plan, adopted in March 1990 ("Redevelopment Plan"), which found that the installation of public improvements, facilities, and utilities in areas that are currently inadequately served by such improvements, facilities and utilities would attain the purposes of California Community Redevelopment Law; and (2) The improvements will assist in the elimination of one or more blight conditions inside the project area, consistent with the Implementation Plan, staff reports, and other documents, as well as the Redevelopment Plan, which identifies blighting conditions within the Project, including inadequate public improvements, facilities, and utilities, inadequate drainage, and inadequate sewer; and (3) No other reasonable means of financing the improvements is available to the community, as documented by the Implementation Plan and the Fiscal Year 2010-11 Capital Improvement Plan, which identifies a funding shortfall of at least \$159,530,989 for current and future unmet infrastructure needs identified throughout the County, as well as staff reports, and other documents; and (4) The construction of the improvements is consistent with the Agency's adopted 2010-2014 Implementation Plan, which identifies the Airport Neighborhood Sewer, Empire Storm Drain, and Parklawn Neighborhood Sewer projects as priority infrastructure projects which satisfy the goals and objectives of the Redevelopment Plan, including the rehabilitation of the Project area (especially residential neighborhoods), the elimination or reduction of certain environmental deficiencies (including nonexistent sewer and storm drainage systems), and the promotion and investment in rehabilitation and improvement programs for existing housing with the intent and purpose of enhancing the tenure and condition of the structures and properties; and c. The provision of sewer main line, lateral, and sewer hookup improvements within the Airport and Parklawn neighborhoods are in response to existing public health and safety concerns, as documented by the Redevelopment Plan, Implementation Plan, staff reports, and other documentation; and d. Pursuant to Section 33334.2(g)(1) of the Health and Safety Code, the use of Capital Project

funds, if required, outside the Stanislaus County Redevelopment Project No. 1 area to connect the new sewer infrastructure improvements to the City of Modesto's existing sewer system will benefit the project, as documented by the Redevelopment Plan, Implementation Plan, staff reports, and other documentation; and e. Pursuant to Section 33030(c) of the Health and Safety Code, the proposed projects are located in blighted areas and, in addition, the areas are characterized by the existence of inadequate public improvements, as documented by the Redevelopment Plan, Implementation Plan, staff reports, and other documentation. 5. authorized the Executive Director to negotiate and execute an agreement with the Stanislaus County Public Works Department, upon review and approval of the agreement by the Agency's legal counsel, to obligate an amount not to exceed \$32,000,000 in future Capital Project fund net tax increment for administration, design, engineering, environmental, and construction of the Airport Neighborhood, Empire Storm Drain, and Parklawn Neighborhood Sewer projects and any future public improvement projects identified in the Agencies Implementation Plan on a "pay-as-you-go" basis as net tax increment funding becomes available; 6. authorized the Executive Director to submit a formal request to the Stanislaus County Board of Supervisors for Health and Safety Code Section 33445 findings for the Empire Storm Drain project and inclusion of the Parklawn Neighborhood Sewer project into the County's Capital Improvement Project (including the required finding of consistency by the Stanislaus County Planning Commission); 7. authorized the Executive Director to submit a formal request to the City of Modesto to take all necessary actions including, but not limited to, making all necessary Health and Safety Code Section 33445 findings (for both the Parklawn and Airport Neighborhood Sewer projects), conducting a Measure M (advisory) vote for the Airport Neighborhood, and requesting Local Agency Formation Commission authorization, if necessary, to approve new sewer service extensions to the Airport and Parklawn Neighborhoods.

- B. DeMartini/Withrow (4-0)(Monteith absent). Approved Staff Recommendations Nos. 1 through 3 as follows: 1. finds that: (a) the amended budget is consistent with the Agency's adopted 2010-2014 Implementation Plan; b. the provision of sewer hookup improvements within the Parklawn and Airport Neighborhoods are in response to existing public health and safety concerns, as documented by the Stanislaus County Redevelopment Agency Project No. 1 Redevelopment Plan, adopted in March 1990 ("Redevelopment Plan"), 2010-2014 Implementation Plan ("Implementation Plan"), staff reports, and other documentation; and c. pursuant to Section 33334.2(e)(2) of the Health and Safety Code, the use of Housing Set-Aside Funds will provide on-site

improvements to facilitate sewer hookups as part of the new construction or rehabilitation of affordable housing units for low or moderate income persons that are directly benefited by the improvements and the improvements are a reasonable and fundamental component of the housing units, consistent with the Redevelopment Plan, Implementation Plan, Shackelford Neighborhood Community Development Plan, Airport Industrial Community Development Plan, staff reports, and other documentation; and d. all housing units assisted with Housing funds will be required to remain available at affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate-income for the minimum time period as required by California Redevelopment Law (currently 45-years when owner-occupied and 55-years when rented), by requiring recorded affordability covenants to ensure compliance with affordability requirements; and e. pursuant to Section 33334.2(g)(1) of the Health and Safety Code, the use of Housing funds, if required, outside the Stanislaus County Redevelopment Project No. 1 area to connect the new sewer infrastructure improvements to the City of Modesto's existing sewer system will benefit the project, as documented by the Redevelopment Plan, Implementation Plan, staff reports, and other documentation; and f. pursuant to Section 33030(c) of the Health and Safety Code, the proposed projects are located in blighted areas and, in addition, the areas are characterized by the existence of inadequate public improvements, as documented by the Redevelopment Plan, Implementation Plan, staff reports, and other documentation; 2. amended the 2010-2011 Agency budget to increase Housing fund expenditures for the Housing Rehabilitation program by \$4,500,000 to \$5,100,000; 3. authorized the Executive Director to negotiate and execute an agreement with the Housing Authority of Stanislaus County, upon review and approval of the agreement by the Agency's legal counsel, to obligate \$4,500,000 from the Housing fund for administrating and implementation of a Housing Rehabilitation program to provide sewer hook-ups in the Stanislaus County Redevelopment Agency Project No. 1 Parklawn and Airport neighborhoods; and **amended** the item to direct and authorize the Redevelopment Agency staff to submit a FFAST grant application to the State Water Resources Control Board for the Parklawn neighborhood, and other potentially eligible areas, for the Cleanup and Abatement grant for planning purposes.

VII. PUBLIC FORUM

No one spoke.

VIII. ADJOURNMENT

The meeting adjourned at 7:57 p.m.



Kirk Ford
Executive Director

Sitting as the Redevelopment Agency
THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Redevelopment Agency

BOARD AGENDA # 9:00 a.m. - VI-A

Urgent Routine

AGENDA DATE August 23, 2011

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Adopt an Enforceable Obligation Payment Schedule for Existing Redevelopment Agency Debt Service in Compliance with AB 1X 26

STAFF RECOMMENDATIONS:

1. Adopt the proposed Enforceable Obligation Payment Schedule (EOPS) in compliance with AB 1X 26. (See Attachment 1)
2. Direct the Executive Director to take all action required by AB 1X 26 including, but not limited to, posting the EOPS on the Agency's website, and transmitting the EOPS to the County Auditor-Controller, the State Controller, and the State Department of Finance.

FISCAL IMPACT:

AB 1X 26 requires that an EOPS be adopted prior to August 28, 2011 in order for a redevelopment agency to continue making payments, other than payments required to meet obligations with respect to bonded indebtedness. Failure to adopt an EOPS within the required timeframe could jeopardize the Agency's ability to make payment on debts and obligations; including the payment of administrative services necessary for the on-going operation of the Agency. The Redevelopment Agency's total annual debt totals approximately \$15.7 million.

BOARD ACTION AS FOLLOWS:

No. 2011-490

On motion of Supervisor O'Brien, Seconded by Supervisor DeMartini
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

On June 29, 2011, Governor Brown signed into law Assembly Bill (AB) 1X 26 and 1X 27. AB 1X 26 immediately suspended all new redevelopment activities and incurrence of indebtedness, and dissolves redevelopment agencies effective October 1, 2011 (the "Dissolution Act"). AB 1X 27 allows redevelopment agencies to avoid dissolution under the Dissolution Act by opting into an "alternative voluntary redevelopment agency" (the "Voluntary Program") requiring specified substantial annual contribution to local schools and special districts.

In July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities (LOCC) filed a lawsuit with the California Supreme Court requesting that the Court declare unconstitutional AB 1X 26 and AB 1X 27. On August 11, 2011, the Court announced it would hear the lawsuit and issued a partial stay regarding suspension of the effectiveness of AB 1X 26 and AB 1X 27 until it rules on the constitutionality of the two bills. The partial stay of AB 1X 26 keeps in effect Health and Safety Code Sections 34161-34167, which preclude redevelopment agencies from incurring new indebtedness, transferring assets, acquiring real property, entering into new contracts or modifying existing contracts and/or adopting or amending redevelopment plans. Although the stay includes the provision of AB 1X 26 requiring adoption of the EOPS, Health and Safety Code Section 34167 assumes the adoption of and relies upon an effective EOPS.

On August 17, 2011, the Court issued an order modifying its stay of AB 1X 26 at the request of CRA and LOCC. The modified stay clarifies that the requirement for an agency to adopt an EOPS within 60 days after the effective date of the bill are not stayed. As such, the Agency must adopt an EOPS by August 28, 2011 at a public meeting.

The EOPS must list all of the "enforceable obligations" of the Agency and is subject to approval by the California Department of Finance. "Enforceable obligations" include: bonds and loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms, payments required by the Federal government, pre-existing obligations to the State or obligations imposed by State law, judgments, settlements or binding arbitration decisions that bind the agency, legally binding and enforceable agreements or contracts, and contracts or agreements necessary for the continued administration or operation of the agency; including agreements to purchase or rent office space, equipment and supplies. Currently these types of obligations total approximately \$15.7 million. While the stay is in effect, the Agency cannot make any payment unless it is listed in an adopted EOPS. The Supreme Court has announced its intent to decide the case pertaining to all redevelopment agencies by January 15, 2012.

POLICY ISSUES:

Traditionally, the efforts of the Redevelopment Agency fall within the Board Priorities of A Well Planned Infrastructure System, A Healthy Community, and Effective Partnerships. Adoption of the proposed Enforceable Obligation Payment Schedule furthers the Boards priorities by allowing the Agency to continue making payments necessary for on-going operation of the Agency.

STAFFING IMPACT:

There are no staffing impacts associated with this item.

CONTACT PERSON:

Kirk Ford, Redevelopment Agency Executive Director. Telephone: (209) 525-6330

ATTACHMENTS:

1. Proposed Enforceable Obligation Payment Schedule

Project Area(s) No. 1

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169

All listed obligations, enforceable and other, are as defined by AB 26

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month *					
					Aug	Sept	Oct	Nov	Dec	Total
1) Salida Storm Drain Loan	USDA-Rural Development	Loan for public infrastructure project	4,070,000.00	240,070.00	0.00	0.00	0.00	0.00	0.00	\$ -
2) Keyes Tax Allocation Bonds	Bank of New York	Loan for public infrastructure project	13,070,000.00	1,165,271.00	0.00	0.00	0.00	0.00	0.00	\$ -
3) Bret-Harte Sewer Loan	State Water Control Bd.	Loan for public infrastructure project	817,586.00	179,151.00	0.00	0.00	0.00	179,151.00	0.00	\$ 179,151.00
4) Cal HFA loan	State of California	Down payment assistance-LMI	731,250.00		0.00	0.00	0.00	0.00	0.00	\$ -
5) Employee salaries	Agency employees	salaries & benefits for Agency staff	293,450.00	320,127.00	26,677.00	26,677.00	26,677.00	26,677.00	26,677.00	\$ 133,385.00
6) County administration	Stanislaus County	Cost of running Agency	16,335.00	17,820.00	1,485.00	1,485.00	1,485.00	1,485.00	1,485.00	\$ 7,425.00
7) Property Tax Administration	Stanislaus County	Cost of property tax collection	98,750.00	98,750.00	0.00	0.00	0.00	0.00	0.00	\$ -
8) Residential Infrast. Survey	CLRA	Survey per Court settlement	25,000.00	25,000.00	25,000.00	0.00	0.00	179,151.00	0.00	\$ 204,151.00
9) Contract for Legal Services	Miller & Owen	Legal Services	5,000.00	5,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	\$ 5,000.00
10) Contract for Annual Audit	Brown Armstrong	Annual Agency audit	9,000.00	9,000.00	0.00	5,000.00	0.00	2,000.00	2,000.00	\$ 9,000.00
11) Housing Rehabilitation	Habitat for Humanity	contract-housing rehabilitation program	687.00	687.00	0.00	0.00	300.00	0.00	387.00	\$ 687.00
12) Housing Rehabilitation	Housing Authority	contract-housing rehabilitation program	177,113.00	177,113.00	1,000.00	7,500.00	14,750.00	20,000.00	10,000.00	\$ 53,250.00
OTHER OBLIGATIONS -- PAYMENT SCHEDULE										
13) Public Works Infrast. Agree.	Stan. Co. Public Works	Public Infrastructure Projects	32,000,000.00	6,013,108.00	0.00	0.00	0.00	0.00	0.00	\$ -
14) Volun. Alter. Redevel. Prog.	Stanislaus County	AB1 X 27 Payment	varies	2,655,853.00	0.00	0.00	0.00	0.00	0.00	\$ -
15) Pass Through Agreements	Various Taxing Entities	Payments Per Ca Redev. Law	25,304,329.51	2,926,420.00	Pass through payments are made directly by County Auditor					\$ 2,926,420.00
16) Housing Set Aside Fund	RDA Housing Fund	LMI Housing Fund	17,151,390.97	1,933,806.50	0.00	0.00	0.00	0.00	0.00	\$ -
17)										\$ -
18)										\$ -
19)										\$ -
20)										\$ -
21)										\$ -
22)										\$ -
23)										\$ -
24)										\$ -
25)										\$ -
26)										\$ -
27)										\$ -
28)										\$ -
Totals - Enforceable Obligations			\$ 19,314,171.00	\$ 2,237,989.00	\$ 55,162.00	\$ 41,662.00	\$ 44,212.00	\$ 409,464.00	\$ 41,549.00	\$ 592,049.00
Totals - Other Obligations			\$ 74,455,720.48	\$ 13,529,187.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,926,420.00
Grand total -			\$ 93,769,891.48	\$ 15,767,176.50	\$ 55,162.00	\$ 41,662.00	\$ 44,212.00	\$ 409,464.00	\$ 41,549.00	\$ 3,518,469.00