

# OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY

## SPECIAL MEETING AGENDA

March 1, 2013  
9:00 a.m.

*Third Floor, Conference Room 3001  
1010 10<sup>th</sup> Street  
Modesto, California*

[www.stancounty.com](http://www.stancounty.com)

The Oversight Board welcomes you to its meetings which are regularly scheduled the second Thursday of each month, and your interest is encouraged and appreciated.

The agenda is divided into two sections:

**CONSENT CALENDAR:** These matters include routine financial and administrative actions and are identified with an asterisk (\*). All items on the consent calendar will be voted on as a single action at the beginning of the meeting under the section titled "Consent Calendar" without discussion. If you wish to discuss an item on the Consent Calendar, please notify the Clerk prior to the beginning of the meeting or you may speak about the item during Public Comment Period.

**NON-CONSENT CALENDAR:** These items will be individually discussed and reviewed in detail.

**ANY MEMBER OF THE AUDIENCE DESIRING TO ADDRESS THE OVERSIGHT BOARD REGARDING A MATTER ON THE AGENDA:** Please raise your hand or step to the podium at the time the item is announced by the Oversight Board Chairperson. In order that interested parties have an opportunity to speak, any person addressing the Oversight Board will be limited to a maximum of 5 minutes unless the Chairperson of the Oversight Board grants a longer period of time.

**PUBLIC COMMENT PERIODS:** Matters under the jurisdiction of the Oversight Board and not on the posted agenda, may be addressed by the general public at the beginning of the regular agenda and any off-agenda matters before the Oversight Board for consideration; however, California law prohibits the Oversight Board from taking any action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Oversight Board. Any member of the public wishing to address the Oversight Board during the "Citizen's Forum" period will be limited to a maximum of 5 minutes.

**OVERSIGHT BOARD AGENDAS AND MINUTES:** Agendas, Minutes, and copies of items to be considered by the Oversight Board are typically posted on the internet on Friday afternoons preceding the meeting at the following website: [www.stancounty.com](http://www.stancounty.com). All materials, including materials related to an item on this Agenda, submitted to the Oversight Board after distribution of the agenda packet are available for public inspection in the Planning and Community Development Department at 1010 10<sup>th</sup> Street, Suite 3400, Modesto, during normal business hours.

**NOTICE REGARDING NON-ENGLISH SPEAKERS:** Oversight Board meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

**REASONABLE ACCOMMODATIONS:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Oversight Board Clerk at (209) 525-6330. Notification 72 hours prior to the meeting will enable the Clerk to make arrangements to ensure accessibility to this meeting.

I. **ROLL CALL:** Dave Cogdill Jr.; James Duval; Linda Flores; Brad Hawn; Stephen Mayotte; Terry Withrow; Duane Wolterstorff

II. **APPROVAL OF MINUTES**

\*A. February 14, 2013.

**III. CORRESPONDENCE**

A. None.

**IV. PUBLIC COMMENT**

**V. AGENDA ITEMS**

A. Approve Revisions to the Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013, originally considered on February 14, 2013

**VI. OTHER MATTERS**

A. On the Horizon.

**VII. ADJOURNMENT**

# OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY

## MINUTES

REGULAR MEETING

February 14, 2013

- I. ROLL CALL:** Meeting called to order at 9:05 a.m.
- Present: Chairman, Terry Withrow; Stephen Mayotte; James Duval; Duane Wolterstorff; Brad Hawn
- Absent: Dave Cogdill, Jr; Linda Flores
- Staff Present: Angela Freitas, Planning and Community Development Director; Thomas Boze, Deputy County Counsel; Marianne Rucker, Manager II; Brenda McCormick, Oversight Board Clerk
- II. CONSENT CALENDAR**
- A. None.  
*The Board requested this section be stricken from future agendas. All items coming before this Board are non-consent.*
- III. APPROVAL OF MINUTES**
- \*A. Upon motion of Oversight Board members James Duval/Stephen Mayotte (3-0), Duane Wolterstorff and Brad Hawn abstained, the Board approved the minutes of the January 10, 2013 meeting.
- IV. CORRESPONDENCE**
- A. Handout dated February 13, 2013, from Phoebe Seaton, Attorney, California Rural Legal Assistance, Inc. (received at the start of the meeting).
- V. PUBLIC COMMENT**
- A. No one spoke.
- VI. AGENDA ITEMS ( \* - Consent Items )**
- A. **Approval of an Administrative Budget for Fiscal Year 2013-2014**  
*Director Freitas presented an overview of the report to the Board  
Chairman asked for public comment – no one spoke.  
**Brad Hawn/Duane Wolterstorff (5-0) - Approved all Staff  
Recommendations as outlined in the Staff Report, including  
Resolution No. 2013-02***

B. **Approval of Recognized Obligation Payment Schedule for July 1, 2013 to December 31, 2013 (ROPS 13-14A)**

*Director Freitas presented an overview of the report to the Board.*

*Chairman asked for public comment – Juan Carlos Cancino representing California Rural Legal Assistance spoke to the content of the letter handed out to Board members and staff listed above in IV-A.*

***Brad Hawn/Duane Wolterstorff (5-0) – Approved all Staff Recommendations as outlined in the Staff Report, including Resolution No. 2013-03 as amended***

The Board directed Successor Agency staff to work with the California Rural Legal Assistance (CRLA) to develop revised language to the 'note' section of the ROPS 13-14A agreeable to CRLA, reflecting CRLA's position that the 1991 CRLA Agreement requires a 25% obligation of the Gross Property Tax Revenue, in accordance with ABx1 26, that would have been generated by Project No. 1 and to forward the ROPS 13-14A with the revised language to the appropriate County and State agencies. If an agreement on the revised language cannot be reached, Successor Agency staff is directed to set a special meeting of the Oversight Board for reconsideration of the ROPS 13-14A prior to the March 1, 2013, submission deadline.

**VII. OTHER MATTERS (NOT PUBLIC HEARINGS)**

A. On the Horizon

*Director Freitas informed the Board of the following:*

- Upon receipt of the Brown Armstrong FY 2011-2012 Financial Statements, copies will be emailed to Board members.
- Due Diligence review determination from Department of Finance is still pending.
- The ROPS 13-14B will be heard in August or September 2013.

**VIII. ADJOURNMENT**

The meeting was adjourned at 9:50 a.m.

Signature on file

Angela Freitas, Secretary

(The above is a summary of the minutes of the Oversight Board meeting. Complete tape(s) of the meeting are available from the Planning and Community Development Department.)

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**STAFF REPORT**

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**SUBJECT:**

Approve Revisions to the Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013, originally considered on February 14, 2013.

**RECOMMENDATION:**

1. Approve the Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013 with proposed edits to the “notes” section.
2. Approve the attached Draft Resolution approving the ROPS 13-14A for July to December 2013 reflecting the proposed edits to the “notes” section.
3. Authorize the Director of the Department of Planning and Community Development to make revisions to the ROPS 13-14A, as necessary, to address any modifications to the form made by the California Department of Finance between Oversight Board approval and the March 1, 2013, submission deadline.
4. Authorize the Chair of the Oversight Board to sign the ROPS 13-14A for July to December 2013 with proposed edits to the “notes” section.
5. Direct the Department of Planning and Community Development to take all actions required under law including, but not limited to, forwarding the approved ROPS to the Stanislaus County Auditor-Controller, California Department of Finance, and California State Controller’s Office, and requesting an opportunity to meet and confer with the Department of Finance, if needed.

**DISCUSSION:**

The Oversight Board to the Successor Agency of the Stanislaus County Redevelopment Agency originally considered and approved the Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013 on February 14, 2013. (See Attachment “A”) The approval included the following direction to amend the ROPS (as reflected in the February 12, 2013, Minutes proposed for adoption on the same day as this item):

“The Board directed Successor Agency staff to work with the California Rural Legal Assistance (CRLA) to develop revised language to the 'note' section of the ROPS 13-14A agreeable to CRLA, reflecting CRLA's position that the 1991 CRLA Agreement requires a 25% obligation of the Gross

Property Tax Revenue, in accordance with ABx1 26, that would have been generated by Project No. 1 and to forward the ROPS 13-14A with the revised language to the appropriate County and State agencies. If an agreement on the revised language cannot be reached, Successor Agency staff is directed to set a special meeting of the Oversight Board for reconsideration of the ROPS 13-14A prior to the March 1, 2013, submission deadline.”

The direction came as the result of public comment presented at the meeting by Juan Carlos Cancino of the California Rural Legal Assistance (CRLA). Attachment “B” consists of the handout provided by Mr. Cancino at the start of the OB meeting.

Attachment “C” consists of the proposed edits provided by CRLA to the Successor Agency on February 20, 2013. The Successor Agency (SA) has requested that one revision be made to CRLA’s proposed language with respect to the 1991 CRLA agreement. The requested revision is to add “CRLA maintains that” to the start of the sentence reading: “The total obligation under this Agreement, calculated on the basis of a twenty-five (25%) housing obligation, is approximately ...”

CRLA has expressed that the SA’s proposed revision could undermine its ability to establish the full agreement as an enforceable obligation, because it implies that CRLA and the Oversight Board disagree that the agreement imposes a 25% housing obligation. In order to avoid that result and to avoid implying an “adverse” position between CRLA and the OB, CRLA has suggested wording such as:

“The total obligation under this Agreement, if determined to be an enforceable obligation, is approximately \$50,861,055, calculated on the basis of a twenty-five percent (25%) obligation.”

The SA staff is concerned that CRLA’s proposed language may compromise the SA’s position in the event of litigation against the SA related to this agreement. CRLA’s position is that the agreement should be calculated on the basis of twenty-five percent (25%), not five percent (5%). While the SA understands CRLA’s position, it is the SA’s position the additional twenty percent (20%) is the amount that had been mandated under the California Redevelopment Law and, following dissolution of redevelopment, is no longer an enforceable obligation.

The SA is proposing that the OB reconsider approval of the ROPS 13-14A with the SA’s proposed revision to CRLA’s February 20, 2013, proposed edits.

Due to the time sensitive nature of this item (the ROPS 13-14A submission deadline is March 1, 2013 – the date this item is being considered), the SA is providing a draft resolution with two wording options: the first reflects the SA’s proposed revision; the second reflects CRLA’s counter to the SA’s proposed revision. For clarity purposes, the options for the sentence in question are as follow:

SA proposal: CRLA maintains that the total obligation under this Agreement, calculated on the basis of a twenty-five (25%) housing obligation, is approximately \$50,861,055

CRLA proposal: The total obligation under this Agreement, if determined to be an enforceable obligation, is approximately \$50,861,055, calculated on the basis of a twenty-five percent (25%) obligation."

The SA will continue to work with CRLA on identifying agreeable language and, if successful, the OB meeting will be canceled and the SA will proceed with submittal of the ROPS 13-14A as approved by the OB on February 14, 2013.

In calculating the total obligation under the 1991 CRLA Agreement, on the basis of a twenty-five percent (25%) obligation using Fiscal Year 2012-2013 information, it appears that the original five (5%) obligation calculation has been underestimated. Using Fiscal Year 2012-2013 information, the obligation would be \$10,172,211 over the remaining 28 year life (Fiscal Years 2013-14 to 2041-2042) of Project No.1. The 'note' section of the ROPS 13-14A has not been updated to reflect this underestimation since the amount is accurate to the obligation listed on the ROPS III and the ROPS 13-14A has been locked to prevent modification.

**ATTACHMENTS:**

- A. February 14, 2013, Oversight Board Agenda Item VI-B – Approval of Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013.
- B. Handout dated February 13, 2013, from Phoebe Seaton, Attorney, California Rural Legal Assistance, Inc.
- C. Proposed edits provided by CRLA to the Successor Agency on February 20, 2013.
- D. Draft Resolution No. 2013-04

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**STAFF REPORT**

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**SUBJECT:**

Approval of Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013.

**RECOMMENDATION:**

1. Approve the Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013.
2. Approve the attached Draft Resolution approving the ROPS 13-14A for July to December 2013.
3. Authorize the Director of the Department of Planning and Community Development to make revisions to the ROPS 13-14A, as necessary, to address any modifications to the form made by the California Department of Finance between Oversight Board approval and the March 1, 2013, submission deadline.
4. Authorize the Chair of the Oversight Board to sign the ROPS 13-14A for July to December 2013.
5. Direct the Department of Planning and Community Development to take all actions required under law including, but not limited to, forwarding the approved ROPS to the Stanislaus County Auditor-Controller, California Department of Finance, and California State Controller's Office, and requesting an opportunity to meet and confer with the Department of Finance, if needed.

**DISCUSSION:**

The Redevelopment Agency Dissolution Act (the "Dissolution Act") (ABx1 26) requires that an oversight board approve the Recognized Obligation Payment Schedule (ROPS) prepared by the successor agency before it can be submitted to the Stanislaus County Auditor-Controller, California Department of Finance (Finance) and the State Controller's Office. A ROPS lists all of the enforceable obligations of the former Redevelopment Agency and, commencing on May 1, 2012, only those payments listed on the ROPS may be made by the Successor Agency (SA).

After May 1, 2012, the SA only receives a distribution of property tax funding (deposited into a Redevelopment Property Tax Trust Fund (RPTTF)) equal to the amount needed



to make the payments listed on the ROPS. With this ROPS, Finance has adopted a new naming convention to replace the previous I, II, and III sequence. The new name beginning with this period is 13-14A (for fiscal year 2013-14 and A representing the first half of the fiscal year). The ROPS 13-14A must be submitted to Finance by March 1, 2013.

All of the obligations listed on the ROPS 13-14A were previously listed on the ROPS I, II, and III approved by the Oversight Board (OB) of the SA of the Stanislaus County Redevelopment Agency (Agency). Despite OB approval, Finance has consistently determined that the following two agreements reflected on the ROPS are not enforceable obligations and, as such, the obligations have been denied:

- Public Works Infrastructure Agreement
- Housing Set Aside Fund – LMI Housing Fund/1991 CRLA Agreement

In providing the 13-14A ROPS template, Finance has stated:

“If a particular item was previously denied by Finance, it will still remain on the ROPS template but will be specifically identified as denied. Absent a reversal through the Meet and Confer process, or a favorable outcome through litigation, Agencies should not input expenses for these items.”

Finance's instructions for completing the ROPS 13-14A template further specify that obligations denied by Finance have been color coded (a pale red) and the cells [in the template] have been locked for inputting. A Meet and Confer in response to the ROPS III was conducted on October 10, 2012, and a final determination was provided by Finance on December 18, 2012. Finance's final determination remains a denial of both agreements.

The "notes" section of the ROPS 13-14A, shown in Attachment 1, page 5, clarifies that the obligation debt information for both agreements is not being provided at the direction of Finance, and that both the SA and OB continue to disagree with Finance's determination and reserve the right to challenge Finance's determination and reestablish the agreements as enforceable obligations.

Upon submittal of the ROPS 13-14A, the DOF will have five (5) days to request a review and forty-five (45) days to review the ROPS. Upon the DOF's determination, the Successor Agency has five (5) days to request additional review by the DOF and an opportunity to Meet and Confer on disputed items. Successor Agency staff is prepared to request additional review and to Meet and Confer with the DOF, if necessary.

The recommendations for this item includes authorization for the Director of the Department of Planning and Community Development to make revisions to the ROPS 13-14A form, as necessary, to address any modifications to the form made by Finance between Oversight Board approval and the March 1, 2013, submission deadline. Within

a one-week period of releasing the ROPS 13-14A template, Finance released two revised templates to address 'glitches'. While no further revisions are anticipated, the requested authorization is a safety measure to avoid the need to reconvene the OB for a simple 'administrative type' revision to the form.

The ROPS 13-14A includes a reconciliation of estimated versus actual payments made by the SA during the ROPS II period (July to December 2012). As reflected in the ROPS summary, the ROPS 13-14A RPTTF payment will be reduced by \$86,254 to account for overpayment of the Administrative Allowance and the Housing Rehabilitation obligation and an under estimation of the payment due for the Salida Storm Drain loan. The Housing Rehabilitation obligation of \$47,361 was inadvertently included on both the ROPS I and II and, as a result, the SA has received an extra RPTTF payment for the one obligation. Receipt of the first RPTTF payment was reflected in the reconciliation of the ROPS I (January to June 2012) and recognized as "paid in full" on the ROPS III. \$39,129 reflects an over estimation of the Administrative Allowance and the Salida Storm Drain payment was under estimated by \$236.

**ATTACHMENTS:**

1. Proposed ROPS for July to December 2013
2. Draft Resolution No. 2013-03

## SUCCESSOR AGENCY CONTACT INFORMATION

### Successor Agency

ID: **369**  
County: **Stanislaus**  
Successor Agency: **Stanislaus County**

### Primary Contact

Honorific (Ms, Mr, Mrs)

First Name

Last Name

Title

Address

City

State

Zip

Phone Number

Email Address

<b>Angela</b>
<b>Freitas</b>
<b>Planning Director</b>
<b>1010 10th Street Suite 3400</b>
<b>Modesto</b>
<b>CA</b>
<b>95354</b>
<b>209-525-6330</b>
<b>angela@stancounty.com</b>

### Secondary Contact

Honorific (Ms, Mr, Mrs)

First Name

Last Name

Title

Phone Number

Email Address

<b>Marianne</b>
<b>Rucker</b>
<b>Manager II</b>
<b>290-525-6330</b>
<b>ruckerm@stancounty.com</b>

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Filed for the July 1, 2013 to December 31, 2013 Period

**Name of Successor Agency:** STANISLAUS COUNTY (STANISLAUS)

<b>Outstanding Debt or Obligation</b>	<b>Total</b>
Total Outstanding Debt or Obligation	\$29,568,179

<b>Current Period Outstanding Debt or Obligation</b>	<b>Six-Month Total</b>
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$1,187,285
C Administrative Allowance Funded with RPTTF	\$125,000
D Total RPTTF Funded (B + C = D)	\$1,312,285
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$1,312,285
F Enter Total Six-Month Anticipated RPTTF Funding	\$1,312,285
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$0

**Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments** (as required in HSC section 34186 (a))

H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$1,330,833
I Enter Actual Obligations Paid with RPTTF	\$1,172,209
J Enter Actual Administrative Expenses Paid with RPTTF	\$72,370
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$86,254
L Adjustment to RPTTF (D - K = L)	\$1,226,031

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety code,  
I hereby certify that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

Terry Withrow	Oversight Board Chairman
Name	Title
/s/	2/14/2013
Signature	Date







**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**RESOLUTION NO. 2013-03**

**DATE:** February 14, 2013

**SUBJECT: Approval of a Recognized Obligation Payment Schedule (ROPS) for  
July to December 2013**

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, and approved by the following vote:

Ayes:

Noes:

Absent:

Abstained:

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**WHEREAS**, on February 1, 2012, the Stanislaus County Redevelopment Agency was dissolved pursuant to the Redevelopment Agency Dissolution Act (ABx1 26), enacted by the State Legislature, and signed by the Governor, as part of the Fiscal Year 2011-12 State budget bill, and subsequently modified by the State Supreme Court; and

**WHEREAS**, pursuant to Section 34173 of ABx1 26, the County of Stanislaus assumed the role of the Successor Agency to the former Stanislaus County Redevelopment Agency ("Successor Agency"), and is responsible for winding down the activities of the former Redevelopment Agency; and

**WHEREAS**, ABx1 26 requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) for each six month period and submit it to the Oversight Board for approval; and

**WHEREAS**, in accordance with the ROPS 13-14A instructions and the template provided by Finance, the obligation debt information for the 1991 CRLA Agreement and Public Works Infrastructure Agreement has not been populated; and

**WHEREAS**, the ROPS for the period of July to December 2013, has been considered by the Oversight Board at a public meeting.

**NOW, THEREFORE, BE IT RESOLVED** that this Oversight Board:

1. Hereby adopts the proposed ROPS for July to December 2013.
2. Hereby finds that, while the obligation debt information has not been populated for the 1991 CRLA Agreement and Public Works Infrastructure Agreements based on



the Department of Finance's determination and instructions for ROPS 13-14A, the Successor Agency and the Oversight Board of the former Stanislaus County Redevelopment Agency continue to disagree with Finance's determination and reserve the right to challenge Finance's determination and reestablish the Agreement as an enforceable obligation.

3. This resolution shall take effect from and after the date of its passage and adoption, February 14, 2013.

**BE IT FURTHER RESOLVED** that this Oversight Board directs Successor Agency staff to take all actions required by the Redevelopment Agency Dissolution Act (ABx1 26), including but not limited to, forwarding the approved ROPS to the Stanislaus County Auditor-Controller, the California Department of Finance, and the California State Controller's Office for certification and approval, and requesting the opportunity to meet and confer with the Department of Finance if needed.

**ATTEST:**

**APPROVED AS TO FORM:**

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Brenda McCormick  
Oversight Board Clerk

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Thomas Boze  
Deputy County Counsel



February 13, 2013

VIA U.S. MAIL, ELECTRONIC TRANSMISSION and HAND DELIVERY

Members of the Oversight Board of the Successor Agency  
to the Stanislaus County Redevelopment Agency  
c/o Brenda McCormick, Clerk, Oversight Board  
1010 Tenth Street, Suite 3400  
Modesto, CA 95354  
*Sent via e-mail at [bmccormick@mail.co.stanislaus.ca.us](mailto:bmccormick@mail.co.stanislaus.ca.us)*

Members of the Board of Supervisors as Successor Agency  
to the Stanislaus County Redevelopment Agency  
c/o Christine Ferraro Tallman, Clerk  
Stanislaus County Board of Supervisors  
1010 Tenth Street, Suite 3400  
Modesto, CA 95354  
*Sent via e-mail at [ctallman@mail.co.stanislaus.ca.us](mailto:ctallman@mail.co.stanislaus.ca.us)*

Dear Members of the Oversight Board of the Successor Agency, et al.,

California Rural Legal Assistance, Inc. (CRLA) represents thousands of rural low-income Californians, farmworkers and families, and predominantly Latino Californians, including residents of Parklawn and other unincorporated communities in Stanislaus County. It specifically represents plaintiffs in Committee Concerning Community Improvements (CCCI), et al. v. City of Modesto, et al., U.S. District Court, E. D., Case No. 1:04-cv0-06121. That action resulted in a court-approved settlement agreement that was entered into contingent on the infrastructure agreement between the former RDA and the County Public Works Department at issue in this matter. The Public Works Infrastructure Agreement was entered into effective June 20, 2011 and provides for the former RDA to finance infrastructure projects necessary for affordable housing. CRLA also represents residents of Stanislaus County who are parties to a 1991 agreement with the former Stanislaus County Redevelopment Agency. The 1991 agreement settled a dispute regarding the 1991 redevelopment plan and provided for an allocation of 25% of Redevelopment tax proceeds for affordable housing.

#### Public Works Infrastructure Agreement

The Public Works Infrastructure Agreement (Infrastructure Agreement) obligates the use of \$32 million in property tax revenue to fund infrastructure improvement projects for the benefit of low and moderate income housing. The Infrastructure Agreement, entered into by Stanislaus County, the Stanislaus County Redevelopment Agency and the Stanislaus County Department of Public Works, as authorized by the former Redevelopment Agency on April 19, 2011, is a project that Stanislaus County is **obligated to fund** due to pre-existing **enforceable agreements**.

As to the Infrastructure Agreement, we acknowledge your efforts to reserve \$5.3 million in existing non-housing funds towards this obligation and appreciate your inclusion of a note referencing the full

ATTACHMENT B



obligation of \$32 million on this latest ROPS 1314A (i.e. \$26.5 million listed on the ROPS 1314A and \$5.3 million 'in hand' pursuant to the non-housing DDR). We also encourage this Board to request a meet and confer with DOF should retention of the \$5.3 million be denied and to instruct staff to invite CRLA to participate in the meet and confer as to the \$5.3 million so that we can assist in retaining those funds for the use pursuant to the Infrastructure Agreement.

1991 CRLA Agreement

**Stanislaus County Recognized Obligation Payment Schedule**

The LMI Housing Fund / 1991 CRLA Agreement (1991 Settlement Agreement), entered into between the RDA and California Rural Legal Assistance, Inc. (CRLA) on November 15, 1991, requires the RDA to set aside and expend at least twenty-five percent (25%) of gross tax increment revenue generated from property within the redevelopment area to expand and improve the supply of affordable housing. This agreement, entered into well before the effective date of the applicable statute is an **enforceable obligation**.

As to the 1991 Settlement Agreement, we again acknowledge and appreciate the 'notes' added to the ROPS 1314A but must stress that the Successor Agency is obligated to perform the 25% obligation which they have not, to date, included on the ROPS and that this failure and the Agency's transfer of \$10 million in Low/Mod Funds for uses other than are required by the 1991 Settlement Agreement constitute a breach of said agreement. Therefore, we urge you to include the full 25% obligation on the ROPS, to request a meet and confer should DOF deny it, and to instruct staff to invite CRLA to participate in that meet and confer in an effort to partially comply with the agreement.

Sincerely  
CALIFORNIA RURAL LEGAL ASSISTANCE, INC.

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Phoebe Seaton, Attorney

CC: Angela Freitas, Interim Planning and Community Development Director, Stanislaus County  
Lauren Klein, Auditor-Controller of Stanislaus County  
Ilene J. Jacobs, CRLA Director of Litigation, Training, and Advocacy  
S. Lynn Martinez, Western Center on Law & Poverty  
Deborah Collins, Public Interest Law Project

## 1991 CRLA Agreement

Five percent (5%) of the contribution for housing under The-the 1991 CRLA Agreement has been determined by Department of Finance (Finance) not to be an enforceable obligation as part of the ROPS I, II, and III review determination process. In accordance with the ROPS 13-14A instructions and template provided by Finance, the obligation debt information has not been populated cannot be modified because DOF has locked the pre-populated form that it provided. The Successor Agency and the Oversight Board (OB) of the former Stanislaus County Redevelopment Agency continue to disagree with Finance's determination and reserve the right both to challenge Finance's determination and reestablish the Agreement as to establish that the full Agreement is an enforceable obligation. As reflected on the OB approved ROPS III, the total outstanding obligation for that DOF denied under this Agreement is approximately \$7,544,860. The total obligation under this Agreement, calculated on the basis of a twenty-five (25%) housing obligation, is approximately [INSERT CALCULATION OF TOTAL AMOUNT HERE].

## Public Works Infrast. Agreement

The Public Works Infrast. Agreement has been determined by Department of Finance (Finance) not to be an enforceable obligation as part of the ROPS I, II, and III review determination process. In accordance with the ROPS 13-14A instructions and template provided by Finance, the obligation debt information cannot be modified because DOF has locked the pre-populated form that it provided has not been populated. The Successor Agency and the Oversight Board (OB) of the former Stanislaus County Redevelopment Agency (RDA) continue to disagree with Finance's determination and reserve the right to challenge Finance's determination and to establish that the full Agreement is reestablish the Agreement as an enforceable obligation. Approximately \$5.3 Million was held by the RDA to fund this Agreement, as reflected on the Non-housing Due Diligence Review (DDR) submitted to Finance on January 10, 2013. The Successor Agency and Oversight Board maintain that this cash should be retained by the Successor Agency for purposes consistent with this Agreement, and look forward to Finance's determination on the Non-housing DDR. As reflected on the OB approved ROPS III, the total outstanding obligation for this Agreement is approximately \$26,596,704. Therefore, between the Non-housing DDR and the obligation set forth on the ROPS I, II, and III, the total obligation is \$32 Million.

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**RESOLUTION NO. 2013-04**

**DATE:** March 1, 2013

**SUBJECT: Approval of a Recognized Obligation Payment Schedule (ROPS) for  
July to December 2013**

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, and approved by the following vote:

Ayes:

Noes:

Absent:

Abstained:

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**WHEREAS**, on February 1, 2012, the Stanislaus County Redevelopment Agency was dissolved pursuant to the Redevelopment Agency Dissolution Act (ABx1 26), enacted by the State Legislature, and signed by the Governor, as part of the Fiscal Year 2011-12 State budget bill, and subsequently modified by the State Supreme Court; and

**WHEREAS**, pursuant to Section 34173 of ABx1 26, the County of Stanislaus assumed the role of the Successor Agency to the former Stanislaus County Redevelopment Agency ("Successor Agency"), and is responsible for winding down the activities of the former Redevelopment Agency; and

**WHEREAS**, ABx1 26 requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) for each six month period and submit it to the Oversight Board for approval; and

**WHEREAS**, in accordance with the ROPS 13-14A instructions and the template provided by Finance, the obligation debt information for the 1991 CRLA Agreement and Public Works Infrastructure Agreement has not been populated; and

**WHEREAS**, the ROPS for the period of July to December 2013, was considered and adopted by the Oversight Board at a public meeting on February 14, 2013, with direction to the Successor Agency to provide revised language to the 'notes' section; and

**WHEREAS**, the revised language to the 'notes' section of the ROPS for the period of July to December 2013, has been considered by the Oversight Board at a public meeting for inclusion in the ROPS.

**NOW, THEREFORE, BE IT RESOLVED** that this Oversight Board:

1. Hereby adopts the proposed ROPS for July to December 2013 with the following language included:

CRLA maintains that the total obligation under this Agreement, calculated on the basis of a twenty-five (25%) housing obligation, is approximately \$50,861,055.

OR

The total obligation under this Agreement, if determined to be an enforceable obligation, is approximately \$50,861,055, calculated on the basis of a twenty-five percent (25%) obligation.

2. Hereby finds that, while the obligation debt information has not been populated for the 1991 CRLA Agreement and Public Works Infrastructure Agreements based on the Department of Finance's determination and instructions for ROPS 13-14A, the Successor Agency and the Oversight Board of the former Stanislaus County Redevelopment Agency continue to disagree with Finance's determination and reserve the right to challenge Finance's determination and re-establish the Agreement as an enforceable obligation.
3. This resolution shall take effect from and after the date of its passage and adoption, March 1, 2013.

**BE IT FURTHER RESOLVED** that this Oversight Board directs Successor Agency staff to take all actions required by the Redevelopment Agency Dissolution Act (ABx1 26), including but not limited to, forwarding the approved ROPS to the Stanislaus County Auditor-Controller, the California Department of Finance, and the California State Controller's Office for certification and approval, and requesting the opportunity to meet and confer with the Department of Finance if needed.

**ATTEST:**

**APPROVED AS TO FORM:**

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Brenda McCormick  
Oversight Board Clerk

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Thomas Boze  
Deputy County Counsel