

**Agenda Item A.1
PRESENTATION
Meeting Date: August 16, 2012**

A.1 Approval of June 28, 2012 Oversight Board Meeting Minutes

**SPECIAL MEETING MINUTES
OF THE
OVERSIGHT BOARD OF THE
GOLETA RDA SUCCESSOR AGENCY**

THURSDAY, JUNE 28, 2012

10:00 A.M. – 12:00 P.M.
City Hall
130 Cremona Drive, Suite B
Goleta, California

Board Members

Renée Bahl, Chair
Vyto Adomaitis, Vice Chair
Dan Eidelson
Brian Fahnestock, Board Member
Ralph Pachter, Board Member
Tina Rivera, Board Member
Chandra Wallar, Board Member

Selected By:

SB County Board of Supervisors (“BOS”)
Mayor, City of Goleta
BOS, Member of the Public Appointee
Chancellor of California Community Colleges
SB County Superintendent of Schools
Mayor, City of Goleta
BOS, acting as Board of Directors of the
SB County Fire Protection District

CALL TO ORDER

The meeting was called to order at 10:05 A.M.

Present: Chair Bahl. Vice Chair Adomaitis, Board Members Eidelson, Fahnestock, Pachter, Rivera, and Wallar.

Absent: None.

Staff Present: Dan Singer, City Manager, Jaime Valdez, Senior Management Analyst, Steve Wagner, Community Services Director, James Casso, Meyers, Nave, Riback, Silver & Wilson; Seth Merewitz, Best Best & Krieger LLP, and Liana Campos, Deputy City Clerk.

PUBLIC FORUM

Speakers:
None

A. ADMINISTRATIVE ACTIONS

A.1 Approval of May 3, 2012 Oversight Board Meeting Minutes

Recommendation: Approve the May 3, 2012 Oversight Board Meeting Minutes.

MOTION: Board Members Fahnestock/Eidelson motion to approve the May 3, 2012 Oversight Board Meeting Minutes.

VOTE: Approved by a unanimous voice vote.

B. DISCUSSION/ACTION ITEMS

B.1 Update on California Department of Finance (DOF) Response to Recognized Obligation Payment Schedules (ROPS)

Recommendation: Receive information on DOF response to submitted ROPS.

Staff Speaker: Jamie Valdez, Senior Management Analyst

Report Received.

B.2 Disposition of former Goleta RDA assets

Recommendation:

A. Provide direction to staff to pursue a transfer or sale of the Successor Agency's interest in the property located at 170 S. Kellogg Avenue; and

B. Provide direction to staff on the Successor Agency's interest in a 2005 Ford Crown Victoria

Staff Speaker: Jamie Valdez, Senior Management Analyst
Dan Singer, City Manager

MOTION: Board Members Wallar/Eidelson motion to declare the 2005 Ford Crown Victoria for a government purpose based on the finding on *de minimis* value with the condition that the vehicle must be kept in use until fully depreciated.

AMENDED
MOTION

Board Members Wallar/Eidelson motion to declare the 2005 Ford Crown Victoria for a government purpose based on the finding on *de minimis* value with the condition that the vehicle must be kept in use until fully depreciated. If the vehicle shall need repairs, the City is not obligated to make repairs to make the vehicle operational until it is fully depreciated.

VOTE: Approved by a unanimous voice vote.

MOTION: Board Members Wallar/Fahnestock motion to continue the discussion on the disposal of the Kellogg Street Property to the August 16, 2012 meeting with the understanding the City of Goleta needs to expedite the process because of pending grants and to have staff and/or the Oversight Board's Attorney provide direction on the process of disposal/acquisition to consider source of funds issues in the legislation and to consider not moving forward on the zoning modification.

VOTE: Approved by the following voice vote: Ayes: Chair Bahl, Board Members Eidelson, Fahnestock, Pachter, and Wallar. Noes: Vice Chair Adomaitis and Board Member Rivera.

C. BOARD MEMBER COMMENTS

The Oversight Board:

- Next meeting to cover:
 - Legislative update
 - ROPS first half of 2013
 - Kellogg Avenue Property
 - Financial status of former RDA funds through FY 11-12
 - County Auditor/Controller Pass throughs and Administrative Allowance
- Scheduled the next Oversight Board meeting to occur on August 16, 2012, 9:00 A.M. to 12:00 P.M. at the City of Goleta Council Chamber.

D. ADJOURNMENT AT 11:15 A.M.

Agenda Item B.1
DISCUSSION/ACTION ITEM
Meeting Date: August 16, 2012

TO: Members of the Oversight Board of the Goleta RDA Successor Agency

FROM: Jaime A. Valdez, Senior Management Analyst

SUBJECT: Update on Redevelopment Dissolution "Clean-Up" Legislation AB 1484

RECOMMENDATION:

Receive information on AB 1484 and Goleta RDA Successor Agency actions.

BACKGROUND:

ABx1 26 (the "Dissolution Act,") was enacted in late June 2011 as part of the FY 2011-12 state budget package and was held by the California Supreme Court to be largely constitutional on December 29, 2012. Under the Dissolution Act, each of California's redevelopment agencies were dissolved as of February 1, 2012, and the cities, counties, and city and county that formed the dissolved RDAs, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the dissolved RDAs. Pursuant to the Dissolution Act, the City elected to be the RDA's Successor Agency by Resolution No. 12-04, on January 17, 2012.

On June 27, 2012, as part of the FY 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484. The primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing that act. As a budget "trailer bill," AB 1484 took immediate effect upon signature by the Governor. AB 1484 provides for the implementation of some significant new rules and requirements in order to effectuate the dissolution process.

DISCUSSION:

The following subsections address specific themes of AB 1484. Included in this staff report is a summary timeline which captures the major milestones germane to the Dissolution Act as amended by AB 1484 (Attachment 1).

Successor Agency and Oversight Board Issues

With respect to Successor Agency and Oversight Board issues in AB 1484, the following summary is provided:

Legal Status of Successor Agency: AB 1484 declares that a Successor Agency is a separate legal entity from the public agency that provides for its governance and affirms that the Successor Agency is a local public entity subject to the Ralph M. Brown Act.

As a separate legal entity, the Successor Agency will not merge with the public agency that provides for the Successor Agency's governance. The Successor Agency retains the liabilities of the Dissolved RDA, as those do not transfer to the Dissolved RDA's Sponsoring Community (City of Goleta), the Successor Agency can sue and be sued in its own name, and all litigation involving the Dissolved RDA is automatically transferred to the Successor Agency.

Roles, Limitations, and Funding of Successor Agency: AB 1484 clarifies the authority of a Successor Agency to conduct certain activities, and also authorizes it to perform activities not previously authorized under the Dissolution Act. This authority includes the ability to create enforceable obligations to conduct wind-down activities of the Dissolved RDA, such as hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance.

A Successor Agency can, subject to Oversight Board approval, also enter into contracts, that will constitute enforceable obligations, with the Sponsoring Community to borrow from the Sponsoring Community to assist a Successor Agency to fund shortfalls for Successor Agency administrative costs, enforceable obligations, or project-related expenses. AB 1484 provides for various mechanisms to reduce a Successor Agency's administrative cost allowance. The Oversight Board is authorized to reduce the administrative cost allowance below the \$250,000 annual minimum required under the Dissolution Act.

Composition and Roles of Oversight Board: AB 1484 clarifies that in the case where city employees performed the administrative duties of the Dissolved RDA, the appointment to the Oversight Board is to be made from the recognized employee organization representing the city employees that performed the administrative duties of the Dissolved RDA. AB 1484 clarifies that no conflict of interest exists when the Oversight Board member, employed and appointed by a Successor Agency or the Sponsoring Community, votes to approve a contract as an enforceable obligation. Under AB 1484, an Oversight Board can direct a Successor Agency to provide additional legal or financial advice independent from a Successor Agency staff and the Oversight Board is also authorized to contract with the county or other public or private agency for administrative support.

Review of Oversight Board Actions: AB 1484 requires that all actions taken by an Oversight Board be adopted by resolution. A Successor Agency must notify the County Administrative Officer, the County Auditor-Controller (CAC), and the Department of Finance (DOF), at the same time the Successor Agency transmits a proposed action to the Oversight Board for its approval—including the Recognized Obligation Payment Schedule (ROPS). All actions taken by an Oversight Board require transmittal of notice to the DOF by electronic means in a manner of the DOF's choosing.

AB 1484 extends the time for the DOF to request review of actions of an Oversight Board to five business days. These actions are deemed effective if the DOF does not request a review within five business days of receipt of the notice by the DOF.

Enforceable Obligations and ROPS Issues

AB 1484 purports to retroactively declare as non-enforceable any contract entered into by a redevelopment agency after June 27, 2011. Under AB 1484, the DOF is required to make its determination "of the enforceable obligations and the amounts and funding sources of the enforceable obligations" no later than 45 days after the ROPS has been submitted by a Successor Agency. This addition appears to give the DOF authority not only to determine what constitutes an enforceable obligation, but also provides the additional authority to determine the amount and funding source to meet enforceable obligations. Furthermore, AB 1484 gives the DOF the authority to eliminate or modify any item on the ROPS being reviewed prior to DOF approval which is further covered in the next section. A Successor Agency may request additional review by the DOF and an opportunity to meet and confer on disputed items, but such a request must be made within five business days of the Successor Agency's receipt of a DOF determination.

If a Successor Agency does not timely submit a ROPS pursuant to the deadlines set forth in AB 1484, the Sponsoring Community may be subject to a \$10,000 per day civil penalty for each day the ROPS is delinquent. In addition, failure of a Successor Agency to submit a ROPS within 10 days of the deadline (by October 14 for the January 2 distribution and March 13 for the June 1 distribution) may result in a 25% reduction of a Successor Agency's maximum administrative cost allowance for the period covered by the delinquent ROPS.

If a Successor Agency fails to submit an Oversight Board approved ROPS pursuant to the requirements of AB 1484 within five business days after the April 1 and October 1 dates on which the CAC releases the estimated property tax allocations from the Redevelopment Property Tax Trust Fund (RPTTF), the DOF may determine if any amount should be withheld to pay enforceable obligations. Funds withheld are to be distributed to affected taxing entities. If the DOF orders the CAC to withhold funds to pay for a Successor Agency's enforceable obligations, those funds will only be disbursed to the Successor Agency pursuant to a ROPS approved by the DOF.

Increased Authority of County and State

A CAC can object to an item on the ROPS or to the funding source listed for an item on the ROPS. Objections are sent to DOF to resolve.

DOF may eliminate or modify any item on an Oversight Board-approved ROPS. The auditor-controller must distribute property tax in accordance with changes made to the ROPS by DOF. If a Successor Agency disputes DOF action, the disputed item may be carried on ROPS. If the dispute is resolved in favor of a Successor Agency in the future, the past allocation of property tax to the Successor Agency is not changed nor is a "liability" created for any affected taxing entity. DOF may review and object to Oversight Board actions approving (1) establishment of new repayment terms for outstanding loans and (2) setting aside amounts in reserves as required by bond indentures, and similar documents. For Oversight Board actions taken related to the disposition of assets, the DOF may extend the review period to 60 calendar days.

AB 1484 directs the State Controller to review the activities of Successor Agencies to determine whether an asset transfer occurred after January 31, 2012, between the Successor Agency and the city or county that created the redevelopment agency, or any other public agency that was not pursuant to an enforceable obligation on an approved ROPS. The Controller is directed to order the assets returned to the Successor Agency. "City" is defined very broadly to include any entity which is controlled by the city or for which the city is financially responsible or accountable.

Audits and Required Payments/Transfers

AB 1484 requires audits of the Successor Agency's Low and Moderate Income Housing Fund (LMIHF) and all other funds. A Successor Agency must hire a licensed accountant with experience and expertise in local government accounting to review the unobligated balances available for transfer to the taxing entities. The selection of the accountant has to be approved by the CAC. Alternatively, an audit conducted by the CAC that provides the required information can be used to comply if the Oversight Board concurs.

The Successor Agency must make three payments/transfers or face an offset of city sales tax or property tax of the amount required to be transferred:

- July 12, 2012: Taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency (conducted by the CAC).
- November 2012: Low-Moderate Income Housing Fund (LMIHF) (resulting from audit).
- April 2012: Unencumbered cash (resulting from audit).

In addition to these three payments, if a Successor Agency did not make complete 2011-12 pass-through payments, the amount of payment not made will be deducted from property tax distribution from auditor-controller.

Penalties for Non-Compliance

Successor Agencies are required to transmit the funds determined to be available for allocation to the taxing entities within five business days of receipt of the notification of the amount determined by the DOF. Successor Agencies are required to make diligent efforts to recover money determined to be transferred without an enforceable obligation. If the Successor Agency fails to transmit the funds determined to be available for allocation to the taxing entities, there are a variety of remedies set forth in the statute including:

- If the Successor Agency cannot recover funds transferred to another public agency without an enforceable obligation, the DOF can order the Board of Equalization to offset the sales and use tax of the local agency that received the transferred funds, or the if the DOF does not order a sales or use tax offset, the CAC can offset property tax of the local agency that received the funds;

- The DOF and the CAC can demand the return of funds improperly spent or transferred to a private party and can recover those funds plus a 10% penalty and interest through any lawful means;
- If the Sponsoring Community is performing the duties of the Successor Agency, the DOF can order an offset of the Sponsoring Community's sales and use tax. If the DOF does not order such an offset, the CAC can offset property tax owed to the Sponsoring Community;
- As an alternative to all of the above, the DOF can order the CAC to offset the amounts owed against future distributions from the RPTTF to the Successor Agency.

If the DOF determines that the full payment of the amounts determined to be available for allocation to the taxing entities is not feasible or would jeopardize a Successor Agency's ability to pay enforceable obligations, the DOF can agree to an installment payment plan.

Safe Harbor Provisions (Finding of Completion)

DOF will issue a Finding of Completion to Successor Agencies that pay the following amounts:

- The amount (if any) owing to taxing entities from the December 2011 property tax payment
- The amount determined in the audit of the LMIHF
- The amount determined in the audit of all other funds

There are a number of benefits to Successor Agencies that are issued a finding of completion, in particular the following two for Goleta:

- Real property assets: In lieu of the provisions of the Dissolution Act which require disposal of real property assets at the direction of the Oversight Board, the Successor Agency prepares a Long-Range Property Management Plan (LRPMP) and submits it to Oversight Board and DOF for approval. Permissible uses of property include retention for governmental use; retention for future development; sale of property; and use of the property to fulfill enforceable obligations. If the LRPMP directs use or liquidation of property for a project identified in an approved redevelopment plan, the property shall transfer to the city. No transfers are to occur until the LRPMP is approved by the Oversight Board and DOF.
- Statute of Limitations: The longer statutes of limitations (2 years) to challenge actions of the former redevelopment agencies do not apply.

Disposition of Former RDA Properties

The Successor Agency will be required to develop a LRPMP that governs the disposition and use of the former RDA property. Successor Agencies will only be permitted to dispose of property pursuant to approved enforceable obligations, or after the approval of the LRPMP.

Many Successor Agencies have already begun the process of selling former redevelopment agency properties pursuant to the requirement of the Dissolution Act. This new requirement calls into question whether Successor Agencies can sell those properties before a LRPMP is adopted and approved.

Affordable Housing

AB 1484 significantly modifies and provides some clarifications to the treatment of housing assets under the Dissolution Act. Specifically, AB 1484 now includes a definition of housing assets, sets forth explicit procedures with respect to listing and transferring of housing assets which must occur by August 1, 2012, provides some greater flexibility and procedural steps regarding the use of housing bond proceeds, establishes a new Low and Moderate Income Housing Asset Fund (LMIHF) to be administered by the Housing Successor, and clarifies that no future deposits are required to be made to the LMIHF.

AB 1484 does not change the Dissolution Act treatment of the amounts in the LMIHF balance that were not encumbered by an enforceable obligation as of the effective date of the Dissolution Act. Those funds are to be distributed to the taxing entities pursuant to new audit and review procedures, and not retained by the Housing Successor for affordable housing uses.

Goleta RDA Successor Agency Actions Pursuant to AB 1484

On July 3, 2012, the Goleta RDA Successor Agency received a Demand for Payment letter from the Santa Barbara County Auditor-Controller (Attachment 2). AB 1484 required the CAC to determine, by no later than July 9, 2012, the amount of tax increments received by the former RDA in FY 11-12 that exceed the amounts allowed to be paid on the DOF approved ROPS covering the period 1/1/2012-6/30/2012. The amount determined by the CAC was \$ 1,870,178.79 and was due no later than July 12, 2012.

Based on communications with the SB County Auditor-Controller's office, the Goleta RDA Successor Agency responded with its own letter on July 12, 2012 (Attachment 3) which included a check in the amount of \$1,363,350.35. This was the amount identified in the July 3, 2012 SB County Auditor-Controller letter less the \$506,828.44 in pass-through payments that were not required to be paid as of July 2012. The payment transmitted was made under protest and without prejudice to the Successor Agency's right to recover such amount and interest.

The \$1.36 million payment was made from the Goleta RDA Successor Agency's cash on-hand in order to avoid the penalties to the City and Successor Agency. Subsequent to that payment, staff was able to convince DOF of the error in the approach used to calculate the payment amount. On July 26, 2012 staff received direction from DOF to use LMI Housing funds to cover the overpayment, thus providing sufficient funds to meet the Goleta RDA Successor Agency's obligations through December 31, 2012.

Still unclear is how the outstanding \$506,828.44 in pass-through payments will be made. While the legislation specifies that the pass-through amounts be withheld from the January 2013 disbursement, what is not clear is if the withholding will be from the residual monies available from a) disbursement to the various taxing agencies or b) exclusively from the Goleta RDA Successor Agency. Staff believes the withholding should be from the residual monies available for all taxing agencies, however, the SB County Auditor-Controller's Office has yet to issue their interpretation of the law.

On August 1, 2012, the Goleta RDA Successor Agency submitted the Housing Assets List to the DOF as required by AB 1484 (Attachment 4). There are two items listed which include the interests in the rental restrictive covenants on Sumida Gardens and Braddock House.

On August 7, 2012, the Goleta RDA Successor Agency adopted and approved the ROPS and the Proposed Administrative Budget for the January 1, 2013 through June 30, 2013 to the DOF as required by AB 1484. The Oversight Board will consider the approval of the ROPS for the indicated timeframe at its August 16, 2012 meeting (Item B.2 on the Agenda).

As requested by the Board at its meeting on June 28, 2012, staff has included a financial recap of all Goleta RDA Successor Agency funds for Fiscal Year 2011-12 (Attachment 5). The recap includes both the non-housing fund as well as the housing fund.

FISCAL IMPACTS:

None.

ALTERNATIVES:

None at this time. Successor Agencies are required to comply with the Dissolution Act as amended by AB 1484.

Approved By:

Daniel Singer
Executive Director

ATTACHMENTS:

1. AB 1484 Summary Timeline of Major Milestones

2. Santa Barbara County Auditor-Controller Demand for Payment Letter, Dated July 3, 2012
3. Goleta RDA Successor Agency Response Letter to Demand for Payment, Dated July 12, 2012
4. Housing Assets List Submitted to DOF on August 1, 2012
5. Goleta RDA Successor Agency Financial Recap

ATTACHMENT 1

AB 1484 Summary Timeline of Major Milestones

AB 1484 TIMELINE SUMMARY

Following is a checklist of key milestone actions under the Dissolution Act as amended by AB 1484.

Payments/Transfers are in bold italics.

ROPS= Recognized Obligation Payment Schedule, DOF=State Department of Finance, CAC=County Auditor Controller, Section=Health and Safety Code Section.

<u>Date</u>	<u>Action</u>
July 9, 2012	Successor Agency to receive from the CAC determination of amount owed, if any, for distributions pursuant to the Section 34183(a)(4) for the initial ROPS period (Section 34183.5(b)(2)(A)).
<i>July 12, 2012</i>	<i>Successor Agency to pay to the CAC any amounts identified as owed to the taxing entities (Section 34183.5(b)(2)(A)).</i>
July 16, 2012	The CAC distributes to the taxing entities amounts received from the Successor Agency on July 12, 2012 (Section 34183.5(b)(2)(A)).
July 18, 2012	The DOF can order offset of sales and use tax due to Sponsoring Community if the Successor Agency has failed to make payments due on July 12, 2012 (Section 34183.5(b)(2)(A)).
August 1, 2012	Housing Successor must submit to DOF list of all housing assets transferred to it by the Dissolved RDA, with explanation of how assets meet criteria set forth in law. DOF to prescribe format for list (Section 34176(a)(2)).
August 10, 2012	Housing Successor provides notice to the Successor Agency of any designations of use or commitments of funds specified in 34176(g)(1)(A) that the Housing Successor empowers the Successor Agency to retain (Section 34179.6(c)).
September 1, 2012	The Successor Agency submits the ROPS for January 1, 2013 through June 30, 2013 to the DOF after Oversight Board approval (Section 34177(m)). Note, the Successor Agency will be assessed a \$10,000 per day penalty for failure to timely submit the ROPS (Section 34177(m)(2)).
September 11, 2012	If the Successor Agency has not submitted a ROPS, the maximum administrative cost allowance for the fiscal year covered by the ROPS will be reduced 25% (Section 34177(m)).
October 1, 2012	The Successor Agency to provide to the Oversight Board, the CAC, the DOF, and the SCO results of the 34179.5 review for the LMIHF balances of a Dissolved RDA conducted by a licensed accountant. Accountant must be approved by the CAC (Section 34179.6(a)).
October 1, 2012	The CAC to complete agreed-upon procedures audit of each Dissolved RDA (Section 34182(a)(1)).
October 1, 2012	The CAC to provide notice to the Successor Agency of any objections to items included on the Third ROPS (Section 34182.5).

October 1, 2012	The CAC to prepare and provide estimates to the DOF and fund recipients of amounts to be allocated and distributed from RPTTF on January 2, 2013 for Third ROPS period (Section 34182(c)(3)).
October 1, 2012	The CAC to report to the SCO and the DOF specified information about property tax distributions (Section 34182(d)).
October 15, 2012	The Oversight Board to review, approve and transmit the results of the 34179.5 Review for the LMIHF account balances of the Dissolved RDA and notify the CAC and the DOF (Section 34179.6(c)). <i>Note, that the Oversight Board must hold a public session at least five business days in advance of the meeting to consider approval of the Review (Section 34179.6(b)).</i>
No later than November 9, 2012	The DOF completes review of 34179.5 Review of LMIHF balances and reports findings, determinations, and decisions to overturn Oversight Board decision to allow retention of Successor Agency assets (Section 34179.6(d)).
Within 5 days of receipt of initial determination from the DOF	Successor Agency/Sponsoring Community deadline to request meet and confer with DOF over any dispute regarding amount of the LMIHF to be distributed to Taxing Entities under the 34179.5 Review process (Section 34179.6(e)). The DOF must meet and confer with the Successor Agency and confirm or modify findings within 30 days of request (Section 34179.6(e)).
Within 5 days of receipt of final determination from the DOF	<i>The Successor Agency to transfer to the CAC the LMIHF balances determined to be available pursuant to Section 34179.5 Review of the LMIHF. Sponsoring Community sales and use tax may be offset if funds are not transferred (Section 34179.6(f)).</i>
December 1, 2012	The Successor Agency reports to the CAC if total amount of available revenues (including RPTTF, other revenues, proceeds from sale of assets) will be insufficient to fund enforceable obligations (Section 34183(b)).
December 1, 2012	The CAC provides the DOF report specifying amount remitted by the Successor Agency pursuant to the 34179.5 Review of LMIHF balances (Section 34179.6(g)).
December 15, 2012	The Successor Agency submits to the Oversight Board, the CAC, the DOF, and the SCO results of review required under 34179.5 with respect to all other fund and account balances of a Dissolved RDA (Section 34179.6(a)).
January 2, 2013	The CAC to make distributions from the RPTTF for the Third ROPS period (January-June 2012) (Section 34183(a)(2)).
January 12, 2013	The CAC to provide a report to the DOF regarding most recent distributions from the RPTTF (Section 34283(e)).
January 15, 2013	The Oversight Board to review, approve and transmit the results of the 34179.5 Review for all other fund and account balances of a Dissolved RDA and notify the CAC and the DOF of determination (Section 34179.6(c)). <i>Note, that the Oversight Board must hold a public session at least five business days in advance of the meeting to consider approval of the Review (Section 34179.6(b)).</i>

March 3, 2013	Successor Agency submits ROPS for July 1, 2013 through December 31, 2013 to DOF after Oversight Board approval (Section 34177(m)).
No later than April 1, 2013	The DOF completes reviews of 34179.5 Review of other fund balances and reports findings, determinations and decisions to overturn Oversight Board decision to allow retention of Successor Agency assets. (Section 34179.6(a)).
April 1, 2013	The CAC provides estimates to the DOF and all fund recipients of amounts to be allocated and distributed from the RPTTF on June 1 for the July 1, 2013 through December 31, 2013 ROPS period (Section 34182(c)(3)).
Within 5 days of receipt of initial determination from the DOF	Successor Agency/Sponsoring Community deadline to request meet and confer with the DOF over any dispute regarding amount of other fund balances to be distributed to the taxing entities under 34179.5 Review process. The DOF must meet and confer with Successor Agency and confirm or modify findings within 30 days of request (Section 34179.6(e)).
<i>Within 5 days of receipt of final determination from the DOF</i>	<i>The Successor Agency to transfer to the CAC cash and other assets determined to be available pursuant to Section 34179.5 Review of other funds (if meet and confer process is complete). Sponsoring Community sales and use tax may be offset for unfunded amounts (Section 34179.6(f)).</i>
April 20, 2013	The CAC provides the DOF a report specifying the amount remitted by Successor Agencies pursuant to the Section 34179.5 Review of other balances (Section 341796(g)).
May 1, 2013	The Successor Agency reports to the CAC if total amount of available revenues (including RPTTF, other revenues, proceeds from sale of assets) will be insufficient to fund enforceable obligations (Section 34183(b)).
June 1, 2013	The CAC to make distributions from the RPTTF for the ROPS period July-December 2013 (Section 34284(c)).

ATTACHMENT 2

**Santa Barbara County Auditor-Controller Demand
for Payment Letter, Dated July 3, 2012**

COUNTY OF SANTA BARBARA



Robert W. Geis, C.P.A.
Auditor-Controller

Theo Fallati, C.P.A.
Assistant Auditor-Controller

Administration Building
105 E. Anapamu Street, Rm. 303
Santa Barbara, CA 93101
(805) 568-2100

Mailing Address:
P.O. Box 39
Santa Barbara, CA 93102-0039
Fax (805) 568-2016

Office of the Auditor-Controller

July 3, 2012

Successor Agency to the Goleta Redevelopment Agency
Daniel Singer, City Manager
Tina Rivera, City Finance Director
130 Cremona Drive, Suite B
Goleta, CA 93117

Via Email and Certified USPS

**RE: DEMAND FOR PAYMENT PURSUANT TO HEALTH AND SAFETY CODE
§34183.5(b)(2)(A)**

Dear Officials:

As you already are probably aware clarity related to the dissolution of Redevelopment Agencies was brought forth with the Governor signing AB 1484 into law on June 27, 2012. This bill contains significant clean up legislation and takes immediate effect.

AB 1484 increases the authority of the Department of Finance (DOF) as well as added new duties for county auditor-controllers. Specifically, newly added Health and Safety Code §34183.5(b) requires the Auditor-Controller to determine by no later than July 9, 2012 the amount of tax increments received by the former RDA in FY 2011-12 that exceed the amounts allowed to be paid on the DOF approved ROPS covering the period 1/1/2012-6/30/2012. Furthermore the law requires the Auditor-Controller to send a demand for payment to Successor Agencies for the amounts owed. Successor Agencies are required to make payment for this amount to the Auditor-Controller by no later than July 12 and the Auditor-Controller is then to distribute the funds to taxing entities by July 16, 2012. In addition DOF guidance on their website requires that amounts for unpaid pass-through payments related to the tax increments and reported on the 1/1/2012 – 6/30/2012 ROPS also be included in the demand.

Successor Agency to the Goleta Redevelopment Agency
Daniel Singer, City Manager
Tina Rivera City Finance Director
July 3, 2012
Page 2

If a Successor Agency fails to submit payment both they and their sponsoring city/county are subject to substantial penalties and the sponsoring city/county could also be prevented from receiving sales and use tax distributions scheduled for July 18, 2012. [H&S §34183.5(b)(2)(C)].

Therefore in accordance with Health and Safety Code §34183.5(b)(2)(A), and related guidance published by the DOF attached is our calculation and the demand of the amounts owed each by the Successor Agency.

As required by AB 1484, **please submit the amount of \$ 1,870,178.79** owed by the Successor Agency of the City of Goleta's former RDA our office by **no later than July 12, 2012**. Obviously, time is of the essence in fulfilling the requirements of AB 1484. If you have any questions, please do not hesitate to call Ed Price (568-2181) or Claudia Ornelas (568-2123).

Sincerely,

Robert W. Geis, CPA

CC: DOF
SCO
Renee E. Bahl, Chair, Oversight Board

ATTACHMENT 3

**Goleta RDA Successor Agency Response Letter
to Demand for Payment, Dated July 12, 2012**



July 12, 2012

CITY COUNCIL
Edward Easton
Mayor

Robert W. Geis
Santa Barbara County Auditor-Controller
P.O. Box 39
Santa Barbara, CA 93101

Roger S. Aceves
Mayor Pro Tempore

Re: Demand for Payment Pursuant to Health and Safety Code Sec. 34183.5(b)(2)(A) For the Period January 1 – June 30, 2012

Michael T. Bennett
Councilmember

Dear Mr. Geis:

Margaret Connell
Councilmember

In response to your letter of July 3, 2012, regarding Demand for Payment Pursuant to Health and Safety Code Section 34183.5(b)(2)(A), enclosed please find a warrant of the City of Goleta, acting in its capacity as the Successor Agency to the former Redevelopment Agency of the City of Goleta, in the amount of \$1,363,350.35 (One Million Three Hundred Sixty-Three Thousand Three Hundred Fifty Dollars and Thirty-Five Cents), which is the amount identified in your letter that must be remitted to the County Auditor-Controller for the County of Santa Barbara for deposit in the Redevelopment Property Tax Trust Fund (“RPTTF”) for the period January 1 through June 30, 2012, for subsequent distribution to the taxing entities less the \$506,828.44 in pass-through payments that per the DOF are not required to be paid at this time.

Paula Perotte
Councilmember

CITY MANAGER
Daniel Singer

Given the short time frame under AB 1484 (which added said Section 34183.5(b)(2)(A) to the Health and Safety Code) provided to us to review and respond to your Demand for Payment, as well as the questionable legality of Section 34183.5(b)(2)(A) that may be the subject of current and future legal challenges, the payment transmitted herewith is made under protest and without prejudice to the Successor Agency’s right to recover such amount and interest thereon in the event that it is determined that the amount of the Demand is incorrect, or in the event any litigation ultimately determines that Health and Safety Code Section 34183.5 or any portion thereof is unconstitutional or otherwise illegal and not enforceable against the Successor Agency or the City of Goleta.

Sincerely,

Daniel Singer
City Manager

ATTACHMENT 4

**Housing Assets List Submitted to DOF
on August 1, 2012**

**DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: Redevelopment Agency for the City of Goleta

Successor Agency to the Former Redevelopment Agency: Goleta RDA Successor Agency

Entity Assuming the Housing Functions of the former Redevelopment Agency: Goleta RDA Successor Agency

Entity Assuming the Housing Functions Contact Name: Jaime A. Valdez Title Sr. Management Analyst Phone (805) 961-7568 E-Mail Address jvaldez@cityofgoleta.org

Entity Assuming the Housing Functions Contact Name: Jaime A. Valdez Title Sr. Management Analyst Phone (805) 961-7568 E-Mail Address jvaldez@cityofgoleta.org

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	
Exhibit B - Personal Property	
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	
Exhibit F - Rents	
Exhibit G - Deferrals	

Prepared By: **Jaime A. Valdez**

Date Prepared: **7/31/2012**

**Goleta RDA Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	n/a												
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													

a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

**Goleta RDA Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	n/a							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								

a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

**Goleta RDA Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	Low-Mod	11/19/2007	Sumida Family, LP	\$3,505,247	Yes	CRL	Sumida Gardens, LP	\$2,959,816	n/a	\$35,648,774	7/23/2008
2	Low-Mod	10/5/2010	Surf Development Co.	\$0	Yes	CRL	Surf Development Co.	\$200,000	n/a	\$687,000	1/3/2011
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											

a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

**Goleta RDA Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
1	n/a								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

**Goleta RDA Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
1	n/a								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit G - Deferrals

**Goleta RDA Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	n/a					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

ATTACHMENT 5

Goleta RDA Successor Agency Financial Recap

**GOLETA RDA SUCCESSOR AGENCY
FINANCIAL RECAP**

NON-HOUSING	FY 2011/12
	Feb - June
Spendable Resources:	
Cash Balance restricted for Debt Service	789,087.72
Unrestricted Cash	239,491.79
Advance for July - Dec 2012	692,658.78
Interest	8,822.35
Reversal of LMI Set-Aside	430,481.36
Advance for July - Dec 2012	-
Total Resources	2,160,542.00
Expenses:	
Trustee	1,995.00
Compensated Leave Liab	31,233.14
OS Board Legal Costs	11,735.34
Meeting Supplies - Lunch	528.43
City Staff Costs through 6/30/2012	181,305.62
City Overhead Expenses	14,000.00
City Legal costs	19,906.20
Debt Service	599,067.31
AB 1484 Remittance Payment	-
Total Expenses Incurred	859,771.04
Net Cash Balance	1,300,770.96
Obligations Due by December 2012:	
AB 1484 Remittance Payment	418,093.21
Cash Balance restricted for Debt Service	190,018.97
ROPS July - Dec 2012	692,658.78
	1,300,770.96

HOUSING FUND	FY 2011/12
	Feb - June
Resources:	
Cash	1,380,967.33
Expenses:	
Braddock House	200,000.00
Sumida Gardens	43,420.00
Total Expenses Incurred	243,420.00
Net Cash Balance	1,137,547.33
Obligations Due by December 2012:	
AB 1484 Remittance Payment	945,257.14
Unrestricted Balance	192,290.19

Agenda Item B.2
DISCUSSION/ACTION ITEM
Meeting Date: August 16, 2012

TO: Members of the Oversight Board of the Goleta RDA Successor Agency

FROM: Jaime Valdez, Senior Management Analyst

SUBJECT: Administrative Budget and Recognized Obligation Payment Schedule (ROPS) from January 1 through June 30, 2013

RECOMMENDATION:

- A. Adopt Resolution No.12-__ entitled "A Resolution of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency for the City of Goleta, Approving the Successor Agency's Administrative Budget for the Period January 1, 2013, to June 30, 2013, Pursuant to Health and Safety Code Section 34177(j)," as submitted; and
- B. Adopt Resolution No.12-__ entitled "A Resolution of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency for the City of Goleta, Approving a Recognized Obligation Payment Schedule Pursuant to Health and Safety Code Section 34177(l) for the Period January 1, 2013 To June 30, 2013," as submitted; or
- C. Adopt Resolutions with modifications to aforementioned Administrative Budget and ROPS.

BACKGROUND:

ABx1 26 (the "Dissolution Act") was enacted in late June 2011 as part of the FY 2011-12 state budget package and was held by the California Supreme Court to be largely constitutional on December 29, 2012. Under the Dissolution Act, each of California's redevelopment agencies (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the cities, counties, and city and county that formed the Dissolved RDAs, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDAs. Pursuant to the Dissolution Act, the City elected to be the RDA's successor agency by Resolution No. 12-04, on January 17, 2012.

One of the critical components of the Successor Agency is the preparation of a Recognized Obligation Payment Schedule ("ROPS") which is forward-looking in nature for a six-month fiscal period. The ROPS schedule sets forth all of the former RDA's minimum payment amounts and due dates of payments required by enforceable obligations determined to be recognized obligations under Health and Safety Code ("HSC") Section 34177.

The following recaps the ROPS covering all of 2012:

- On May 1, 2012 the City Council, serving as Successor Agency, adopted both an Administrative Budget and ROPS for the time periods of January 1, 2012 through June 30, 2012 as well as July 1, 2012 through December 31, 2012 pursuant to HSC Section 34177.
- On May 3, 2012 the Board approved—with slight modifications—the Administrative Budget and ROPS for the time periods of January 1, 2012 through June 30, 2012 as well as July 1, 2012 through December 31, 2012.

On June 27, 2012, as part of the FY 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484. The primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing that act. As a budget "trailer bill," AB 1484 took immediate effect upon signature by the Governor. AB 1484 provides for the implementation of some significant new rules and requirements in order to effectuate the dissolution process.

On August 1, 2012, the State Department of Finance (DOF) created a new ROPS form which Successor Agencies must use to report Enforceable Obligations (EO) for the period January through June 2013. The new form does include additional required entries including prior period estimated payments versus actual payments.

In response to the requirements provided in AB 26 and AB 1484, Successor Agency staff requested consideration that the ROPS and related proposed administrative budget ("Administrative Budget") for the January through June 2013 time period. The Successor Agency's Governing Body (Goleta City Council) adopted these items on August 7, 2012 in order to bring the Administrative Budget and ROPS to the Board for consideration and approval at this August 16, 2012 meeting.

DISCUSSION:

Pursuant to HSC Section 34177(m), the Successor Agency must submit the Administrative Budget and the ROPS for the January through June 2013 time period to DOF after Oversight Board Approval. If the submittal to DOF does not occur on or before September 1st, the Successor Agency will be assessed a \$10,000 per day penalty for failure to submit the ROPS on time.

Proposed Administrative Budget from January 1, 2013 through June 30, 2013

HSC 34177(j) requires the RDA Successor Agency to prepare a proposed administrative budget ("Administrative Budget") for each six-month fiscal period, and submit it to the Oversight Board for the Oversight Board's approval. The Administrative Budget is included as Attachment 1.

ROPS from January 1, 2013 through June 30, 2013

The Board previously requested that staff address each line item in the ROPS so as to consider and possibly approve each item in order. The ROPS up for the Board's consideration (Attachment 2) consists of the following which uses the new form issued by DOF on August 1, 2012:

1) *Sumida Gardens, L.P.*

On November 19, 2007 the Goleta RDA entered into an Affordable Housing Assistance Agreement ("AHAA") with Sumida Family, L.P. (now Sumida Gardens, L.P. per an assignment and assumption agreement in January of 2008) for the provision of 34 affordable units available to very-low, low, and moderate income households for a period of 55 years as implemented by the Rental Restrictive Covenant recorded on the property. In consideration of SFLP's compliance with the AHAA, financial assistance for the construction of the affordable units and rental of the affordable units is not to exceed a total of \$6,625,600.00, plus interest accrued as provided in the AHAA.

The Board approved the enforceable obligation payment related to Sumida Gardens, L.P. on May 3, 2012 for the July through December 2012 timeframe in the amount of \$143,609 or \$213,600 for the entire 2012-2013 Fiscal Year. Staff requests the same amount of \$143,609 for the January through June 2013 timeframe.

2) *Debt Service*

On March 8, 2011, the successful closing of Goleta RDA's 2011 Tax Allocation Bonds occurred and resulted in a par amount of \$16,085,000. The Bonds required the proceeds to be applied by the Agency to (i) construct and acquire certain capital improvements of benefit to the Agency's Project Area, (ii) fund a reserve fund for the Bonds and (iii) pay costs of issuance.

The Board approved the enforceable obligation payment related to Debt Service for the 2011 Tax Allocations Bonds on May 3, 2012 for the July through December 2012 timeframe in the amount of \$739,068.75 or \$1,336,037.50 for the entire 2012-13 Fiscal Year. Staff requests the remaining amount of \$596,968.75 for the January through June 2013 timeframe.

3) *Bond Trustee Services*

As part of the Issuance of the 2011 Tax Allocation Bonds, there is a required payment to the Bond Trustee. The \$1,995 payment for FY 11-12 was made in March of 2012. This item was approved at the April 12, 2012 Board meeting by a unanimous vote. Staff requested and the Board approved \$1,995 for FY 12-13 which is reflected in the ROPS for the July through December 2012 timeframe. The enforceable obligation payment is reflected in the column entitled "Total Due During FY 2012-2013," but not shown in the monthly columns since the actual payment will be made in March of 2013 as reflected in the ROPS with the January through June 2013 timeframe.

4) Outside (Independent) Legal Counsel—Increase

Staff, per the Board's direction, added a separate line item related to outside legal counsel for the Board on Form C of the ROPS. An agreement for legal services with Meyers Nave was approved by the Board for an amount not-to-exceed \$20,000 for a limited term of 1 year at the April 12, 2012 Board meeting by a unanimous vote. The Board authorized an additional \$10,000—if needed—to cover the time frame from July 1, 2012 through December 31, 2012 at its May 3, 2012 meeting. Staff requests the same amount (\$10,000) for the January through June 2013 timeframe.

5) Administrative Cost Allowance

This budget includes costs associated with administering the Successor Agency's housing and non-housing activities as well as costs associated with the administration of the Successor Agency. The Successor Agency estimated the Administrative Budget of the Successor Agency covering the time frame from July 1, 2012 through December 31, 2012 at \$106,800 or \$213,600 for the entire 2012-2013 Fiscal Year. This enforceable obligation payment was on May 3, 2012. Staff requests the same amount of \$106,800 for the January through June 2013 timeframe.

6) FY 2011-12 Pass-through Payments—NEW

The Successor Agency has included pass-through payments (Items 6-20 on the ROPS form) to taxing entities for FY 2011-12 that have not been paid.

FISCAL IMPACTS:

Other than soft costs related to staff time which have been accounted for in the Successor Agency's Proposed Administrative Budget, no funds are involved with the approval of the ROPS. The ROPS simply lists the dissolved Agency's existing obligations.

ALTERNATIVES:

The Board could decide not to accept the recommendations included in this item, or provide staff with alternative direction. However, it is imperative to underscore that without an approved ROPS from the Oversight Board, the Successor Agency cannot dutifully make payments to the listed obligations. Moreover, if the ROPS submittal to DOF does not occur on or before September 1, 2012 the Successor Agency will be assessed a \$10,000 per day penalty for failure to submit in a timely fashion.

Approved By:

Daniel Singer
Executive Director

ATTACHMENTS:

1. Resolution No.12-__ entitled "A Resolution of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency for the City of Goleta, Approving the Successor Agency's Administrative Budget for the Period January 1, 2013, to June 30, 2013, Pursuant to Health and Safety Code Section 34177(j)"
2. Resolution No.12-__ entitled "A Resolution of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency for the City of Goleta, Approving a Recognized Obligation Payment Schedule Pursuant to Health and Safety Code Section 34177(l) for the Period January 1, 2013 To June 30, 2013"

ATTACHMENT 1

**Oversight Board Resolution Approving Successor
Agency's Administrative Budget for
January 1, 2013 through June 30, 2013**

RESOLUTION NO. 12-__

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA, APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR THE PERIOD JANUARY 1, 2013, TO JUNE 30, 2013, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Goleta ("RDA Successor Agency") is the successor agency to the dissolved Redevelopment Agency for the City of Goleta ("Agency"); and

WHEREAS, the Oversight Board is the RDA Successor Agency's oversight board pursuant to Health and Safety Code Section 34179(a); and

WHEREAS, Health and Safety Code Section 34177(j) requires the RDA Successor Agency to prepare a proposed administrative budget ("Administrative Budget") for each six-month fiscal period, and submit it to the Oversight Board for the Oversight Board's approval; and

WHEREAS, the RDA Successor Agency has prepared and submitted the Administrative Budget for the period January 1, 2013, to June 30, 2013, to the Oversight Board.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. CEQA Compliance. The approval of the Administrative Budget through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 3. Approval of the Administrative Budget. The Oversight Board hereby approves and adopts the Administrative Budget for the period January 1, 2013, to June 30, 2013, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177.

SECTION 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect

without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 5. Certification. The City Clerk of the City of Goleta, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

SECTION 6. Effective Date Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 16th day of August, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RENÉE BAHL
CHAIRPERSON

ATTEST:

APPROVED AS TO FORM:

DEBORAH CONSTANTINO
OVERSIGHT BOARD SECRETARY

JAMES CASSO
SPECIAL COUNSEL

EXHIBIT A

SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET
JANUARY 1, 2013 THROUGH JUNE 30, 2013

Goleta RDA Successor Agency
Proposed Administrative Budget Pursuant to Health & Safety Code Section 34177(j)
Covering the time frame from January 1, 2013 through June 30, 2013

Expense	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	TOTAL
Legal & Noticing*	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 16,800.00
Personnel**	\$15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 90,000.00
Oversight Board Independent Legal Counsel ***	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.65	\$ 10,000.00
TOTAL							\$ 116,800.00

*Includes, but is not limited to legal counsel, provision of meeting materials, notifications, as well as any special consultant services if needed.

**Includes, but is not limited to personnel to perform wind down activities of the agency including serving as staff for the successor agency, monitoring affordable housing covenants, as well as other duties as needed to comply with AB 26 implementation.

*** As directed by Oversight Board at its May 3, 2012 meeting continued use of Meyers Nave.

Updated 7/24/2012

ATTACHMENT 2

**Oversight Board Resolution Approving ROPS for
January 1, 2013 through June 30, 2013**

RESOLUTION NO. 12-__

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA, APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(I) FOR THE PERIOD JANUARY 1, 2013 TO JUNE 30, 2013

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Goleta ("RDA Successor Agency") is the successor agency to the dissolved Redevelopment Agency for the City of Goleta ("Agency"); and

WHEREAS, the Oversight Board is the RDA Successor Agency's oversight board pursuant to Health and Safety Code Section 34179(a); and

WHEREAS, Health and Safety Code Section 34177(m), added by AB 1484, and effective June 27, 2012, requires that the RDA Successor Agency submit an Oversight Board approved "recognized obligation payment schedule" ("ROPS") for the period January 1, 2013, to June 30, 2013, to the Department of Finance, the State Controller, and the county auditor-controller no later than September 1, 2012; and

WHEREAS, the RDA Successor Agency has prepared a ROPS covering the period January 1, 2013, to June 30, 2013, and has submitted said ROPS to the Oversight Board for approval.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. CEQA Compliance. The approval of the ROPS through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 3. Approval of the ROPS. The Oversight Board hereby approves and adopts the ROPS, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177.

SECTION 4. Implementation. The Oversight Board hereby directs the RDA Successor Agency to submit copies of the ROPS approved by the Oversight Board to the County of Santa Barbara Auditor-Controller, the State of California Controller and

the State of California Department of Finance after the effective date of this Resolution and prior to September 1, 2012, and to post the ROPS on the RDA Successor Agency's website.

SECTION 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 6. Certification. The City Clerk of the City of Goleta, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

SECTION 7. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 16th day of August, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RENÉE BAHL
CHAIRPERSON

ATTEST:

APPROVED AS TO FORM:

DEBORAH CONSTANTINO
OVERSIGHT BOARD SECRETARY

JAMES CASSO
SPECIAL COUNSEL

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
JANUARY 1, 2013 THROUGH JUNE 30, 2013

Successor Agency Contact Information

Name of Successor Agency: Goleta RDA Successor Agency
County: Santa Barbara

Primary Contact Name: Tina Rivera
Primary Contact Title: City Finance Director
Address: 130 Cremona Drive, Suite B, Goleta CA
Contact Phone Number: (805) 961-7527
Contact E-Mail Address: trivera@cityofgoleta.org

Secondary Contact Name: Jaime Valdez
Secondary Contact Title: Sr. Management Analyst
Secondary Contact Phone Number: (805) 961-7568
Secondary Contact E-Mail Address: jvaldez@cityofgoleta.org

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Goleta RDA Successor Agency

	Total Outstanding Debt or Obligation
Outstanding Debt or Obligation	\$ 46,828,086
Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	-
B Enforceable Obligations Funded with RPTTF	1,249,401
C Administrative Allowance Funded with RPTTF	116,800
D Total RPTTF Funded (B + C = D)	1,366,201
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$ -
E Enter Total Six-Month Anticipated RPTTF Funding	
F Variance (D - E = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ (1,366,201)
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G Enter Estimated Obligations Funded by RPTTF <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i>	1,631,545
H Enter Actual Obligations Paid with RPTTF	875,718
I Enter Actual Administrative Expenses Paid with RPTTF	227,476
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	\$ 528,351.00
K Adjustment to RPTTF	\$ 837,850.00

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.

Name Title

Signature Date

Name of Successor Agency:

Goleta RDA Successor Agency

County:

Santa Barbara

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
January 1, 2013 through June 30, 2013

Table with 2 columns: Item #, Notes/Comments. Contains 5 rows of notes regarding development agreements, debt service schedules, and board meetings.

Name of Successor Agency:

Goleta RDA Successor Agency

County:

Santa Barbara

**Pursuant to Health and Safety Code section 34186 (a)
 PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
 January 1, 2012 through June 30, 2012**

Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
		Grand Total				\$ 243,420	\$ 243,420	\$ -	\$ -	\$ 599,069	\$ 1	\$ 249,000	\$ 227,476	\$ 540,056	\$ 632,297	\$ -	\$ -
A	1	Compensated Leave Liability	City of Goleta	Compensated Leave Liability of RDA Employees	Old Town									31,233	31,233.14		
A	4	Bond Trustee Services	Bank of New York	2011 Tax Allocation Bonds	Old Town									1,995	1,995.00		
B	1	Braddock House	Surf Development Co.	Subsidy of Affordable Housing Project	Old Town	200,000.00	200,000.00										
B	2	Sumida Gardens Project	Sumida Gardens, L.P.	Subsidy of Affordable Housing Project	Old Town	43,420.00	43,420.00										
B	3	Debt Service	Bank of New York	2011 Tax Allocation Bonds	Old Town					599,068.75	1.44			0.00	599,068.75		
C	1	Oversight Board Legal Counsel	Meyers Nave	Oversight Board Legal Counsel	Old Town							20,000	11,735.34				
C	2	Successor Agency Administration	City of Goleta	Admin expenses for Successor Agency	Old Town							229,000	215,740.25				
D	1	RDA Passthrough	COUNTY GENERAL	FY 11-12 Pass Through	Old Town									81,167	-		
D	2	RDA Passthrough	CITY OF GOLETA	FY 11-12 Pass Through	Old Town									23,157	-		
D	3	RDA Passthrough	S.B. CO FIRE PROTECTN DIST	FY 11-12 Pass Through	Old Town									58,658	-		
D	4	RDA Passthrough	SB CO FLOOD CONTROL	FY 11-12 Pass Through	Old Town									1,328	-		
D	5	RDA Passthrough	SO COAST FLOOD ZONE	FY 11-12 Pass Through	Old Town									5,703	-		
D	6	RDA Passthrough	SB CO WATER AGENCY	FY 11-12 Pass Through	Old Town									1,712	-		
D	7	RDA Passthrough	GOLETA CEMETERY	FY 11-12 Pass Through	Old Town									1,318	-		
D	8	RDA Passthrough	SB METRO TRANSIT	FY 11-12 Pass Through	Old Town									1,188	-		
D	9	RDA Passthrough	SB COASTAL VECTOR CNTRL	FY 11-12 Pass Through	Old Town									903	-		
D	10	RDA Passthrough	GOLETA UNION SCHOOL	FY 11-12 Pass Through	Old Town									154,060	-		
D	11	RDA Passthrough	SANTA BARBAR HIGH	FY 11-12 Pass Through	Old Town									74,584	-		
D	12	RDA Passthrough	SB COMM COLLEGE	FY 11-12 Pass Through	Old Town									26,082	-		
D	13	RDA Passthrough	CO SCHOOL ADMIN CSSF	FY 11-12 Pass Through	Old Town									17,919	-		
D	14	RDA Passthrough	ERAF	FY 11-12 Pass Through	Old Town									57,948	-		
D	15	RDA Passthrough	GOLETA SANITARY DISTRICT	FY 11-12 Pass Through	Old Town									1,100	-		

Agenda Item B.3
DISCUSSION/ACTION ITEM
Meeting Date: August 16, 2012

TO: Members of the Oversight Board of the Goleta RDA Successor Agency

FROM: Jaime Valdez, Senior Management Analyst

SUBJECT: Disposition of Former Goleta RDA Property at 170 S. Kellogg Avenue

RECOMMENDATION:

- A. Receive information on disposition of assets pursuant to AB 1484; and
- B. Provide direction on the exploration of an alternative approach to the disposition of assets called for in AB 1484.

BACKGROUND:

On December 29, 2011, the California Supreme Court issued an opinion in *California Redevelopment Association v. Matosantos*, upholding Assembly Bill 1X 26 ("AB 26") and invalidating Assembly Bill 1X 27 (the legislation that would have permitted redevelopment agencies to continue operation if their sponsoring jurisdiction agreed to make certain payments for the benefit of schools and special districts). As part of the California Supreme Court's ruling, all effective dates or deadlines regarding AB 26 occurring prior to May 1, 2012 are to take effect four months later. As a result, all California redevelopment agencies were dissolved, effective February 1, 2012.

On January 17, 2012 the City of Goleta took formal action to assume the role of Successor Agency both for housing and non-housing functions needed to wind down the affairs of the dissolved Redevelopment Agency for the City of Goleta. One of the critical aspects of the wind-down activities of RDAs is the disposition of the former agency's assets. The former Goleta RDA's assets include an interest in property located at 170 South Kellogg Avenue in Old Town.

On May 3, 2012, the Board directed staff to return on June 28, 2012 with information related to one of the Successor Agency's assets. Of particular interest to the Board was the subject property located at 170 S. Kellogg Avenue.

On June 27, 2012, as part of the FY 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484. The primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing that act. As a budget "trailer bill," AB 1484 took immediate effect upon signature by the Governor.

On June 28, 2012, the Board convened to receive an update about the Department of Finance's (DOF) review of the Successor Agency's submitted Recognized Obligation Payment Schedule (ROPS) as well as discuss the disposition of the former RDA's assets. Given the abrupt introduction and passage of AB 1484 prior to the Board's June 28, 2012 meeting, only a briefing on the background of the RDA's acquisition of the 170 S. Kellogg Property was provided. Actions regarding the disposition of the subject property were deferred until AB 1484 could be fully reviewed by both Successor Agency staff and the Board's Legal Counsel.

Background on Subject Property and Actions Taken to Date

The following is a recap of the staff report to the Board on June 28, 2012 which provided a summary of why and how the subject property was purchased:

Need, Purpose and Purchase of 170 South Kellogg Avenue

- 1998 Goleta Old Town Revitalization Plan (Revitalization Plan) identified the need for additional active recreation park land in Old Town
 - Revitalization Plan called for a 2-4 acre park on Key Site #3
- The City's General Plan called for a 4-acre "Planned Future Park Site" in the immediate vicinity of the subject property.
- Subject Property is highly suitable for public recreation in an area of the City which is critically underserved with regard to the ratio of parks/open space to population.
- Subject Property has significant developable constraints related to San Jose Creek (floodway/floodplain and ESHA issues).
- Initial listing of subject property in 2009 included two parcels with different zoning for sale totaling about 4.5 acres for \$3,995,000.

City and RDA Actions

- City Council directed City Manager in early 2010 to explore the purchase of the subject property and in spring of 2010, City Manager requests an appraisal of the subject property totaling about 4.0 acres.
- February of 2011, the City Council authorized City Manager to enter into negotiations with the property owner for the Purchase and Sale Agreement (PSA) of the subject property.
- May of 2011, the City's Planning Commission adopted Resolution officially reporting on the conformity of the acquisition to the General Plan (Conformity Determinations for the two parcels);
- June 7, 2011, the City Council approved the filing of an application for Statewide Park Program (Prop 84) Grant Funds for the development of a new park on the subject property;
- June 21, 2011, the City Council and RDA Board take the following actions to purchase the subject property:

- City Council appropriated \$1,500,000 from the City's Park Development Impact Fees (DIF) to apply toward the purchase of the property and an additional \$375,000 in City Park DIF for development of a park on the site, including design and engineering;
- RDA Board appropriated up to \$1,200,000 from the Agency's General Fund Balance for acquisition of property and authorizes execution of the PSA.

Title and Interest in Subject Property

The PSA dated June 21, 2011 reflects the RDA as the purchaser of the site with title vesting in the RDA. Although no written agreement was executed between the RDA and the City at the time of the purchase, the intention was for the City to eventually reimburse the RDA for all or part of its contribution and to have title transferred to the City at a later date. The actual acquisition costs and sources of funds are as follows:

- \$2,643,522 Total Acquisition Costs
 - \$1,520,893 (City Park DIF)
 - \$1,122,649 (RDA General)

It is important to recognize that the City has an equitable interest in the subject property, as evidenced by its \$1.5 million investment towards acquisition. The City has also invested additional monies beyond acquisition costs for design and engineering work associated with the development of a future park on the subject property. From the beginning of the acquisition process through its completion, the goal was for the subject property to serve as a park for the community.

While no formal documents were entered into between the City and the former RDA, there is a clear partnership in place that creates an equitable interest in the property for the benefit of the City. The City's interest and contributions to the subject property must be accounted for in the sale or transfer of the subject property.

General Plan Amendment Process Initiated

On April 17, 2012 the City Council initiated the Processing of a City-Requested General Plan Amendment for the subject property, also referred to as the future Old Town Park Project. Considerations of the property included:

- Located within 100 year floodplain;
- Partially constrained by creek ESHA;
- NOT included in housing inventory;
- Included in future GP bike/pedestrian path system;
- Supported by \$910,000 in grant funding from the Prop 84 Grant Program administered by the California Department of Parks and Recreation for a future park.

The requested General Plan Amendment is to change the land use designations from Planned Residential (R-P 10 units per acre) and Old Town Commercial (C-OT) to a land use designation suitable for a park. Possible suitable land use designations that will be considered include Open Space – Active Recreation (OS-AR) or Open Space – Passive Recreation (OS-PR). A concurrent rezone would be processed to change the zoning from DR-10 Design Residential (10 units per acre) and C-2 Retail Commercial to REC Recreation.

Given the Council's decision to initiate the General Plan Amendment for the subject property, City staff was to proceed with case processing including public outreach and the design of a future park.

Background on Property Disposition under AB 26 and AB 1484

Given that the RDA has been dissolved, the asset now transfers to the Successor Agency. As such, the Board is ultimately responsible for approving actions of the Successor Agency related to the sale of properties. Staff contends there are two approaches available to the Goleta RDA Successor Agency:

1. **AB 26** (Health and Safety Code (HSC) 34177)—Whereby an asset would be sold expeditiously and in a manner aimed at maximizing value.
2. **AB 1484** (HSC 34191.1)—Dependent on the issuance of a "Finding of Completion" which would then allow for the submittal of a Long-Range Property Management Plan to be approved by DOF.

AB 26 Approach

The Dissolution Act calls for the Successor Agency, under the direction of the Oversight Board, to dispose of real property it received from the Dissolved RDA either for limited public uses, or for disposition into the private market expeditiously and with a view toward maximizing value, with the disposition proceeds ultimately made available for distribution to the affected taxing entities. HSC 34177(e) states Successor Agencies are required to:

*"Dispose of assets and properties of the former redevelopment agency as directed by the oversight board; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181. **The disposal is to be done expeditiously and in a manner aimed at maximizing value.** Proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the oversight board, shall be transferred to the county auditor-controller for distribution as property tax proceeds under Section 34188."*

In sum, the Board is to assure that the Successor Agency disposes of the former RDA's assets expeditiously and in a manner aimed at maximizing value except as articulated in HSC 34177(e).

AB 1484 Approach

AB 1484 seems to provide certain flexibility and local benefits in connection with property disposition for a Successor Agency that has received a DOF Finding of Completion. Receipt of a Finding of Completion would occur as follows:

*“Upon full payment of the amounts determined in subdivision (d) or (e) of Section 34179.6 as reported by the county auditor-controller pursuant to subdivision (g) of Section 34179.6 and of any amounts due as determined by Section 34183.5, or upon a final judicial determination of the amounts due and confirmation that those amounts have been paid by the county auditor-controller, **the department shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency.**”*

The receipt of the Finding of Completion from DOF would likely not occur until April of 2013. Within six months after receipt of a Finding of Completion, the Successor Agency would be required to submit a Long-Range Property Management Plan (LRPMP) for the real property of the Dissolved RDA for approval by the Oversight Board and the DOF. The LRPMP must include an inventory about each property, and address the use or disposition of each property. Permitted uses under a LRPMP include:

- Retention of the property for governmental use;
- Retention of the property for future development;
- Sale of the property; and
- Use of the property to fulfill an enforceable obligation.

Upon approval of the LRPMP, the properties of the Dissolved RDA are to be placed in a Community Redevelopment Property Trust Fund administered by the Successor Agency in accordance with the approved LRPMP [HSC 34191.5(c)(2)]:

- If the LRPMP calls for use or liquidation (sale to obtain revenues) of a property for a project identified in an approved redevelopment plan, that property is to be transferred to the Sponsoring Community (City of Goleta) for that purpose.
- If the LRPMP calls for the liquidation of the property or use of revenues from the property for purposes other than a project identified in a redevelopment plan or other than to fulfill an enforceable obligation, the proceeds from the sale are to be distributed as property taxes to the taxing entities.

DISCUSSION:

On June 28, 2012, the Board posed a number of questions related to the disposition of the subject property. All of these questions were to be addressed with regard to the Dissolution Act as amended by AB 1484. It is not clear if a Successor Agency can continue to follow the Dissolution Act path and dispose of property under Oversight Board direction to maximize value received for distribution to the affected taxing entities, or if it is instead compelled to follow the alternative path set out in AB 1484.

Exploration of Alternative Proposal with DOF

The Goleta City Council at its June 19, 2012 meeting directed the City Manager to begin discussions with the Board on the possibility of acquiring the Agency's interest in the subject property. Upon securing the Oversight Board's concurrence, the Successor Agency and City would prepare an appropriate agreement to be returned to the Council and Board for approval. To the degree this approach is permissible by DOF, the City and the Successor Agency could come to an agreement whereby a sale would be limited to the former RDA's contribution to the purchase (\$1,122,649) of the subject property.

While this approach is different from the AB 1484 approach, Successor Agency staff believes it could provide a number of benefits to stakeholders for the following reasons:

1. Retains the subject property's intended purpose to serve a governmental purpose as a park; and
2. Provides an influx of monies into the Redevelopment Property Tax Trust Fund for distribution to affected taxing entities via the waterfall process outlined in AB 26 as amended by AB 1484; and
3. Allows the City to meet the conditions of the \$910,000 Prop 84 Grant which requires the City to be the owner of the subject property; and
4. Provides certainty to the City for continued development of the subject property as park for the benefit of the community.

Moreover, this approach furthers the policy goals set out in the former RDA's Revitalization Plan, City's General Plan, and the Prop 84 Statewide Park Program all with the goal of benefitting the residents of Old Town as well as the broader community.

FISCAL IMPACTS:

Unknown at this time. Depending on the approach taken, any resultant amount attained by disposition of the subject property could widely vary.

ALTERNATIVES:

The Oversight Board could decide not to accept the recommendations included in this item, or provide staff with alternative direction.

Approved By:

Daniel Singer
Executive Director