

# COUNTY-WIDE SUCCESSOR AGENCY OVERSIGHT BOARD OF THE COUNTY OF YOLO

## Staff Report – Item 6

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**TO:** County-Wide Successor Agency Oversight Board of the County of Yolo

**FROM:** Chad Rinde, Assistant CFO, Department of Financial Services, Yolo County

**SUBJECT:** Presentation from County of Yolo on relevant history of Redevelopment Agency Dissolution and roles and responsibilities of the Oversight Board

**DATE:** August 21, 2018

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### **RECOMMENDATIONS:**

- 1) Receive a presentation from staff on relevant history of Redevelopment Agency Dissolution and roles and responsibilities of the Oversight Board.

### **BACKGROUND & DISCUSSION:**

Effective July 1, 2018 the Oversight Boards of the Successor Agencies of the cities have been transitioned to the County-Wide Successor Agency Oversight Board as required by Senate Bill 107. The purpose of the County-Wide Oversight Board is to oversee and direct the Successor Agencies of the former redevelopment agencies in the process of dissolving the former redevelopment agencies in Yolo County. The board has fiduciary responsibility to the holders of enforceable obligations and the taxing entities that benefit from the distributions of property tax and others revenues (Health and Safety Code § 34179(i)).

The Yolo County Department of Financial Services will be responsible for staffing the County-Wide Oversight Board. In order to facilitate the creation and staffing of the Board, staff from the Department of Financial Services will present (Attachment A) on the relevant history of Redevelopment Dissolution and roles and responsibilities of the Oversight Board.

### **Attachments:**

- A. DFS Presentation 08-21-18

# OVERSIGHT BOARD – HISTORY OF RDA DISSOLUTION & ROLES & RESPONSIBILITIES

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PRESENTED BY: CHAD RINDE, CPA, ASSISTANT CFO, YOLO COUNTY

AUGUST 21, 2018

# Presentation Objectives

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- Background on Relevant History of RDA Dissolution
- Overview of Roles and Responsibilities of County-Wide Oversight Board
- Review of Items Requiring Oversight Board Approval.

# RDA Dissolution Bill (ABx1 26)

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As part of the 2011 Budget Act, and in order to protect funding for core public services at the local level, the Legislature approved the dissolution of the state's 400 plus RDAs. After a period of litigation, RDAs were officially dissolved as of February 1, 2012. As a result of the elimination of the RDAs, property tax revenues are now being used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments. The remaining property tax revenues that exceed the enforceable obligations are now being allocated to cities, counties, special districts, and school and community college districts, thereby providing critical resources to preserve core public services.

To help facilitate the wind-down process at the local level, SAs were established to manage redevelopment projects currently underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties. Each Successor Agency has an Oversight Board (OB) that supervises its work. The OB is comprised of representatives of the local agencies that serve the redevelopment project area: the city, county, special districts, and K-14 educational agencies. Oversight Board members have a fiduciary responsibility to holders of enforceable obligations, as well as to the local agencies that would benefit from property tax distributions from the former redevelopment project area.

# Low and Moderate Income Housing Fund and Other Assets Due Diligence Reviews

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HSC Section 34179.5 requires each Successor Agency to employ a licensed accountant, approved by the County Auditor-Controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities. As an alternative, an audit provided by the County Auditor-Controller that provides the information required by this section may be used to comply with this section with the concurrence of the Oversight Board.

# Finding of Completion

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Pursuant to Health and Safety Code (HSC) Section 34179.7, California Department of Finance (DOF) will issue a finding of completion to the Successor Agency, once the following conditions have been met and verified by December 31, 2015:

- The Successor Agency has paid the full amount as determined during the Due Diligence Reviews and the County Auditor-Controller has reported those payments to Finance, and
- The Successor Agency has paid the full amount as determined during the July True-Up process, or
- The Successor Agency has paid the full amount upon a final judicial determination of the amounts due and confirmation that those amounts have been paid by the County Auditor-Controller, or
- The Successor Agency has entered into a written installment payment plan with Finance for the payments owed from above.

# Long-Range Property Management Plan

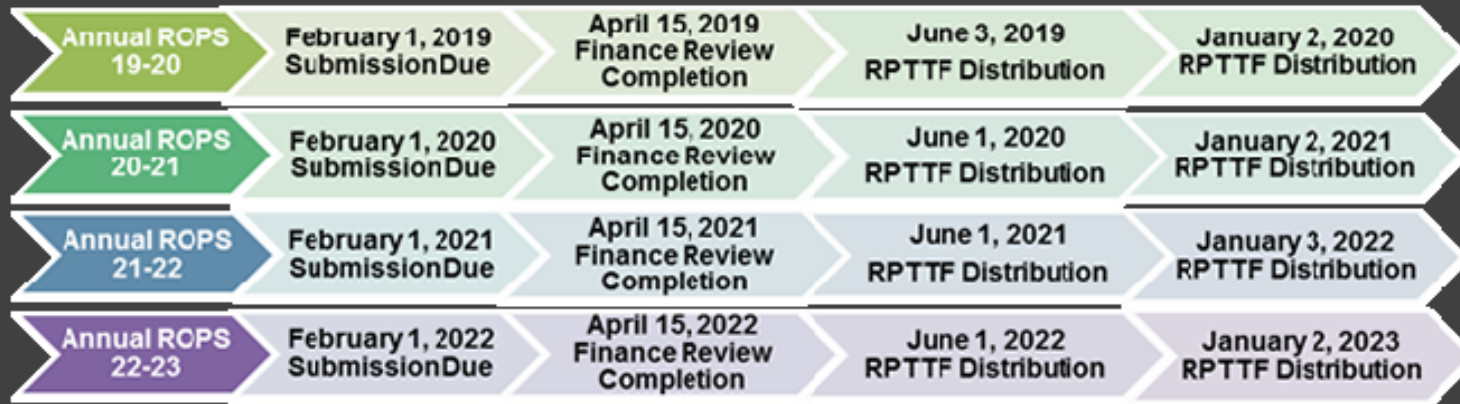
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Pursuant to Health and Safety Code section 34191.5, within six months after receiving a Finding of Completion from the Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agency. If Finance has not approved a plan by January 1, 2016, then the Successor Agency must dispose of their property pursuant to 34177 (e).

# Annual ROPS

## Annual ROPS

Pursuant to HSC section 34177.7 (o) (1), commencing with the ROPS covering the period from July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an oversight board approved annual ROPS to Finance and the County Auditor-Controller (Yolo Department of Financial services) by February 1, 2016 and each February 1st thereafter.





# Last and Final ROPS

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Pursuant to HSC section 34191.6 (a), beginning January 1, 2016, agencies that have received a Finding of Completion may submit a Last and Final ROPS if all the following conditions are met:

1. The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts.
2. All remaining obligations have been previously listed on the ROPS and approved for payment by Finance pursuant to HSC section 34177 (m) or (o).
3. The agency is not a party to outstanding/unresolved litigation, except as specified in HSC section 34191.6 (a) (3).

# Successor Agency Request to Dissolve

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Health and Safety Code (HSC) section 34187 states to formally dissolve a Successor Agency (Agency), the Agency shall submit to the Oversight Board (OB) a request to dissolve, with a copy of the request to the County Auditor-Controller (CAC) within 30 days once the following three conditions have been met:

1. All of the enforceable obligations on the Recognized Obligation Payment Schedule (ROPS) have been retired or paid off
2. All real property has been disposed of pursuant to HSC section 34181 or 34191.4
3. All outstanding litigation has been resolved

# County-Wide Successor Oversight Board of Yolo County

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In accordance with Senate Bill No. 107 (SB 107), Health and Safety Code (HSC) Section 34179(j), the 4 oversight boards currently in place in Yolo County will consolidate into one County-Wide Successor Agency Oversight Board (Oversight Board) effective July 1, 2018. The Oversight Board shall be staffed by the County Auditor-Controller or by another county entity selected by the County Auditor-Controller.

The Yolo County Auditor-Controller function is part of the responsibilities of the Chief Financial Officer of the County Department of Financial Services who will retain responsibility of staffing the Oversight Board.

# Roles & Responsibilities

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- County Department of Financial Services
- County-Wide Oversight Board Members
- Successor Agencies

# County Department of Financial Services Responsibilities

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- Administering Redevelopment Property Tax Trusts Fund (RPTTF) distributions
  - Pass-through calculations/payments to affected taxing entities (ATE)
  - Reviewing the Recognized Obligation Payment Schedule (ROPS) and cash balances/disbursing RPTTF
- Preparing the residual calculations/payments to ATE
- Reviewing Insufficient Funds Notifications
- Distributing land sale proceeds
- Review Last and Final ROPS
- Review ROPS prior period adjustments

# County Department of Financial Services Responsibilities

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- Oversee processes and procedures
  - Review all Successor Agency Oversight Board Agenda Items
  - Submit all Oversight Board Agenda Items for processing
  - Distribute executed Oversight Board Agenda Items
  - Staffing Oversight Board meetings

# Oversight Board Member Responsibilities

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- Fiduciary responsibility
- Attend all scheduled Oversight Board meetings
- Represent the appointing entity
- Serve without compensation or reimbursement for expenses.

# Successor Agency Responsibilities

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- Administer the dissolution and wind down of the former redevelopment agency.
  - Preparation of ROPS
  - Bond refinancing
  - Sale of liquidation property(ies)
- Draft, submit, and present Successor Agency agenda items to the Oversight Board



# Items Requiring Oversight Board Approval

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Items requiring Oversight Board approval include, but is not limited to:

1. Annual ROPS
2. LRPMP Modifications
3. Bond Refunding/ Refinancing
4. ROPS Annual Amendments
5. Property Disposition
  - LRPMP Language Requires Oversight Board Approval
  - Not Per LRPM

# Items Requiring Oversight Board Approval (Continued)

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Items requiring Oversight Board approval include, but is not limited to:

1. Last & Final ROPS
2. Successor Agency Dissolution Requests
3. Amendments to Last & Final ROPS
4. Operational Loans

NOTE: ROPS Prior Period Adjustments (True-ups), do not require Oversight Board action

# Resources

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California Department of Finance (DOF)

<http://www.dof.ca.gov/Programs/Redevelopment/>

The DOF has extensive information on their website regarding activities associated with the dissolution of redevelopment agencies.

# Contact Information

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# Questions?

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