



OROVILLE CITY COUNCIL/ OROVILLE REDEVELOPMENT AGENCY

Council Chambers
1735 Montgomery Street
Special Joint Meeting
JANUARY 30, 2012
1:00 P.M.

ROLL CALL

Council Members/Commissioners Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.3 the time allotted for presentations may be limited.

SPECIAL BUSINESS

1. IMPLEMENTATION OF AB 1X 26 - THE DISSOLUTION ACT – staff report

Council:

The Council will consider implementing administrative actions prior to the commencement of AB 1x 26, the Dissolution Act, on February 1, 2012. **(Thomas Fitzpatrick, Project Specialist and Diane MacMillan, Director of Finance)**

Commission:

The Commission will consider adopting an amended Enforceable Obligations Payment Schedule to allow the City of Oroville acting as the future Successor Agency to fund legal obligations. **(Thomas Fitzpatrick, Project Specialist and Diane MacMillan, Director of Finance)**

Council Action Requested:

- 1. Adopt Resolution No. 7853 - A RESOLUTION OF THE OROVILLE CITY COUNCIL DECLARING A NEED FOR A HOUSING AUTHORITY TO FUNCTION IN THE CITY OF OROVILLE, APPOINTING THE MEMBERS OF THE CITY COUNCIL AS COMMISSIONERS OF THE HOUSING AUTHORITY AND DESIGNATING THE MAYOR AS THE FIRST CHAIR OF THE HOUSING AUTHORITY IN ACCORDANCE WITH THE CALIFORNIA HOUSING AUTHORITY LAW.**

2. **Adopt Resolution No. 7854 - A RESOLUTION OF THE CITY OF OROVILLE ACTING AS THE FUTURE SUCCESSOR AGENCY TO EXECUTE AN AMENDMENT TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY BROWNFIELDS ASSESSMENT GRANT COOPERATIVE AGREEMENT OBLIGATING THE SUCCESSOR AGENCY TO RETAIN ALL OF THE RIGHTS, POWERS, DUTIES, OBLIGATIONS, AND TERMS AND CONDITIONS PREVIOUSLY PERFORMED BY THE OROVILLE REDEVELOPMENT AGENCY.**
3. **Adopt Resolution No. 7855 – A RESOLUTION OF THE CITY OF OROVILLE ACTING AS THE FUTURE SUCCESSOR AGENCY AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND.**
4. **Direct staff to return to the Council with documents that are required to create an Oroville Housing Authority.**
5. **Authorize the Mayor to appoint two members to the Oversight Board pursuant to Health and Safety Code Section 34179 (a) at the next regular City Council meeting on February 7, 2012.**
6. **Authorize the payback of the \$1,800,000 City loan no later than January 31, 2012.**
7. **Approve Supplemental Appropriation #2011/12-0112-38 as indicated in the January 30, 2012 Staff Report.**

Commission Action Requested: **Adopt Resolution No. 11-29 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO AB 1X 26.**

ADJOURNMENT

The meeting will be adjourned. A regular meeting of the Oroville City Council will be held on Tuesday, February 7, 2012 at 5:00 p.m.

**OROVILLE CITY COUNCIL / OROVILLE REDEVELOPMENT AGENCY
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
CHAIRPERSON AND COMMISSIONERS**

**FROM: G. HAROLD DUFFEY, CITY ADMINISTRATOR
THOMAS S. FITZPATRICK, PROJECT SPECIALIST**

RE: IMPLEMENTATION OF AB 1X 26 - THE DISSOLUTION ACT

DATE: JANUARY 30, 2012

SUMMARY

City Council

The Council will consider implementing administrative actions prior to the commencement of AB 1x 26, the Dissolution Act, on February 1, 2012.

Redevelopment Commission

The Commission will consider adopting an amended Enforceable Obligations Payment Schedule to allow the City of Oroville acting as the future Successor Agency to fund legal obligations.

BACKGROUND AND ACTIONS COMPLETED

On December 29, 2011, the Court upheld ABX1 26, the Dissolution Act, which as of February 1, 2012, all redevelopment agencies in California will cease to exist.



On January 9, 2012, staff presented and the Council voted on various actions and recommendations to prepare for the dissolution of the Redevelopment Agency ("Agency"). The following actions were:

- o Declared the City to be the Successor Agency - The Successor Agency is responsible for winding down the affairs of the Redevelopment Agency on and after February 1, 2012. The Successor Agency plays a critical role in continuing to fulfill and make payments on pre-existing and continuing Agency debt obligations, such as bonded indebtedness, loans, judgments or settlements, and other legally binding and enforceable agreements or contracts that meet specified criteria of the law.
- o Transferred Agency Housing Assets to the City - The City Council elected to have the City retain housing assets and functions previously performed by the Agency.

- Directed staff to create an Oroville Housing Authority – The Council directed staff to start the process to activate an Oroville Housing Authority.

REDEVELOPMENT COMMISSION REQUIREMENT TO IMPLEMENT AB 1X 26

The following are other necessary actions to be taken before February 1, 2012. The Oroville Redevelopment Agency needs to adopt an updated Enforceable Obligations Payment Schedule (EOPS).


AB 1X 26 IMPLEMENTATION TASKS TO BE COMPLETED BY FEBRUARY 1, 2012	
	No later than January 13, 2012: the City of Oroville must decide whether to serve as a Successor Agency by resolution. (Completed at the January 9, 2012 meeting)
	No later than January 31, 2012: A RDA should consider any appropriate amendments to its previously adopted Enforceable Obligations Payment Schedule to reflect payments due after December 31, 2011 (January 1, 2012 through June 30, 2012).





The Enforceable Obligations Payment Schedule

As the City is the Successor Agency to the former Redevelopment Agency, the Successor Agency can only make payments required pursuant to an EOPS.

The EOPS may be amended by the Successor Agency prior to the formation of the Oversight Board. However, staff will work closely with the City Attorney to ensure that legal interpretation is correct.

ADMINISTRATIVE OBLIGATIONS TO IMPLEMENT AB 1X 26

ADMINISTRATIVE TASKS TO BE COMPLETED BY FEBRUARY 1, 2012	
	<p>No later than January 31, 2012, the RDA should pay back to the City of Oroville the \$1,800,000 loan it borrowed on February 7, 1986.</p> <p>No later than January 31, 2012, the City should appropriate \$800,000 of the \$1,800,000 loan in staffing costs to the General Fund to cover costs associated with RDA impacts.</p>

	No later than January 31, 2012, the RDA should adopt a resolution activating the Housing Authority pursuant to California Health and Safety Code 34200 et seq.
	No later than February 7, 2012, the Mayor should make appointments of two members to the Oversight Board pursuant to Health and Safety Code Section 34179 (a).
	No later than February 6, 2012, adopt an EPA Resolution naming the Successor Agency the Grantee of the Brownfields Assessment Grant.
	No later than January 31, 2012, adopt a resolution that would allow the Successor Agency to deposit funds into Local Agency Investment Fund.

Budget Appropriation

On February 1, 2012, the Redevelopment Agency will no longer exist and the Successor Agency will take over. All projects, legal debt obligations, and appropriate administrative costs that are not included in the EOPS will not be honored and can not be allocated funds by the Successor Agency for payment of those items.

The Agency has approximately \$263,303 in staffing costs (salary and benefits) it will no longer have authority to pay for and an additional \$536,697 in programs costs no longer allowed. The combined total is \$800,000 (staffing and overhead). Staff recommends that the Council use \$800,000 of the \$1,800,000 to cover staffing and overhead costs for the remainder of the 2011/12 fiscal year.

The Successor Agency will incur certain administrative costs to fulfill implementation of the EOPS. AB X1 26 states that a Successor Agency is entitled to an administrative allowance to offset EOPS administrative costs. The law, however, is very unclear as to the amount that the allowance will provide in the 2011/12 fiscal year. Staff will work closely with the City Attorney to ensure that legal interpretation is correct.

Payback of City loan

In 1986, the City of Oroville loaned the Redevelopment Agency \$1,800,000. Staff is recommending that the Agency payback the loan to the City of Oroville no later than January 31, 2012.

Formation of a Housing Authority

The California "Housing Authority Law" (California Health and Safety Code 34200 et seq.) automatically creates a dormant Housing Authority in every city and county. In order for the City Housing Authority to transact business and exercise its powers, a City must activate its Housing Authority by adopting a resolution containing certain findings and by appoint commissioners to serve on the Housing Authority Board. The resolution

must declare the need for the Housing Authority and contain at least one of the following findings:

1. That unsanitary or unsafe inhabited dwelling accommodations exist in the City; and/or
2. There is a shortage of safe or sanitary dwelling accommodations in the City available to persons of low income at rentals they can afford.

Once the Council adopts the resolution, including the finding(s), commissioners must be chosen to serve on the Oroville Housing Authority. It can be done it two ways, depending on the City's preference.

1. Because the Mayor is independently elected, the Mayor may appoint five (5) commissioners, subject to confirmation by majority of the Council.
2. Alternatively, the Council may declare itself to be the commissioners of the City Housing Authority at the time the above-reference resolution is adapted or anytime thereafter. Under this option, all rights, powers, duties, privileges and immunities of the commissioners are vested in the Council. At any time the Council may, by resolution, stop function as commissioners and the Mayor will appoint replacement commissioners.

Mayor to Appoint Members to the Oversight Board

In accordance with section 34179 of AB 1x 26, the law states that each Successor Agency shall have an Oversight Board composed of seven members. The Mayor has the responsibility to appoint two members to the Oversight Board. Staff is asking that the Mayor appoint two members to the Oversight Board at the February 7, 2012, City Council meeting.

Mayor Appointments

1. One member appointed by the Mayor for the city.
2. One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

The breakdown of the other Oversight Board positions are as follows:

3. One member appointed by the county Board of Supervisors.
4. One member of the public appointed by the county Board of Supervisors.

5. One member appointed by the largest special district, which would appear to be the Feather River Recreation and Parks District.
6. One member appointed by the county Superintendent of Education to represent schools.
7. One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

Transfer US EPA Brownfields Assessment Grant

Staff received a letter from the United States Environmental Protection Agency (“EPA”) detailing that in order to move the \$400,000 grant from the Redevelopment Agency to the Successor Agency that the Successor Agency must specify the following findings.

- Identify successor agency and point of contact for EPA grant.
- Successor agency provides statement that they accept all of the obligations and terms and conditions of the grant.
- Written explanation of the successor agency’s eligibility for grant funds, for site-specific assessment and cleanup funds demonstration that it is not liable for the contamination.

The EPA will be sending out an amendment to the agreement that would change the grantee from the Redevelopment Agency to the Successor Agency. Upon receipt of the resolution, the EPA will send to the Successor Agency an amended cooperative agreement. Staff is requesting that the City Administrator sign the agreement to permit the grant to be transferred from the Redevelopment Agency to the Successor Agency.

Local Agency Investment Fund

Staff received a letter from the California Office of the Treasurer specifying that the Successor Agency adopt a resolution to permit the Successor Agency to transfer funds from the Agency to the Successor Agency.

FISCAL IMPACT

A Supplemental Appropriation #2011/12-0112-38 will be necessary to set up the continued funding until the end of June 2012 for the former budgets of the Oroville Redevelopment Agency.

By taking this action Council will be obligating General Fund dollars in the amount of \$800,000 which comes from fund balance.

As a reminder, the ongoing impact to the General Fund will have to be determined by Council before the new fiscal year budget is adopted in July 2012. What programs and staffing levels that may not be determined feasible based on ongoing cash flows will be required. All monetary decisions will have an impact on our five year project and the “rainy day” cash balance of the General Fund.

Also to note, the \$1,800,000 repayment to the City of Oroville will be deposited into the following funds:

< General Fund >	\$800,000	(for continued agency operations)
< Contingency Fund >	\$1,000,000	(future expenditures to be determined)

RECOMMENDATION

Council Actions Requested:

1. Adopt Resolution No. 7853 - A RESOLUTION OF THE OROVILLE CITY COUNCIL DECLARING A NEED FOR A HOUSING AUTHORITY TO FUNCTION IN THE CITY OF OROVILLE, APPOINTING THE MEMBERS OF THE CITY COUNCIL AS COMMISSIONERS OF THE HOUSING AUTHORITY AND DESIGNATING THE MAYOR AS THE FIRST CHAIR OF THE HOUSING AUTHORITY IN ACCORDANCE WITH THE CALIFORNIA HOUSING AUTHORITY LAW.
2. Adopt Resolution No. 7854 - A RESOLUTION OF THE CITY OF OROVILLE ACTING AS THE FUTURE SUCCESSOR AGENCY TO EXECUTE AN AMENDMENT TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY BROWNFIELDS ASSESSMENT GRANT COOPERATIVE AGREEMENT OBLIGATING THE SUCCESSOR AGENCY TO RETAIN ALL OF THE RIGHTS, POWERS, DUTIES, OBLIGATIONS, AND TERMS AND CONDITIONS PREVIOUSLY PERFORMED BY THE OROVILLE REDEVELOPMENT AGENCY
3. Adopt Resolution No. 7855 – A RESOLUTION OF THE CITY OF OROVILLE ACTING AS THE FUTURE SUCCESSOR AGENCY AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND
4. Direct staff to return to the Council with documents that are required to create an Oroville Housing Authority.
5. Authorize the Mayor to appoint two members to the Oversight Board pursuant to Health and Safety Code Section 34179 (a) at the next regular City Council meeting on February 7, 2012.
6. Authorize the payback of the \$1,800,000 City loan no later than January 31, 2012.

7. Approve Supplemental Appropriation #2011/12-0112-38 as indicated in the January 30, 2012 Staff Report.

Redevelopment Commission Actions

1. Adopt Resolution No. 11-29 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO AB 1X 26.

ATTACHMENTS

Resolution No. 7853

Resolution No. 7854

Resolution No. 7855

Resolution No. 11-29

Attachment A – Key Milestones for Implementation of the Dissolution Act

Attachment B – Letter from the United States EPA

Attachment C – Letter from the California Office of the Treasurer

Attachment D – Financial Spreadsheet showing General Fund impact

**CITY OF OROVILLE
RESOLUTION NO. 7853**

A RESOLUTION OF THE OROVILLE CITY COUNCIL DECLARING A NEED FOR A HOUSING AUTHORITY TO FUNCTION IN THE CITY OF OROVILLE, APPOINTING THE MEMBERS OF THE CITY COUNCIL AS COMMISSIONERS OF THE HOUSING AUTHORITY AND DESIGNATING THE MAYOR AS THE FIRST CHAIR OF THE HOUSING AUTHORITY IN ACCORDANCE WITH THE CALIFORNIA HOUSING AUTHORITY LAW

WHEREAS, California Housing Authorities Law (Health and Safety Code Section 34200 *et seq.*) provides that there is a public body known as a housing authority in every city, but that the authority shall not transact any business or exercise its power unless, by resolution, the governing body of the city declares there is a need for an authority to function in it; and

WHEREAS, the governing body may adopt a resolution declaring there is a need for a housing authority if it finds either of the following (1) insanitary or unsafe inhabited dwelling accommodations exists in the City or (2) there is a shortage of safe or sanitary dwelling accommodations in the City available to persons of low income at affordable rentals; and

WHEREAS, in determining whether dwelling accommodations are unsafe or unsanitary the governing body may take into consideration the following factors; (a) the degree of overcrowding; (b) the percentage of land coverage; (c) the light, air, space, and access available to the inhabitants of such dwellings; (d) the size and arrangement of the rooms; (e) the sanitary facilities; and (f) the extent to which conditions exist in such buildings which endanger life or property by fire or other causes pursuant to the Health & Safety Code 34243; and

WHEREAS, the most recent update of the Housing Element of the General Plan, a draft of which was submitted to the California Department of Housing and Community Development in November 2009, the City Council of the City of Oroville ("City Council" or "City", as applicable) provides as follows:

(a) an estimated 68.1% of all the City's households were in the lower income category, and about 58.1% of the lower income households were renters;

(b) an estimated 40.5% of very low, and 55.4% of extremely low income renter households overpay for housing (e.g., housing costs exceed 35% of their income), and an estimated 50.5% of extremely low income renter households overpay by more than 50%;

(c) an estimated 10.1% of all rental households in the City were overcrowded, with 4% of all such rental households experiencing severe overcrowding conditions;

WHEREAS, a housing survey undertaken by the City in 2008, as part of the update to the housing element of the General Plan, indicated that approximately, 2788 housing units in the City (approximately 44% of the housing stock) is in need of maintenance or structural repair; and

WHEREAS, these significant overpayment, overcrowding, and repair needs and conditions continue to exist in the City; and

NOW, THEREFORE, the City Council of the City of Oroville does hereby resolve as follows:

SECTION 1. All of the above recitals are true and correct and are incorporated herein by reference.

SECTION 2. That unsanitary and/or unsafe inhabited dwelling accommodations exist in the City of Oroville.

SECTION 3. That there is a shortage of safe or sanitary swelling accommodations in the City of Oroville available to persons of low income at rents they can afford.

SECTION 4. That there is a need for a housing authority to function in the City of Oroville to provide safe and sanitary housing opportunities for Oroville residents. The housing authority established by this resolution shall be known as the "Oroville Housing Authority".

SECTION 5. That the Oroville Housing Authority shall be vested with all the rights, powers, duties, privileges and immunities established by the Housing Authorities Law.

SECTION 6. Pursuant to the California Health and Safety Code Section 34290. the City Council does hereby declare that its members shall serve as the commissioners of the Oroville Housing Authority and shall have all the rights, powers, duties, privileges and immunities vested by the California Housing Authorities Law.

SECTION 7. That the terms of office and succession If Oroville Housing Authority commissioners shall be concurrent with identical to the terms of each City Council member's seat.

SECTION 8. Pursuant to Health & Safety Code Section 34274, each Commissioner shall be entitled to a per diem payment for attendance at not more than four (4) Housing Authority meetings per month at a rate of \$50.00 per meeting. Additionally, Commissioners shall receive necessary travel and subsistence expenses which may be incurred in the discharge of the duties of a Housing Authority Commissioner.

SECTION 9. The Mayor of the City shall designate, from among the Commissioners, the first Chairperson. Successor Chairpersons, as well as a Vice

Chairperson, shall be selected by the Commissioners, from among their members. The vice Chairperson shall serve as the Chairperson in the absence or incapacity of the Chairperson. Additionally, the Housing Authority shall employ a Secretary, who shall serve as the Executive Director to the Commission and shall have power to sign for the Commission on items which have been approved at a Commission meeting.

SECTION 10. The City Clerk shall certify the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a special joint meeting on January 30, 2012 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Thil Wilcox, Vice Mayor

ATTEST:

APPROVED AS TO FORM:

G. Harold Duffey, City Clerk

Scott E. Huber, City Attorney

**CITY OF OROVILLE
RESOLUTION NO. 7854**

A RESOLUTION OF THE CITY OF OROVILLE ACTING AS THE FUTURE SUCCESSOR AGENCY TO EXECUTE AN AMENDMENT TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY BROWNFIELDS ASSESSMENT GRANT COOPERATIVE AGREEMENT OBLIGATING THE SUCCESSOR AGENCY TO RETAIN ALL OF THE RIGHTS, POWERS, DUTIES, OBLIGATIONS, AND TERMS AND CONDITIONS PREVIOUSLY PERFORMED BY THE OROVILLE REDEVELOPMENT AGENCY

WHEREAS, on December 29, 2011, in *California Redevelopment Association v. Matosantos*, Case, the California Supreme Court upheld ABX1 26, which dissolves all of the redevelopment agencies in California, and struck down ABX1 27, which allowed redevelopment agencies to remain in existence if they opted in to the “Voluntary Alternative Redevelopment Program”; and

WHEREAS, on February 1, 2012, redevelopment agencies will cease to exist; and all redevelopment agency functions, assets, properties, funds, etc, will be transferred to a Successor Agency; and

WHEREAS, on January 9, 2012, the City of Oroville elected to become the Successor Agency provided that such election did not encumber the general fund of the City of Oroville; and

WHEREAS, pursuant to Health and Safety Code Section 34177, a Successor Agency is obligated to fulfill grant contracts from state and federal sources.

WHEREAS, the Successor Agency accepts all rights, powers, duties, obligations, and terms of the United States Environment Protection Agency Brownfields Assessment Grant Cooperative Agreement, which were previously performed by the Oroville Redevelopment Agency; and

WHEREAS, the City of Oroville is not the grantee nor is responsible for the implementation or contract terms and conditions of the Brownfields Assessment Grant.

NOW, THEREFORE, BE IT RESOLVED, by the City of Oroville acting as the future Successor Agency, as follows:

SECTION 1. The above recitals are true and correct and are adopted as the findings of the City Council.

SECTION 2. The Successor Agency accepts all rights, powers, duties, obligations, and terms of the United States Environment Protection Agency Brownfields Assessment Grant Cooperative Agreement, which were previously performed by the

Oroville Redevelopment Agency; and

SECTION 3. The City Administrator on behalf of the Successor Agency is hereby authorized and directed to take such other and further actions, and sign such other and further documents, as is necessary and proper in order to implement this Resolution on behalf of the City.

SECTION 4. The Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a special joint meeting on January 30, 2012, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Thil Wilcox, Vice Mayor

ATTEST:

APPROVED AS TO FORM:

G. Harold Duffey, City Clerk

Scott E. Huber, City Attorney

**CITY OF OROVILLE
RESOLUTION NO. 7855**

**A RESOLUTION OF THE CITY OF OROVILLE ACTING AS THE FUTURE
SUCCESSOR AGENCY AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL
AGENCY INVESTMENT FUND**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976, Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City of Oroville acting as the future Successor Agency does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein are in the best interests of the Successor Agency.

NOW, THEREFORE, the City of Oroville acting as the future Successor Agency does hereby resolve as follows:

SECTION 1. That the City of Oroville acting as the future Successor Agency does hereby authorize the deposit and withdrawal of Successor Agency monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

SECTION 2. That the City of Oroville acting as the future Successor Agency officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

SECTION 3. The City Clerk shall certify the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a special joint meeting on January 30, 2012 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Thil Wilcox, Vice Mayor

ATTEST:

APPROVED AS TO FORM:

G. Harold Duffey, City Clerk

Scott E. Huber, City Attorney

**OROVILLE REDEVELOPMENT AGENCY
RESOLUTION NO. 11-29**

A RESOLUTION OF THE OROVILLE REDEVELOPMENT AGENCY APPROVING AN AMENDMENT TO THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO AB 1X 26

WHEREAS, in connection with approval and adoption of the State Budget for Fiscal Year 2011-2012, the California Legislature approved, and the Governor signed (i) ABx1 26, which immediately suspended all legal redevelopment activities and incurrence of indebtedness, and dissolves redevelopment agencies effective October 1, 2011 (the "Dissolution Act"); and (ii) ABx1 27, which allows redevelopment agencies to avoid the consequences of the Dissolution Act and continue their redevelopment agency if the community elects to comply with the Alternative Redevelopment Program described in Part 1.9 of ABx1 27 (the "Alternate Redevelopment Program"). The Alternate Redevelopment Program requires the participating communities to remit, annually, "voluntary" payments to school entities and special districts; and

WHEREAS, the City adopted an Urgency Ordinance on July 19, 2011, to continue Agency operations under the provisions of AB 1x 27; and

WHEREAS, the California Redevelopment Association and the League of California Cities filed a lawsuit challenging the constitutionality of ABX1 26 & 27, and requested the Supreme Court to hear the case; and

WHEREAS, on August 11, 2011, the California Supreme Court agreed to take the case and issued an immediate stay of AB 1X 27 in its entirety and a stay of AB 1X 26 except for Health and Safety Code Sections 34161 through 34167, which required redevelopment agencies to adopt by August 27, 2011, an Enforceable Obligation Payment Schedule ("EOPS") which will serve as the basis for the payment of the Agency's outstanding financial obligations; and

WHEREAS, on December 29, 2012, the California Supreme Court upheld AB 1X 26, the Dissolution Act, and found AB 1X 27 to be unconstitutional. The Court modified the dissolution date to February 1, 2012; the day where all redevelopment agencies in California will cease to exist; and

WHEREAS, the following EOPS schedule is an amendment to the EOPS that was prepared and adopted by the Oroville Redevelopment Agency on August 26, 2011. The EOPS is important as it becomes the governing document to the Successor Agency to fund debt and other legal obligations.

NOW, THEREFORE, THE CITY OF OROVILLE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of EOPS. The Oroville Redevelopment Agency hereby approves and adopts the amended Enforceable Obligation Payment Schedule (“EOPS”) pursuant to AB 1X 26 (see Exhibit A).

Section 3. Posting; Transmittal to Appropriate Agencies. The Executive Director is hereby authorized and directed to post a copy of the amended EOPS on the City’s website. The Executive Director is further authorized and directed to transmit, by mail or electronic means, to the Butte County Auditor-Controller, the State Controller and the California Department of Finance, notification providing the website location of the posted amended EOPS and other information as required by AB 1X 26.

SECTION XI. The Secretary shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville Redevelopment Commission at a special joint meeting on January 30, 2012, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jack Berry, Chairperson

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, Agency Counsel

G. Harold Duffey, Executive Director

EXHIBIT A

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Name of Redevelopment Agency:
Project Area(s)

Oroville Redevelopment Agency
Project Area No. 1

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34167 and 34169 (*)

					Fiscal Year 2011/2012					
					EOPS # 1					
					Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Project Name / Debt Obligation	Payee	Description	Total EOPS # 1 Due During Fiscal Year							
1	2002 Tax Allocation Bonds	Union Bank	Bonds issue to fund non-housing projects	\$ 1,220,218			335,109			885,109
2	2004 Tax Allocation Bonds, Series A	Union Bank	Bonds issue to fund non-housing projects	\$ 412,806			206,403			206,403
3	2004 Tax Allocation Bonds, Series B	Union Bank	Bonds issue to fund non-housing projects	\$ 303,258			34,129			269,129
4	Fiscal Agent Fees	Union Bank	Fees for fiscal agent services							
5	Continuing Bond Disclosure	Consultant / Underwriter	Continuing disclosure reporting for tax allocation bonds							
6	City of Oroville Loan Reimbursement	City of Oroville	City Loan entered into on February 7, 1986. Current principal is \$1,800,000. Agency to repay City.	\$ 1,800,000	1,800,000					
7	Successor Agency Administrative Overhead	City of Oroville	Office space, equipment, supplies, etc.	\$ 646,616	86,641	111,995	111,995	111,995	111,995	111,995
8	Successor Agency Operational Staffing Costs	City of Oroville	Staffing costs for ongoing administration and operation of successor agency, including salaries and benefits		43,778	15,734	15,734	15,734	15,734	15,734
9	US EPA Brownfields Assessment Grant	Brown and Caldwell, Inc.	Cooperative Agreement for Fed Brownfield Program	\$ 325,758	54,293	54,293	54,293	54,293	54,293	54,293
10	Pep Housing Project	Petaluma Ecumenical Properties	Development Agreement	\$ 1,000,000		1,000,000				
11	Pep Housing Project Management	City of Oroville	Staffing costs for ongoing management of the project							
12	Hillview Ridge Apartments, Phase II Project Management	City of Oroville	Staffing costs for ongoing management of the project							
13	Housing Grant Match	California State Dept. of HCD	Grant Match Obligations for State/Fed Programs	\$ 1,151,300		1,151,300				
14	Construction Services	R.D Prater Contract	Professional Services Agreement for ...	\$ -						
15	Project and Grant Administration	R.L Hastings, Inc. Contract	Professional Services Agreement for ...	\$ 7,500		7,500				
16	Landscaping Services	Skipper Clark Contract	Professional Services Agreement for landscaping of agency properties that will transfer to the successor agency	\$ 5,940		5,940				
17	Consulting for Project/Financial Administration	Rosenow, Spevecek Group Con	Professional Services Agreement	\$ 12,500		12,500				
18	Table Mountain Golf Club House	Table Mountain Golf Club, Inc.	Loan Agreement	\$ 250,000		50,000	50,000	50,000	50,000	50,000
19	Oroville Enterprise Zone	City of Oroville	State of California - HCD Agreement for the City to perform Enterprise Activities	\$ 167,004	13,917	13,917	13,917	13,917	13,917	97,419
20	Home Grant (Housing)	City of Oroville	Matching Funds for HOME Grant	\$ 150,000		150,000				
21	Musselman Pictures	Chris Smith	Videotypes CC meetings	\$ 3,448		3,448				
22	Cota Cole Professional Services - Legal Services	Cota Cole	Legal Services for Code Enforcement actions	\$ 4,096	266	3,830				
23	Levee Investigation - HDR Professional Services	HDR Engineering	Levee Investigation - Feather River	\$ 147,840	24,640	24,640	24,640	24,640	24,640	24,640
TOTAL EOPS COST				\$ 7,608,284	2,023,535	2,605,097	846,220	270,579	270,579	1,714,722

* The monthly payments represent the interest payments on the loan. The principal amount may be due and payable immediately upon request of the City Council

ATTACHMENT A

KEY MILESTONES FOR IMPLEMENTATION OF AB1X 26 - THE DISSOLUTION ACT

The Supreme Court promulgated simple reformation rules calling for a four month extension of those dates and deadlines contained in the Dissolution Act that were prior to May 1, 2012. The milestone schedule outlined below honors those rules, while pointing out some anomalies and inconsistencies that may be caused by those rules and that may merit further clarification.

- December 29, 2011 – January 31, 2012: Redevelopment activities continue to remain suspended except for limited specified activities pending dissolution of RDAs.
- No later than January 13, 2012: Sponsoring Community decides whether to serve as a Successor Agency or Successor Housing Agency by resolution.
- No later than January 13, 2012: Sponsoring Community that elects not to serve as a Successor Agency files a copy of resolution to that effect with the County Auditor-Controller.
- No later than January 31, 2012: A RDA should consider any appropriate amendments to its previously adopted Enforceable Obligation Payment Schedule to reflect payments due after December 31, 2011.
- No later than January 31, 2012: A RDA that has not prepared a preliminary draft of the initial Recognized Obligation Payment Schedule should do so and provide it to the Successor Agency. Those RDAs that have prepared such preliminary drafts should forward it to the Successor Agency.
- January 30, 2012: The existing terms of any memorandum of understanding with an employee organization expires, unless a new agreement is reached with a recognized employee organization prior to that date.
- **FEBRUARY 1, 2012: RDA IS DISSOLVED.**
- February 1, 2012: RDA agreements with Sponsoring Community void (with limited exceptions).
- February 1, 2012: All dissolved RDA assets (including properties, contracts, leases, books and records, buildings and equipment, and existing Housing Fund balance), except other housing assets, transferred to Successor Agency. RDA delivers Enforceable Obligation Payment Schedule to Successor Agency. Transfer of RDA housing assets (excluding existing Housing Fund balances) to Successor Housing Agency.

- On and after February 1, 2012: Successor Agency permitted to make payments only as listed on Enforceable Obligation Payment Schedule.
- From February 1, 2012 to July 1, 2012: Successor Agency prohibited from accelerating payments or making any lump sum payments that are intended to prepay loans unless such accelerated repayments were required prior to February 1, 2012.
- By March 1, 2012: Successor Agency prepares initial draft of Recognized Obligation Payment Schedule for the Enforceable Obligations of the former RDA, subject to review and certification by external auditor as to accuracy and approval by Oversight Board.
- No later than April 1, 2012 and May 1, 2012, and each December 1 and May 1 thereafter: Successor Agency reports to the County Auditor-Controller if the total amount available to the Successor Agency is insufficient to fund the specified payments in the next six-month fiscal period. County Auditor- Controller notifies State Controller and DOF no later than 10 days from the date of that notification from the Successor Agency.
- April 15, 2012: Successor Agency submits first Recognized Obligation Payment Schedule to State Controller and DOF for the period of January 1, 2012 to June 30, 2012. Successor Agency prepares new Recognized Obligation Payment Schedule for each six month period thereafter for approval by Oversight Board. Approved Recognized Obligation Payment Schedules are posted on Successor Agency website and submitted to DOF, Controller and County Auditor-Controller.
- Commencing on May 1, 2012¹¹: Successor Agency may pay only those payments listed in the approved Recognized Obligation Payment Schedule. Statements of Indebtedness are no longer recognized for dissolved RDAs.
- By May 1, 2012: Oversight Board elects and reports name of chairperson and other members to DOF.
- No specified date but after formation of Oversight Board: Each Oversight Board informs DOF of a designated contact person and related contact information for the purpose of communicating with DOF.
- May 15, 2012: Governor appoints persons to unfilled positions on Oversight Board (or any member position that remains vacant for more than 60 days).
- No later than May 16, 2012 and June 1, 2012, and each January 16 and June 1 thereafter: County Auditor-Controller transfers an amount of property tax revenues equal to that specified in the Recognized Obligation Payment Schedule from the Trust Fund of each Successor Agency into the Redevelopment

Obligation Retirement Fund of that Successor Agency. Successor Agency makes payments on listed Recognized Obligation Payment Schedule from that fund.

- By July 1, 2012: County Auditor-Controller completes audit of each dissolved RDA.
- By July 15, 2012: County Auditor-Controller provides the State Controller copy of all audits performed on dissolved RDAs.
- By October 1, 2012: County Auditor-Controller reports specified financial information to the Controller and DOF.
- January 1, 2013: California Law Revision Commission drafts a Community Redevelopment Law cleanup bill for consideration by the Legislature.
- July 1, 2016: Consolidation of all Oversight Boards into one county-wide Oversight board in each county where more than one Oversight Board was created.
- After July 15, 2016: Governor appoints persons to unfilled positions on county-wide Oversight Board (or any member position that remains vacant for more than 60 days).



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

January 24, 2012

Re: Transfer of Grant # BF-00T51301 to Redevelopment Agency Successor Agency.

This letter is to extend to the Oroville Redevelopment Agency (“RDA”) and to your successor agency the opportunity to transfer the above-referenced grant to your successor agency, in light of the provisions of AB 26 that will require the dissolution of the RDA. The United States Environmental Protection Agency, Region IX (“EPA”), is prepared to approve a novation that will substitute your successor agency as the grantee, upon certain conditions. A novation is a process that will allow EPA to amend an existing cooperative agreement between EPA and the RDA to EPA and the successor agency.

In order for the grant amendment to be finalized there are several steps the RDA and successor agency must take. First, we need either the RDA or the successor agency to notify EPA that a grant amendment is desired and then provide a contact within the successor agency. We also need the successor agency to affirm that it is the legal successor to the RDA under state law, and that the successor agency accepts all of the obligations, liabilities, terms and conditions of the grant or RLF. Additionally, the transferee agency must establish that it is eligible to receive the grant or RLF. Please refer to EPA’s 2012 Proposal Guidelines for Brownfields Assessment, Cleanup and RLF grants for a complete description of eligibility requirements (<http://www.epa.gov/oswer/docs/grants/epa-oswer-oblr-11-05.pdf>). EPA will require a separate written explanation of the successor agency’s eligibility, which must be submitted in writing to EPA for review and approval before EPA can approve the novation.

The successor agency must be an eligible entity, which includes most governmental entities. For site-specific assessment grants and cleanup grants, the successor agency must demonstrate that it is not a liable party for the contamination at the property that is the subject of the grant. For cleanup grants, the successor agency must also demonstrate that they will have title to the property that is the subject of the grant. For RLFs, the successor agency must provide a legal opinion from counsel that demonstrates (1) that the successor agency has the legal authority to access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a subgrant; and (2) that the successor agency has the legal authority necessary to manage a revolving loan fund. The successor agency must also affirm that it is not the recipient of an active/ongoing sub-grant from the RLF, if applicable.

As always, your EPA project officer is available to provide assistance to both the RDA and successor agency. We look forward to assisting you and your successor agency with a smooth transition that will ensure the continued availability of existing Brownfields grants for the benefit of your community. We look forward to receiving a response as soon as possible, but

no later than Monday, February 6, 2012. If you have any questions, again please feel free to contact your EPA Project Officer, Wallace Woo at 415-972-3270.

Items needed by EPA via email:

- Identify successor agency and point of contact for EPA grant
- Successor agency provides statement that they accept all of the obligations and terms and conditions of the grant
- Written explanation of the successor agency's eligibility for grant funds, for site-specific assessment and cleanup funds demonstration that it is not liable for the contamination
- Revolving Loan Fund grants, successor agency must provide a legal opinion from counsel that demonstrates: the legal authority to access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a subgrant and the legal authority necessary to manage a revolving loan fund.

Sincerely,

/s/ Debbie Schechter
Chief, Brownfields & Site Assessment Section

cc: Wallace Woo

OFFICE OF THE TREASURER

P. O. BOX 942809
SACRAMENTO, CA 94209-0001



January 25, 2012

Dear LAIF Participant:

As you know, as a result of AB x1 26 and the recent Supreme Court decision, redevelopment agencies will no longer exist as of January 31, 2012. Your agency maintains an account with the Local Agency Investment Fund (LAIF), managed by the State Treasurer's Office. Our policies require that no transactions can be processed in LAIF accounts without evidence that the individual requesting the transaction is authorized by the agency on whose behalf the request is made. Specifically, we require a [resolution](#), [bank and authorization form](#).

We believe it is important that you are aware of these requirements as you wind down your operations and transition to the successor entity. Please provide us with information regarding the identity of the successor entity that will be taking over your agency's operations and contact information for a person at the successor entity we can work with to get new authorization documents in place as soon as possible.

You and your successor entity should be aware that without appropriate documentation in place, transactions in the LAIF account for your agency, or as it is taken over by the successor entity, cannot be processed.

It is important that you immediately send a letter that states what your successor entity is and the above mentioned supporting documentation to the State Treasurer's Office. Please do this for each account you have in LAIF, including any bond accounts. This material should be sent to:

**Local Agency Investment Fund
California State Treasurer's Office
PO Box 942809
Sacramento, CA 95814
Attention: RDA Coordinator**

If you have questions on this, please contact the LAIF staff at 916/653-3001.

Thank you,

Daniel S. Dowell
Director, Investment Division

ATTACHMENT D

Description/Activity	Budgeted 2011/12	Direct Charge/ Transferred thru Dec. 2011	Cost Allocation Possible Transfer Jan	Balance short Feb/June 2012
Cost Allocation Plan (overhead costs)				
General Fund 199	\$279,280	139640	23273	\$116,367
198	\$525,412	262706	43784	\$218,922
Direct labor allocation - Police/Fire	\$235,000	117571	17785	\$99,644
Economic Development Block Grant Fund	\$30,000			\$30,000
ComDev & EconDev Block /Home Funds	\$400,000			\$400,000
Direct Labor Housing Department 199	\$130,000	7029	1172	\$121,799
198	\$50,826	36557	6092	\$8,177
Community Promotions Fund 100	\$10,000	10000		\$0
Cost to General Fund:	\$1,039,692	\$519,917	\$84,842	\$434,933
Cost to other Funds:	\$620,826	\$53,586	\$7,264	\$559,976
Direct Salary and Benefits 2011/12				
100% RDA/ED Manager	\$113,243			
100% RDA Proj Mgr/Senior Engr.	\$91,284			
100% Program Specialist (RDA Coord)	\$78,911			
50% Program Specialist (SBF Coord)	\$38,438			
50% City Administrator/RDA Director	\$102,098			
40% I.T. Mgr.	\$32,143			
15% Planning Director	\$21,022			
15% Bldg. Maint. Coord.	\$9,486			
68% Mayor/Council Benefits	\$82,486			
Total:	\$569,111			
Total by fund 199		\$21,859	\$3,643	
Total by fund 198		\$240,262	\$40,044	
				\$263,303
Note: Code Enforcement Officer/ Staff Assist/10%Bldg. Official covered by grant this year and next				
100% Code/Const. Compl. Specialist	\$48,990	Grant funded this year		
Total Shortfall General Fund only - effective 2/1/2012:				\$263,303
CITY FORMERLY RDA Operating Budgets:				
(9000) Operations	\$1,251,387	\$145,173	\$0	\$145,173
(9050) Blight	\$135,000	\$25,017	\$0	\$25,017
(9150) Enterprise Zone	\$112,353	\$26,512	\$0	\$85,841
(9400) Comm Prom/Ind. Recruit.	\$70,000	\$16,353	\$0	\$16,353
(9405) Marketing/Tourism	\$30,000	\$2,875	\$0	\$2,875
(9450) Economic Development	\$20,000	\$6,000	\$0	\$18,604
(9100) Housing Set Aside operations	\$877,186	\$1,282,638	\$0	\$190,928
(9101) Housing Blight operations	\$80,185	\$51,906	\$0	\$51,906
	\$2,576,111	\$1,556,474	\$0	\$536,697
(9200) Debt Service	\$1,929,310	\$1,304,960		
TOTAL REQUESTED BUDGET:				\$800,000

THIS IS ONLY OPERATIONAL BUDGETS AND DIRECT SALARY/BENEFITS

New department number 1450
 Department name: Economic Dev./Comm. Enhancement