



OVERSIGHT BOARD: OROVILLE SUCCESSOR AGENCY



OVERVIEW OF ABX1 26 AND OVERSIGHT BOARD ROLES & RESPONSIBILTIES

APRIL 30, 2012



Summary



Overview of Former RDA



Overview of ABX1 26 and Cal. Sup. Ct. Opinion



Successor Agency Roles & Responsibilities



Oversight Board Roles & Responsibilities

Overview



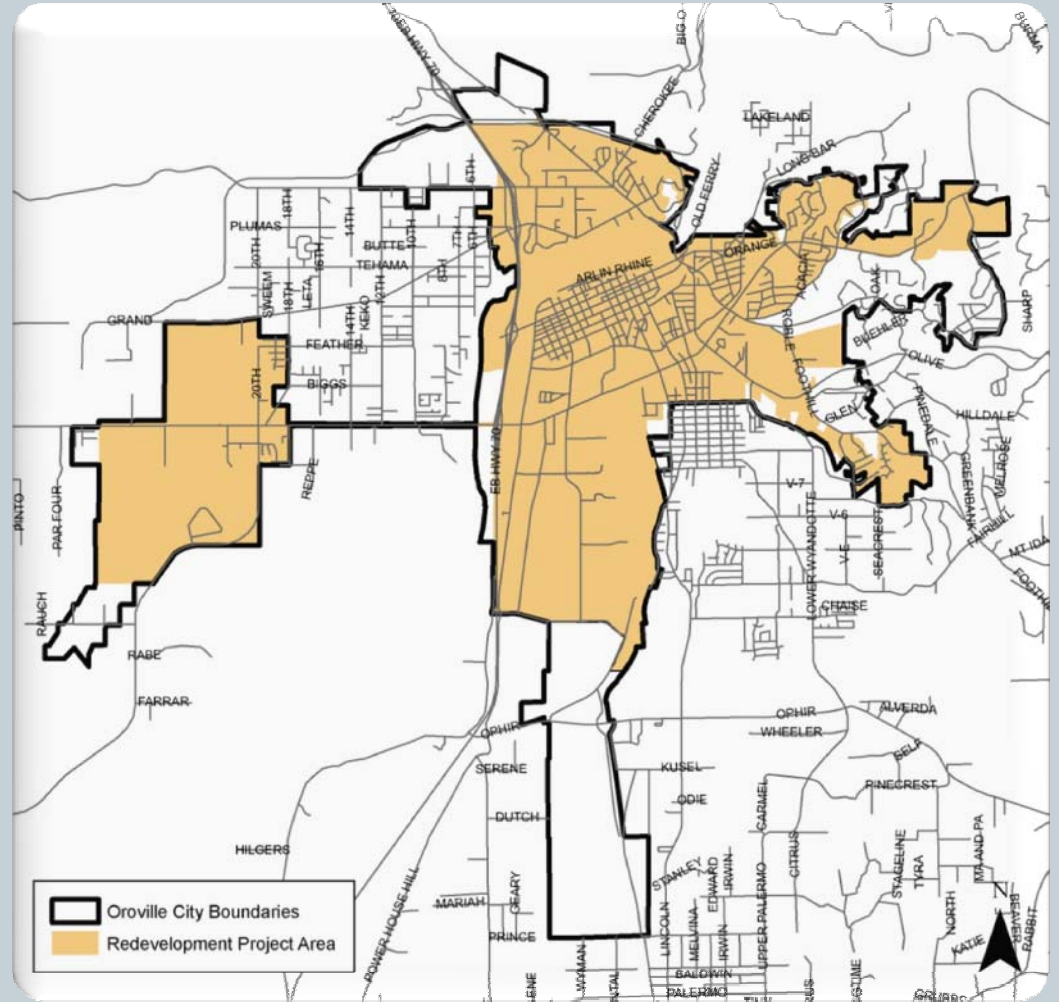
FORMER OROVILLE REDEVELOPMENT AGENCY





RDA Formation and Project Area Adoption

- Single project area adopted on July 6, 1981
- 5,942 acres (72% of City)
- Historic Downtown, residential, commercial, industrial, recreational, Oroville Municipal Airport





Redevelopment Plan Limits



Oroville Redevelopment Agency REDEVELOPMENT PLAN LIMITS

Plan Adoption ¹	July 6, 1981
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Time Limitations

Acquisition of Land Through Eminent Domain ²	Expired
Final Date to Incur Indebtedness ³	Eliminated
Effectiveness of Redevelopment Plan ⁴	July 6, 2024
Final Date to Collect Tax Increment Revenue	July 6, 2034

Financial Limitations⁵

Limit on Receiving Tax Increment	\$300 million
Outstanding Bonded Indebtedness Limit	\$65 million

¹ Ordinance No. 1353 adopted on July 6, 1981.

² Expired July 6, 1993.

³ Ordinance No. 1704 adopted on July 20, 2004.

⁴ One-year ERAF extension on July 6, 2004 by Ordinance No. 1702. Two-year ERAF extension on Dec. 21, 2004 by Ordinance No. 1712.

⁵ Ordinance No. 1650 adopted on November 6, 2001.



Agency Accomplishments



Centennial Plaza



State Theatre



Montgomery Roundabout



Carnegie Law Library



Hewitt Park



SPCA Building



Overview



ABX1 26 AND CALIFORNIA SUPREME COURT OPINION





Brief Chronology



Date	Event
January 10, 2011	Governor's Budget Proposal
June 29, 2011	ABX1 26 and ABX1 27 chaptered and took effect as urgency measures
July 18, 2011	CRA/League lawsuit in Cal. Sup. Ct. and request for stay
August 11, 2011	Court agrees to hear case and grants partial stay
December 29, 2011	Court issues opinion upholding ABX1 26 and overturning ABX1 27, and
February 1, 2011	Redevelopment agencies dissolved



Implications for State Budget



More property tax to schools means less state backfill under Prop 98

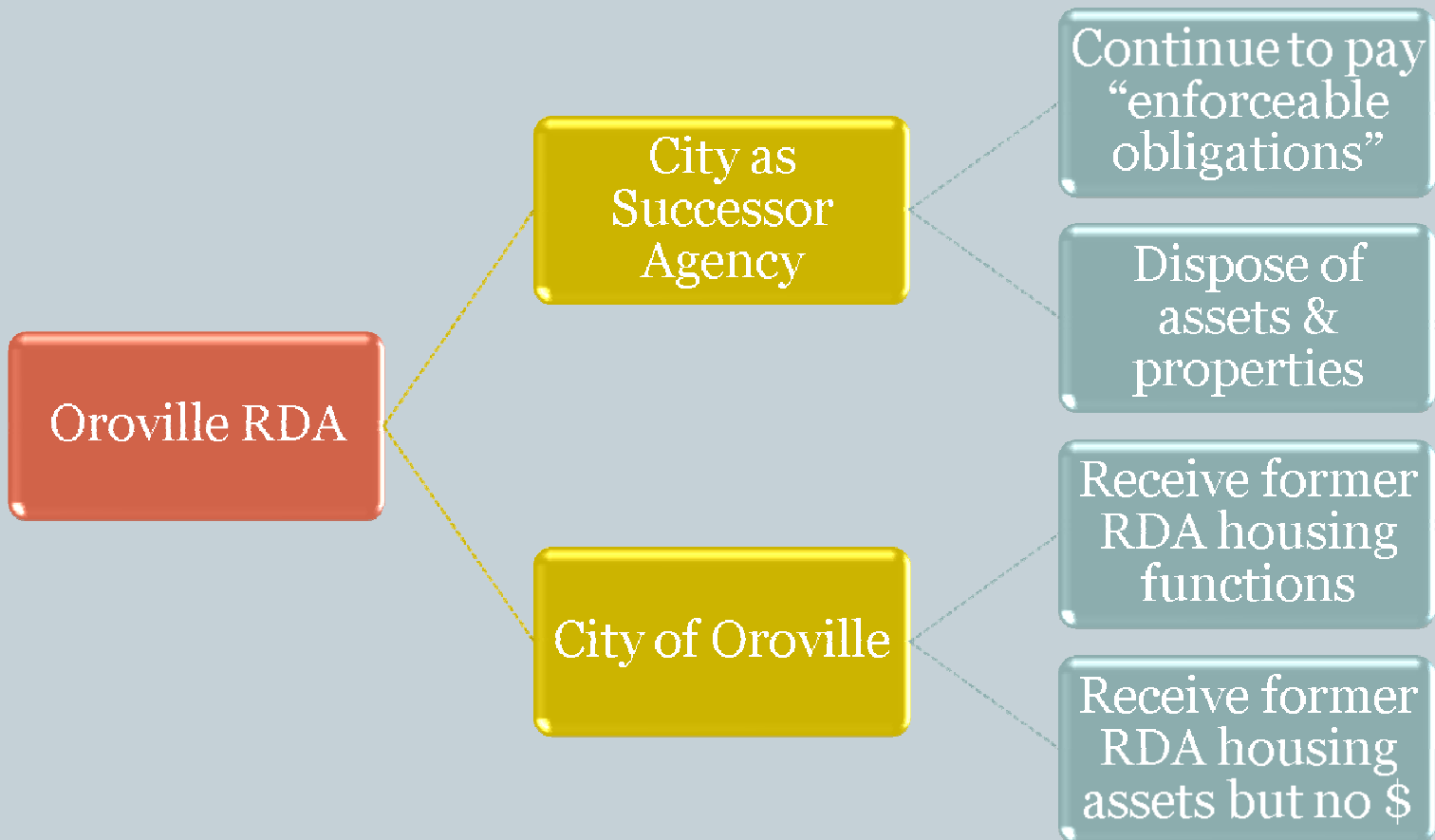
- **Long-term financial benefit to State**

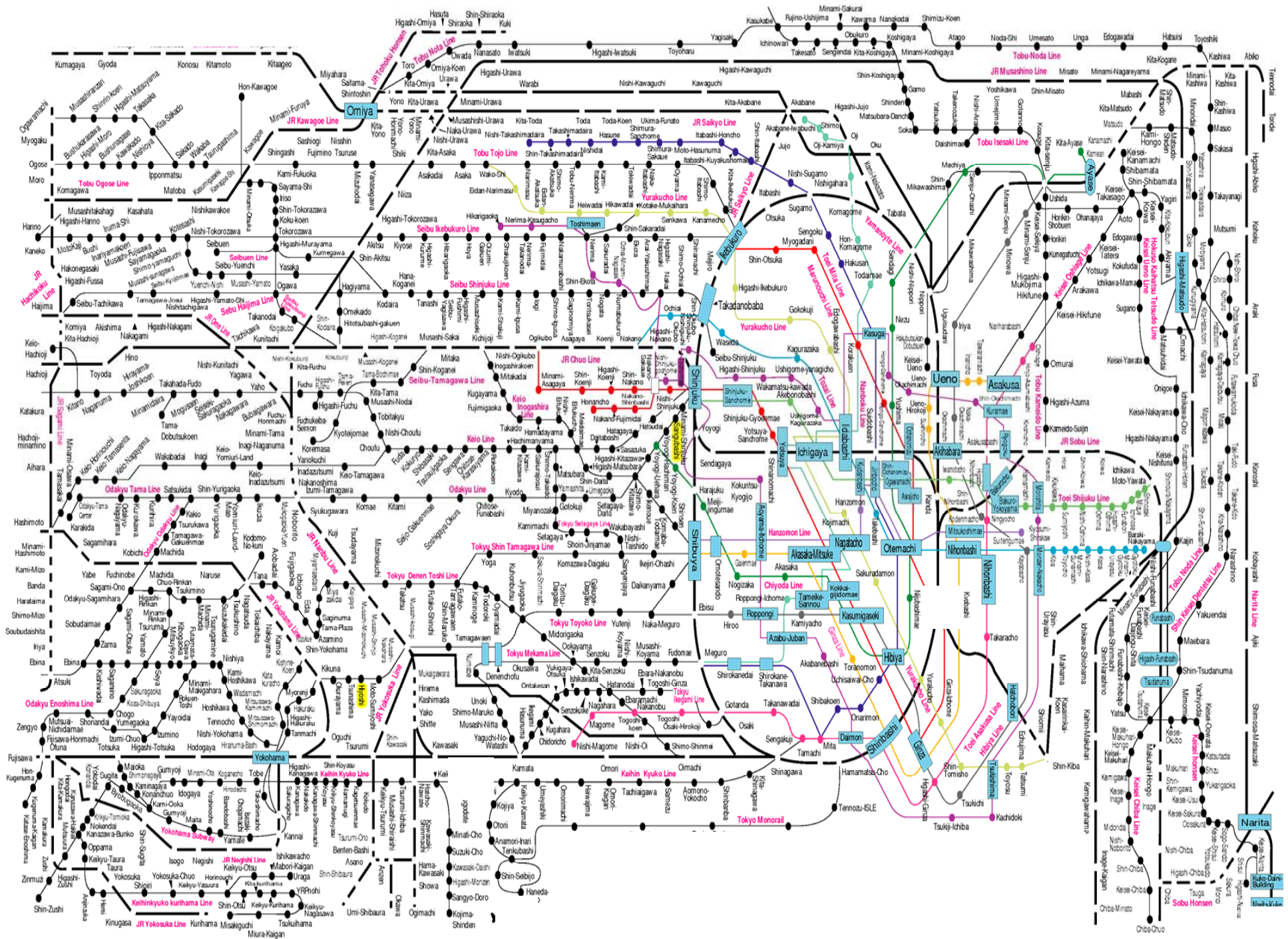
The State does not get \$1.7 billion in ransom payments under ABX1 27

- **No short-term fix to help close the State Budget gap**



Winding Down the RDA







Extended Timelines

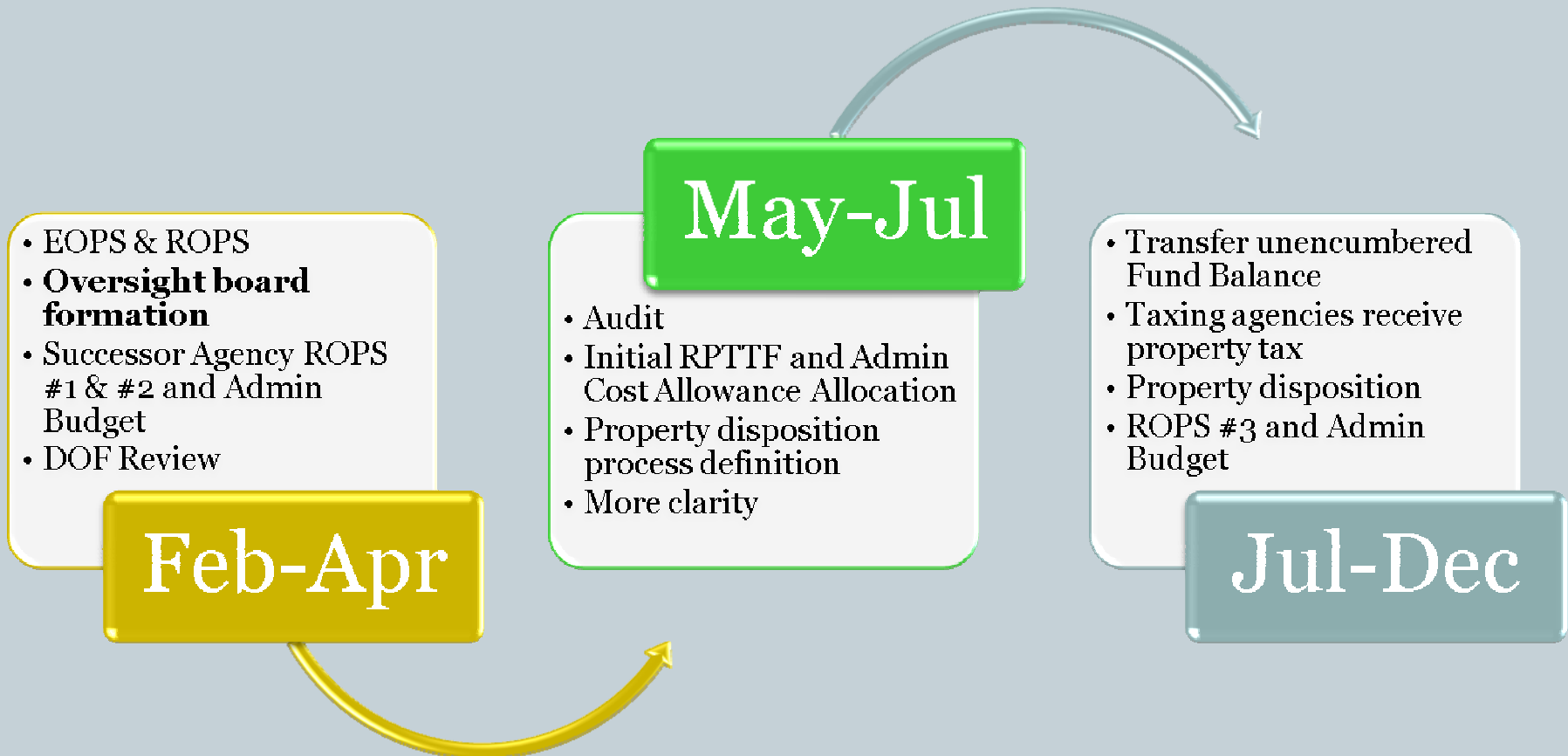


- ABX1 26 established a series of deadlines and other timelines for dissolution activities
- Supreme Court extended certain deadlines by four months:

“We exercise our power of reformation and revise each effective date or deadline for performance of an obligation in part 1.85 of division 24 of the Health and Safety Code (§§ 34170-34191) arising before May 1, 2012, to take effect four months later.²⁵”

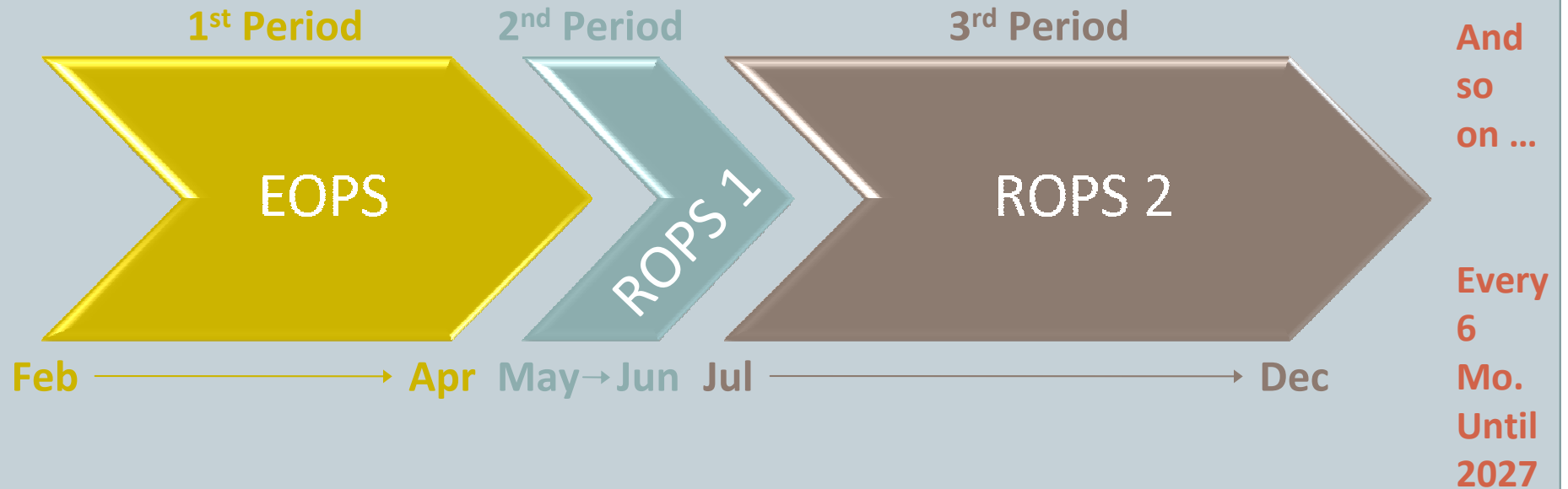


The first 10 months ...





EOPS, ROPS, and More ROPS ...





EOPS, ROPS, and More ROPS ...



1st Period

**EOPS &
ROPS 1**

2nd Period

ROPS 2

**And
so
on ...**

**Every
6
Mo.
Until
2027**

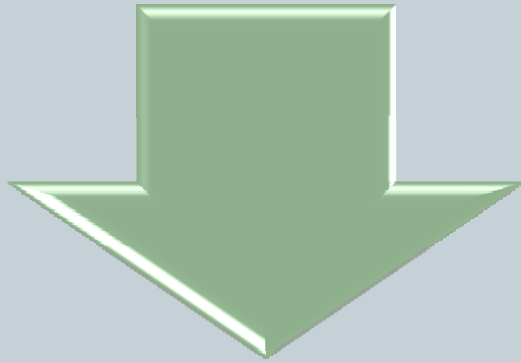
Feb

Jun Jul

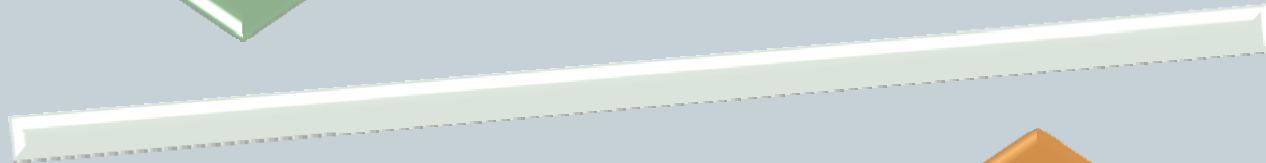
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Property Disposition



“Expediently”



**“Manner aimed
at maximizing
value”**



Oversight Board



ROLES & RESPONSIBILITIES





Oroville Oversight Board

Dept. of Finance +
State Controller



County
Auditor-
Controller

Oversight Board



City



City



County



County



FRRPD

BUTTE
COUNTY
OFFICE OF
EDUCATION

Schools



Comm. Coll.

City as
Successor
Agency





Roles & Responsibilities



Administrative & Procedural

- May direct staff of the Successor Agency to provide Oversight Board support; costs borne by Successor Agency administrative budget (§34179(c))
- Notices on web site (§34179(f))
- Actions not effective for 3 business days, pending a request for review by DOF – 10-day review to approve or return for reconsideration and resubmittal (§34179(h))
- Single, countywide Oversight Board as of July 1, 2016



Governance

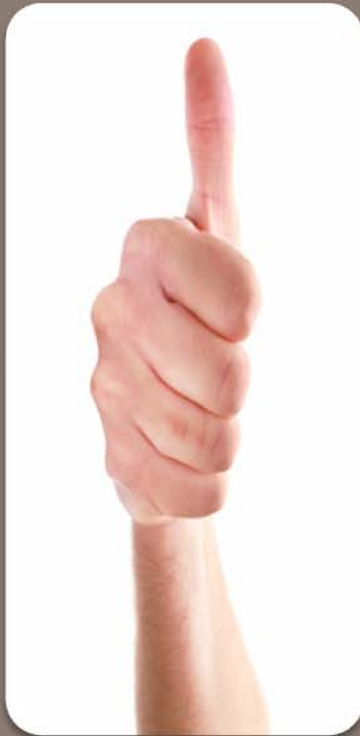
- Personal immunity from suit for actions taken within scope of responsibilities (§34179(d))
- Majority of total membership (4 of 7) required for: (1) Quorum; and (2) Actions (§34179(e))
- Serve at pleasure of the appointing entity (§34179(g))
- Subject to Brown Act, Public Records Act, and Political Reform Act (§34179(e))
- Fiduciary responsibilities to holders of enf. obligations and taxing entities (§34179(i))



Roles & Responsibilities



Required Approvals (§34180)



- Establishment of new repayment terms for loans
- Refunding of outstanding bonds or other debt to provide savings/finance debt service spikes
- Setting aside bond reserve obligations as required by bond documents
- Merging of project areas
- Continuing acceptance of federal or state grants, or other financial assistance requiring matching funds
- Retention of properties subject to compensation agreement with other taxing entities
- Establishment of ROPS
- Agreement with city that formed the redevelopment agency



Roles & Responsibilities



Direction to Successor Agency (§34181)



- Dispose of assets and properties of former redevelopment agency funded by tax increment revenues; may direct to instead transfer ownership of assets constructed and used for governmental purpose
- Cease performance in connection with and terminate agreements that do not qualify as enforceable obligations
- Transfer housing responsibilities and all rights, powers, duties, and obligations to Housing Authority
- Terminate any inter-agency agreements of redevelopment agency obligating agency to fund debt service obligations or for facilities if in the best interests of taxing entities
- Determine contracts, agreements, or arrangements between redevelopment agency and private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to taxing entities



DOF Review



- **Oversight Board actions not effective for 3 business days, pending a DOF request for review**
- **10-day review:**
 - Approve; or
 - Return to Oversight Board for reconsideration/re-submittal
 - Action not effective without DOF approval



15 Taxing Entities



Butte Co. Mosquito Abatement

Butte College

Butte County Schools

City of Oroville

**County of Butte (General,
Library, Welfare)**

El Medio Fire

Feather River R&PD

Lake Oroville PUD

Oroville Cemetery District

Oroville Elem. School District

Oroville Mosquito Abatement

Oroville Union HSD

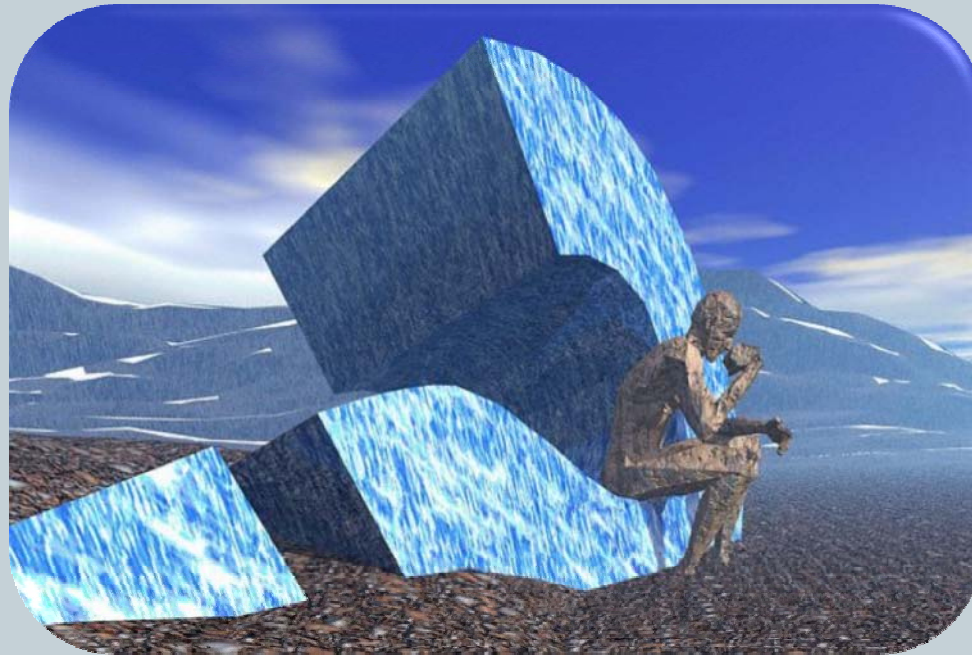
**South Feather Water & Power
Agency**

Thermalito Elem. School Dist.

Thompson Flat Cemetery Dist.



The Next Year ... Pending Legislation, Case Law, and Many Other Unknowns





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