

City of Folsom  
City of Galt  
City of Isleton  
City of Sacramento  
County of Sacramento

**SACRAMENTO COUNTYWIDE  
OVERSIGHT BOARD**

**Oversight Board Members**  
La Shelle Dozier  
Troy Givans  
Amar Hariharan  
Terri R. Laimbach  
Mario Rodriguez  
Tamara J. Sanchez  
Jay Schenirer

**APPROVED**  
BOARD OF DIRECTORS

by Reso No. 2019-0012

SEP 09 2019

*Fluence Evans*  
Clerk of the Board

For the Agenda of: September 9, 2019  
Agenda Item: 1

**To:** Sacramento Countywide Oversight Board

**From:** Sacramento County Successor Agency Staff

**Subject:** Resolution of the Sacramento Countywide Oversight Board Approving the Amended Recognized Obligation Payment Schedule for Fiscal Year 2019-20B

**Report Type:** Action

**Contact:** Kate Rose, Sacramento County Successor Agency Staff, (916)874-1192

**Overview**

Health & Safety Code (HSC) Sections 34177 and 34180 require that successor agencies prepare a Recognized Obligation Payment Schedule (ROPS) for approval by the Oversight Board. SB 107, which was approved and signed into law by Governor Brown in September 2015, requires an annual ROPS be adopted by the Oversight Board no later than February 1<sup>st</sup> of each year. Per HSC Section 34177(o)(1)(E), successor agencies may submit an amended ROPS no later than October 1<sup>st</sup> of each year.

**Background**

As of February 1, 2012, the County became the recognized Successor Agency (SA) to the former Redevelopment Agency of the County of Sacramento (Agency) for all non-housing functions and obligations. SA staff is responsible for the expeditious wind down of outstanding obligations remaining over the life of the former four County redevelopment project areas. The major responsibility of SA staff is to prepare the ROPS, which is limited to line items that are considered enforceable obligations pursuant to California Health and Safety Code Section 34177(a).

**Discussion**

The Sacramento Countywide Oversight Board approved the FY 19-20 ROPS on January 7, 2019. On March 22, 2019, the State Department of Finance (DOF) sent a determination letter to the SA which stated that the Property Holding Costs and Property Maintenance (line item numbers 96 and 97) are not allowed. Costs for both of these items are associated with the SA property located at 5700 Stockton Boulevard. Following receipt of the letter, SA staff requested a Meet and Confer with

DOF which occurred on April 15, 2019. In advance of the Meet and Confer, SA staff provided further information regarding costs associated with both line items including proof of property tax payment totaling \$3,010.66; an invoice for junk and debris removal for \$621; an invoice for portable restroom rentals for \$453.02; invoices for dumpster rentals for \$1,098; and a contract to replace an existing dilapidated chain link fence with a tubular steel fence to secure the property.

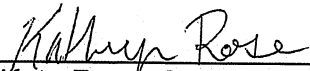
On May 17, 2019, DOF sent a revised determination letter stating that as a result of the Meet and Confer, DOF approved the requested amount of \$3,000 for the Property Holding Cost line item (line item number 96). However, DOF determined that the SA did not provide support that it is required to install a tubular steel fence or provide additional security for the site. As a result, DOF reduced the requested amount for the Property Maintenance line item (line item number 97) by \$8,000 from \$10,000 to \$2,000. DOF stated that if the SA can provide additional support for clean-up costs or a requirement to further secure the property, these costs may be requested on subsequent ROPS. Since that time, SA staff has received additional invoices, including an invoice for \$90,000 for a perimeter fence; invoices totaling an additional \$10,591.63 for removal of junk and debris, discing, and vehicle towing; invoices totaling an additional \$3,302.40 for dumpster rentals; and an invoice for \$30.18 for keys to the padlock on the fence.

SA staff has prepared an Amended ROPS 19-20B for the period of January 1, 2020 through June 30, 2020 to increase the requested amount for the Property Holding Costs (line item number 96) by \$300 from \$1,500 to \$1,800 due to an anticipated increase in the property tax assessment. In previous years the property tax assessment experienced increases ranging from \$70 to \$250. SA staff has also increased the requested amount for the Property Maintenance (line item number 97) by \$103,924.21 from \$0 to \$103,924.21 to include the additional maintenance costs associated with 5700 Stockton Boulevard which were incurred after the Meet and Confer date.

**Recommendation**

Approve the attached resolution authorizing the Amended ROPS FY 19-20B.

Respectfully submitted,



Kate Rose, Sacramento County Successor Agency Staff

Attachments:

Resolution – Approval of Amended Recognized Obligation Payment Schedule FY 19-20B  
Attachment 1 – DOF Revised Determination Letter dated May 17, 2019

**RESOLUTION NO. 2019 - 0012**

**ADOPTED BY THE SACRAMENTO COUNTYWIDE OVERSIGHT BOARD**

**APPROVAL OF AMENDED RECOGNIZED OBLIGATION PAYMENT  
SCHEDULE FY 19-20B FOR THE SUCCESSOR AGENCY TO THE FORMER  
REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO**

**WHEREAS**, pursuant to Health and Safety Code section 34173(d), on January 24, 2012, the County of Sacramento elected to serve as the Successor Agency to the Redevelopment Agency of the County of Sacramento for its non-housing assets and functions, by County Resolution No. 2012-0051. By this action, the County of Sacramento became the Redevelopment Agency Successor Agency (Successor Agency) as of February 1, 2012; and,

**WHEREAS**, under Health and Safety Code section 341771(1)(3), the Recognized Obligation Payment Schedule (ROPS) is to be forward looking to the next six month period or one year, and commencing with the ROPS covering the period from July 1, 2016, to June 30, 2017, inclusive, and for each period from July 1 to June 30, inclusive, thereafter, a successor agency shall submit an oversight board-approved ROPS to the State Department of Finance and to the county auditor-controller no later than February 1, 2016, and each February thereafter; and,

**WHEREAS**, on January 7, 2019 the Sacramento Countywide Oversight Board approved the FY 19-20 ROPS; and,

**WHEREAS**, the ROPS is subject to the State Department of Finance's (DOF) review and approval. And on March 22, 2019 DOF sent a determination letter stating that DOF did not approve the Property Holding Costs and Property Maintenance line items (line item numbers 96 and 97); and,

**WHEREAS**, Successor Agency staff requested a Meet and Confer with DOF which took place on April 15, 2019. In advance of the Meet and Confer, Successor Agency staff provided additional information for costs associated with both the Property Holding Costs and Property Maintenance (line items numbers 96 and 97); and,

**WHEREAS**, on May 17, 2019, DOF sent a revised determination letter in which DOF approved the total requested amount for the Property Holding Costs (line item number 96), but disallowed a portion of the requested amount for the Property Maintenance (line item number 97) based on the existing invoices. DOF stated that additional maintenance costs may be requested if the Successor Agency can provide additional support for these costs; and,

**WHEREAS**, since that time, Successor Agency staff have received additional invoices related to property maintenance; and,

Approval of Amended Recognized Obligation Payment Schedule FY 19-20B  
For The Successor Agency To The Former Redevelopment Agency Of The  
County Of Sacramento  
Page 2

**WHEREAS**, pursuant to Health and Safety Code section 34177, a Successor Agency may submit one amendment to the ROPS no later than October 1, if the Oversight Board makes a finding that a revision is necessary for the payment of approved enforceable obligations.

**NOW, THEREFORE, BE IT RESOLVED** that the Sacramento Countywide Oversight Board of Sacramento, State of California, hereby approves and adopts the Amended ROPS FY 19-20B for the period of January 1, 2020 through June 30, 2020, included as Attachment 1, pursuant to Health and Safety Code section 34177.

On a motion by Member Sanchez, seconded by Member Leimbach, the foregoing Resolution was passed and adopted by the Sacramento County Oversight Board this 9<sup>th</sup> day of September, 2019, by the following vote, to wit:

AYES: Directors Dozier, Givans, Leimbach, Sanchez

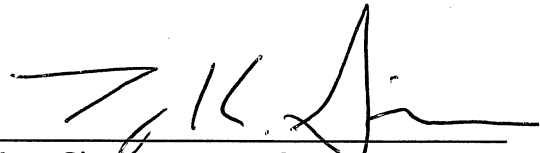
NOES: None

ABSENT: Directors Hariharan, Rodriguez, Schenirer

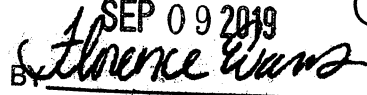
ABSTAIN: None


None  
PER PERMITS REFORM ACT (§ 18702.5.))



  
\_\_\_\_\_  
Vice-Chairperson, Sacramento  
Countywide Oversight Board

ATTEST:   
Clerk, Sacramento Countywide  
Oversight Board

**FILED**  
BOARD OF DIRECTORS  
1 SEP 09 2019  
  
CLERK OF THE BOARD

In accordance with Section 25103 of the Government Code  
of the State of California a copy of the document has been  
delivered to the Chair on 9-9-19  
By   
Deputy Clerk, Board of Directors



May 17, 2019

Mr. Nicolae Leustian, Accounting Manager  
Sacramento County  
827 7<sup>th</sup> Street, Room 225  
Sacramento, CA 95814

Dear Mr. Leustian:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated March 22, 2019. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Sacramento County Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2019 through June 30, 2020 (ROPS 19-20) to Finance on January 16, 2019. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 15, 2019.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed:

- Item No. 96 – Property Holding Costs in the total outstanding amount of \$6,000. Finance originally denied this item because the Agency did not provide support for the amount requested. During the Meet and Confer, the Agency provided the Special Assessment Billing from the Sacramento County Tax Collector's Office supporting the amount of the assessment. Therefore, Finance is approving the requested amount of \$3,000 for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item No. 97 – Property Maintenance Costs in the total outstanding amount of \$10,000. Finance originally denied this item because the contract entered into on November 28, 2018 to install tubular steel fencing at 5700 and 5716 Stockton Boulevard is between the Sacramento Housing and Redevelopment Agency and CR Fencing Company, Inc.; the Agency is not a party to the contract. Additionally, Finance considers this type of installation an improvement to the property as it is permanent in nature. The Agency disputes this, contending the existing but temporary chain-link fence is not sufficient to secure the site.

During the Meet and Confer, the Agency stated that the chain-link fence has repeatedly been pushed over or cut through and, as a result, now has a homeless encampment occupying the site. Further, due to legal conditions, the Agency is not able to evict persons occupying the site without notifying them of shelters, authorized homeless sites, or places where other assistance can be provided. The Agency states final eviction is difficult due to the constantly changing population and, for this reason, requires a more secure fence. However, the Agency has not provided any support that it is required to install a more permanent fence or is otherwise required to provide additional security for the site. Until and unless this is required, Finance will not approve costs for the tubular steel fence.

Finance notes the Agency did provide additional support for ongoing clean-up costs of the site. Invoices totaling \$1,698 were provided to Finance for dumpster rental and general site clean-up. As these costs are considered property maintenance, Finance will approve estimated future clean-up costs up to \$2,000. To the extent the Agency can provide additional support for costs associated with the maintenance of the property, or a requirement to further secure the site, these costs may be requested on a subsequent ROPS. Therefore, Finance is reducing the requested RPTTF amount by \$8,000 from \$10,000 to \$2,000.

In addition, per Finance's letter dated March 22, 2019, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- Item No. 28 – 2006 Auburn Boulevard Advance in the requested amount of \$34,375 is partially allowed. According to the debt service schedule, the amount requested for the December 2019 payment should be \$9,914. Therefore, to accurately reflect the correct payment due, Finance made an adjustment in the amount of \$24,461 (\$34,375 - \$9,914) in RPTTF to tie to the actual amount due.
- On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$52,024 in Other Funds, available to fund enforceable obligations on the ROPS 19-20. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, the funding source for the following item has been reclassified in the amount specified below:
  - Item No. 2 – 2003 Tax Exempt Bonds, Series A has been partially reclassified from RPTTF to Other Funds. This item does not require payment from property tax revenues. Therefore, Finance is approving \$52,024 in Other Funds, \$376,367 in RPTTF, and \$1,256,110 in Reserves, totaling \$1,684,501.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,775,936 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Mr. Nicolae Leustian  
May 17, 2019  
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This is Finance's final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

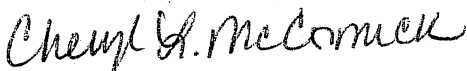
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in RPTTF.

Please direct inquiries to Joshua Mortimer, Supervisor, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Ms. Sophia Palileo, Accountant, Sacramento County  
Mr. Ben Lamera, Finance Director, Sacramento County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 1, 2019 through June 30, 2020</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>ROPS 19-20 Total</b>
RPTTF Requested	\$ 523,870	\$ 6,263,391	\$ 6,787,261
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>648,870</b>	<b>6,388,391</b>	<b>7,037,261</b>
<b>RPTTF Requested</b>	<b>523,870</b>	<b>6,263,391</b>	<b>6,787,261</b>
<u>Adjustments</u>			
Item No. 2	0	(52,024)	(52,024)
Item No. 28	(24,461)	0	(24,461)
Item No. 97	(3,000)	(5,000)	(8,000)
	(27,461)	(57,024)	(84,485)
<b>RPTTF Authorized</b>	<b>496,409</b>	<b>6,206,367</b>	<b>6,702,776</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
<b>Total RPTTF Authorized for Obligations</b>	<b>621,409</b>	<b>6,331,367</b>	<b>6,952,776</b>
Prior Period Adjustment	(176,840)	0	(176,840)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 444,569</b>	<b>\$ 6,331,367</b>	<b>\$ 6,775,936</b>



**Amended Recognized Obligation Payment Schedule (ROPS 19-20B) - Summary  
Filed for the January 1, 2020 through June 30, 2020 Period**

**Successor Agency:** Sacramento County  
**County:** Sacramento

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>ROPS 19-20B Authorized Amounts</b>	<b>ROPS 19-20B Requested Adjustments</b>	<b>ROPS 19-20B Amended Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 52,024</b>	<b>\$ -</b>	<b>\$ 52,024</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	52,024	-	52,024
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 6,331,367</b>	<b>\$ 8,300</b>	<b>\$ 6,339,667</b>
F RPTTF	6,206,367	8,300	6,214,667
G Administrative RPTTF	125,000	-	125,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 6,383,391</b>	<b>\$ 8,300</b>	<b>\$ 6,391,691</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) 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 successor agency.

Troy Givans, Director  
Name Title

Is/ [Signature] 9/13/19  
Signature Date



Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Requested Adjustments					Notes			
				Fund Sources					Fund Sources								
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF	Total	
88	OPEB	Unfunded Liabilities	\$281,680	-	-	-	8,620	-	-	-	-	-	-	-	-	\$	
92	PERS	Unfunded Liabilities	\$3,204,462	-	-	-	117,755	-	-	-	-	-	-	-	-	\$	
96	Property Holding Costs	Property Maintenance	\$6,000	-	-	-	1,500	-	-	-	1,500	-	-	-	-	\$300	Requesting an increase of \$300 to offset increase to property tax assessment. FY18/19 property taxes for 5700 Stockton Blvd. were assessed at a total of \$3,010. Previous years experienced increases ranging from \$70 to \$250.
97	Property Maintenance	Property Maintenance	\$10,000	-	-	-	5,000	-	-	-	5,000	-	-	-	-	\$8,000	An additional increase of \$95,924.21 is necessary to cover outstanding maintenance invoices that were incurred after the ROPS was submitted and approved for the 19/20 fiscal year. Total outstanding costs include perimeter fencing, trash clean up services, discing, debris removal, vehicle towing, dumpster rentals (removals and replacement), and portable restrooms.
99	Rental Subsidy	Business Incentive Agreements	\$610,000	-	-	-	148,000	-	-	-	148,000	-	-	-	-	\$	
103	Tax Increment Rebate	Business Incentive Agreements	\$-	-	-	-	-	-	-	-	-	-	-	-	-	\$	
129	Housing Entity Administrative Cost Allowance (AB471)	Housing Entity Admin Cost	\$-	-	-	-	-	-	-	-	-	-	-	-	-	\$	
132	Fiscal Agent Fees	Fees	\$18,920	-	-	-	3,810	-	-	-	3,810	-	-	-	-	\$	
133	03 Tax Exempt Series A bond (Fall DS Reserve)	Reserves	\$21,403,829	-	-	-	1,273,391	-	-	-	1,273,391	-	-	-	-	\$	
135	03 Taxable Series B bond (Fall DS Reserve)	Reserves	\$7,082,624	-	-	-	434,590	-	-	-	434,590	-	-	-	-	\$	
138	08 Tax Exempt Series A bond (Fall DS Reserve)	Reserves	\$33,808,257	-	-	-	581,472	-	-	-	581,472	-	-	-	-	\$	
139	08 Taxable Series B (Fall DS Reserve)	Reserves	\$20,640,575	-	-	-	1,354,403	-	-	-	1,354,403	-	-	-	-	\$	
144	CIEDB Loan Agreement (Fall Reserve)	Reserves	\$6,255,895	-	-	-	487,419	-	-	-	487,419	-	-	-	-	\$	



## **COUNTYWIDE OVERSIGHT BOARD**

**DATE:** September 9, 2019

**SUBJECT:** COMMENTS FROM THE BOARD  
MEMBERS

**BOARD ACTION:** No comments were made.

**COUNTYWIDE OVERSIGHT BOARD**

**DATE:** September 9, 2019

**SUBJECT:** COMMENTS FROM THE PUBLIC

**BOARD ACTION:** No comments were made.