

AGENDA

COUNTYWIDE OVERSIGHT BOARD

COUNTY ADMINISTRATION
700 H STREET, HEARING ROOM 2
SACRAMENTO, CA 95814

MONDAY

SEPTEMBER 24, 2018

3:00 PM

MEMBERS:

Troy Givans, Sacramento County Board of Supervisors appointee (Vice Chair); Jay Schenirer, City Selection Committee appointee (Chair); LaShelle Dozier, Employee Organization appointee; Tammy Sanchez, Sacramento County Office of Education appointee; Terri Leimbach, Special District appointee; Jeff Frye (Special District alternate); Mario Rodriguez, Community College appointee; Amar Hariharan, Member of the Public

STAFF:

Stephanie Percival, Legal Counsel; Wendy Hartman, Oversight Board Administrator; Kate Rose, Oversight Board staff; Florence Evans, Clerk of the Board; Alma Muñoz, Assistant Clerk

The Board welcomes and encourages participation in the meetings. The Chair will announce the maximum amount of time, typically three minutes, per speaker that will be allowed for presentation of testimony. Citizens may fill out a speaker card and present it to the Clerk. Matters under the jurisdiction of the Board, and not on the posted agenda, may be addressed by the general public at the Chair's discretion, typically during the period of Citizen's comments.

To request an accommodation or alternative format for meeting or printed materials, please call (916) 874-1659 at least three days prior to the meeting.

SECTION I - CALL TO ORDER

SECTION II - ROLL CALL

SECTION III - ACTION / DISCUSSION MATTERS

1. Sacramento County Successor Agency Amended Recognized Obligation Payment Schedule Fiscal Year 2018-19
2. City of Sacramento Redevelopment Agency Successor Agency Amended Recognized Obligation Payment Schedule Fiscal Year 2018-19
3. Disposition Process For City Of Sacramento Redevelopment Agency Successor Agency Properties

SECTION IV - BOARD MEMBER COMMENTS

4. Comments From The Members

V – CITIZEN COMMENTS

5. Comments From The Public

VI - ADJOURNMENT

City of Folsom
City of Galt
City of Isleton
City of Rancho Cordova
City of Sacramento
County of Sacramento

SACRAMENTO COUNTYWIDE OVERSIGHT BOARD

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

For the Agenda of: September 24, 2018
Agenda Item: 1

To: Sacramento Countywide Oversight Board

From: Sacramento County Successor Agency Staff

Subject: Sacramento County Successor Agency Amended Recognized Obligation Payment Schedule FY 18-19

Report Type: Action

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

Overview/Background

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 1st of each year. The former Sacramento County Oversight Board approved the FY 17-18 ROPS on January 23, 2017 and the FY 18-19 ROPS on January 22, 2018. The state Department of Finance (DOF) denied line items 88 and 92, the Other Post-Employment Benefits (OPEB) and the Public Employees Retirement System (PERS) payments, for former Redevelopment Agency employees as enforceable obligations during their review of both the FY 17-18 ROPS and the FY 18-19 ROPS. Following DOF's determination, the Sacramento County Successor Agency, the Housing Authority of the County of Sacramento, the Sacramento Housing and Redevelopment Agency, and the Sacramento Housing and Redevelopment Agency Employee's Association filed a petition for writ of mandate challenging DOF's determination. The County Auditor-Controller withheld the disputed amounts within the Redevelopment Property Tax Trust Fund (RPTTF) pending the court's decision. The writ hearing was decided in the plaintiffs' favor and a writ of mandate was issued on June 28, 2018. Consistent with the court's ruling, DOF issued a revised determination letter to the County Successor Agency on August 20, 2018 (Attachment 1) stating that it set aside its determination for these items and that it will allow future requests for funding these items.

Discussion

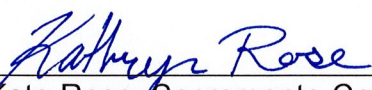
Per HSC Section 34177(o)(1)(E), successor agencies may submit an amended ROPS no later than October 1st of each year. Sacramento County Successor Agency staff has prepared an Amended

ROPS FY 18-19 to include the OPEB and the PERS payments for both FY 17-18 and FY 18-19 consistent with the court's ruling. The Amended ROPS FY 18-19 includes a total of \$50,484 for the OPEB payment and \$358,320 for the PERS payment.

Recommendation

Approve the attached resolution authorizing the Amended ROPS FY 18-19.

Respectfully submitted,


Kate Rose, Sacramento County Successor Agency Staff

Attachments:

- Resolution – Approval of Amended Recognized Obligation Payment Schedule FY 18-19
- Attachment 1 – DOF Revised Determination Letter dated August 20, 2018



August 20, 2018

Ms. Wendy Hartman, Senior Planner
Sacramento County
827 7th Street, Room 225
Sacramento, CA 95814

Dear Ms. Hartman:

Subject: 2017-18 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) determination letter for the period July 1, 2017 through June 30, 2018 (ROPS 17-18) dated April 14, 2017 and the subsequent Meet and Confer determination letter dated May 17, 2017.

- Item Nos. 88 and 92 – Unfunded Liabilities for Other Post-Employment Benefits (OPEB) and California Public Employees' Retirement System (CalPERS) in the total outstanding obligation amount of \$2,161,861 (\$121,407 + \$2,040,454). Finance originally denied these items as enforceable obligations.

However, in compliance with the writ of mandate issued on June 28, 2018 in the matter of *Sacramento Housing and Redevelopment Agency Employees Association, et al v. Cohen, et al* (Case Nos. 34-2017-20002603 and 34-2017-80002623), Finance sets aside its determination for these items. Future requests for funding for these items are now allowable, consistent with the court's ruling.

- The Agency has \$165,684 in available Other Funds. The following items are enforceable obligations for the ROPS 17-18 period. However, the obligations do not require payment from property tax revenues. As a result, Finance reclassified a total of \$165,684 in Other Funds to the following enforceable obligations in the amounts shown below:

Item No.	Project Name/Debt Obligation	Total Funding Authorized	RPTTF Approved	Other Funds Approved
32	2008 Banc of America Public Capital Corporation	\$ 67,192	\$51,508	\$ 15,684
129	Housing Entity Administrative Cost Allowance	\$150,000	\$ 0	\$150,000
			Total:	\$165,684

Except for the items previously reclassified, Finance is not objecting to the remaining items listed on the ROPS 17-18.

The Agency's maximum approved RPTTF distribution for the reporting period remains unchanged at \$6,508,614 as previously summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2017 through December 31, 2017 period (ROPS A period) and one distribution for the January 1, 2018 through June 30, 2018 period (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 17-18 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Finance reviews the Agency's self-reported cash balances on an ongoing basis. The Agency should be prepared to submit financial records and bridging documents to support the cash balances reported upon request.

The Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through June 30, 2016 period (ROPS 15-16). The Agency will report actual payments for ROPS 15-16 on ROPS 18-19, pursuant to HSC section 34186 (a) (1). A prior period adjustment may be applied to the Agency's ROPS 18-19 RPTTF distribution. Therefore, the Agency should retain any unexpended ROPS 15-16 RPTTF.

This is Finance's final determination regarding the obligations listed on the ROPS 17-18. This determination only applies to items when funding was requested for the 12-month period.

The ROPS 17-18 form submitted by the Agency and Finance's determination letter has been posted on Finance's website:

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

Finance's determination is effective for the ROPS 17-18 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 the 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 the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Barr, Lead Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI
Program Budget Manager

cc: Mr. Ben Lamera, Finance Director, Sacramento County

Attachment

Approved RPTTF Distribution			
For the period of July 2017 through June 2018			
	ROPS A Period	ROPS B Period	ROPS 17-18 Total
RPTTF Requested	\$ 447,640	\$ 5,998,270	\$ 6,445,910
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	572,640	6,123,270	6,695,910
RPTTF Requested	447,640	5,998,270	6,445,910
<u>Adjustments</u>			
Item No. 32	(15,684)	0	(15,684)
Item No. 88	(9,462)	(12,150)	(21,612)
Item No. 129	(150,000)	0	(150,000)
	(175,146)	(12,150)	(187,296)
RPTTF Authorized	272,494	5,986,120	6,258,614
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Approved for Distribution	\$ 397,494	\$ 6,111,120	\$ 6,508,614

Note - Authorized amounts remain unchanged from Finance's May 17, 2017 ROPS 17-18 Meet and Confer determination letter as the distribution period for ROPS 17-18 has elapsed.

RESOLUTION NO. 2018 -

ADOPTED BY THE SACRAMENTO COUNTYWIDE OVERSIGHT BOARD

**APPROVAL OF AMENDED RECOGNIZED OBLIGATION PAYMENT
SCHEDULE FY 18-19 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 23, 2017 the former Oversight Board for the Sacramento County Successor Agency approved the FY 17-18 ROPS pursuant to Health and Safety Code section 34177(l)(3). And on January 22, 2018 the former Oversight Board for the Sacramento County Successor Agency approved the FY 18-19 ROPS; and,

WHEREAS, the ROPS is subject to the state Department of Finance's (DOF) review and approval. DOF approved the FY 17-18 and FY 18-19 ROPS but did not approve line items 88 and 92, the Other Post-Employment Benefits (OPEB) and the Public Employees Retirement System (PERS) payments for former Redevelopment Agency employees; and,

WHEREAS, on June 1, 2017 a lawsuit was filed by Sacramento County Successor Agency, the Housing Authority of the County of Sacramento, the Sacramento Housing and Redevelopment Agency, and the Sacramento Housing and Redevelopment Agency Employee's Association challenging DOF's determination; and,

WHEREAS, on June 28, 2017 the court issued a writ of mandate directing DOF to set aside its determination that the OPEB and PERS obligations were not enforceable obligations. On August 28, 2018 DOF issued a revised determination letter stating that the OPEB and PERS obligations are now allowable; and,

Approval of Amended Recognized Obligation Payment Schedule FY 18-19 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 18-19 for the period of July 1, 2018 through June 30, 2019, included as Attachment 1, pursuant to Health and Safety Code section 34177.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Sacramento County Oversight Board this 24th day of September 2018, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSENT: Directors,

ABSTAIN: Directors,

RECUSAL: Directors,
(PER POLITICAL REFORM ACT (§ 18702.5.))

Chairperson, Sacramento Countywide
Oversight Board

ATTEST: _____
Clerk, Sacramento Countywide
Oversight Board

Amended Recognized Obligation Payment Schedule (ROPS 18-19B) - Summary

Filed for the January 1, 2019 through June 30, 2019 Period

Successor Agency: Sacramento County
 County: Sacramento

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 18-19B Authorized Amounts	ROPS 18-19B Requested Adjustments	ROPS 18-19B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 6,261,795	\$ 408,804	\$ 6,670,599
F RPTTF	6,136,795	408,804	6,545,599
G Administrative RPTTF	125,000	-	125,000
H Current Period Enforceable Obligations (A+E):	\$ 6,261,795	\$ 408,804	\$ 6,670,599

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.

 Name Title
 /s/_____
 Signature Date

City of Folsom
City of Galt
City of Isleton
City of Rancho Cordova
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

**For the Agenda of: September 24, 2018
Agenda Item: 2**

To: Sacramento Countywide Oversight Board
From: City of Sacramento Redevelopment Agency Successor Agency (RASA)
Subject: City of Sacramento RASA Amended Recognized Obligation Payment Schedule FY 18-19.
Report Type: Action
Contact: Leslie Fritzsche, RASA Staff, 916.808.5450

Overview

The City, in the role as the Redevelopment Agency Successor Agency (RASA), is responsible for the winding down of the obligations of the dissolved Redevelopment Agency of the City of Sacramento ("Agency") under the review of the Oversight Board, the State Department of Finance (DOF), the State Controller's Office (SCO), and the Sacramento County Auditor-Controller (County). This report is for approval of an Amended FY 18-19 Recognized Obligation Payment Schedule (ROPS) covering the payment for RASA's debts owed over the next fiscal year, from July 1, 2018 through June 30, 2019.

Background

Under Health and Safety Code (HSC) Section 34177(o), RASA is required to submit an Oversight Board-approved ROPS to DOF and County no later than February 1 for the subsequent July 1 to June 30 period. The RASA Oversight Board approved RASA's ROPS 18-19 on January 22, 2018 and submitted to DOF for approval. On April 14, 2018, DOF approved the ROPS but disallowed the post-retirement medical (OPEB) and PERS retirement payments for former Agency employees due to the pending litigation over this matter.

On June 1, 2017, the RASA in conjunction with the Housing Authority of the City of Sacramento, the Sacramento Housing and Redevelopment Agency, and the Sacramento Housing and Redevelopment Agency Employee's Association filed a lawsuit against DOF over its determination to reject the OPEB and PERS payments on the FY 17-18 ROPS. A similar lawsuit was filed by the Successor Agency to the Redevelopment Agency of the County of Sacramento in conjunction with the Housing Authority of the County of Sacramento, the Sacramento Housing and Redevelopment Agency, and the Sacramento Housing and Redevelopment Agency Employee's Association. On June 6, 2017, a

stipulation was filed sequestering the disputed funds for the City RASA, but funds for the County successor agency was not included.

The issue in the litigation was whether the redevelopment agencies had contracts with PERS and for the OPEB benefits. On June 28, 2018, the court found that such contractual obligations existed and issued a writ of mandate ruling that these claims were valid and commanding DOF to comply. On August 20, 2018, DOF issued a revised determination letter (see Attachment 1) indicating that funds for the PERS and OPEB payments were now allowable. The Amended 18-19 ROPS seeks release of the sequestered funds for FY 17-18 and payment for the FY 18-19 PERS and OPEB obligations.


Discussion

Health and Safety Code (HSC) Section 34177(o)(1)(E), allows RASA to submit a revised ROPS no later than October 1st of each year. RASA staff has prepared a revised ROPS adding back in the calculations for the OPEB and PERS retirement amounts for the former Agency employees. That amount for FY 17-18 is \$748,747 and for FY 18-19 is \$ 875,099. This brings the total obligations for RASA's FY 18-19 to \$26,826,860. DOF's determination of this Amended ROPS is due at least 15 days before the next property tax distribution.

Recommendation

RASA staff is recommending the Oversight Board approve the attached resolution approving the Amended ROPS 18-19 and authorizing submittal of the Amended ROPS to DOF for review and approval.

Respectfully submitted,



Leslie Fritzsche, RASA Staff

Attachments:

1- Revised Determination Letter dated August 28, 2018



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET • SACRAMENTO CA 95814-3706 • WWW.DOF.CA.GOV

REVISED

August 20, 2018

Ms. Leslie Fritzsche, Senior Project Manager
City of Sacramento
915 I Street
Sacramento, CA 95814

Dear Ms. Fritzsche:

Subject: 2017-18 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) determination letter for the period July 1, 2017 through June 30, 2018 (ROPS 17-18) dated April 14, 2017 and the subsequent Meet and Confer determination letter dated May 17, 2017.

- Item Nos. 15 and 16 – Unfunded Liabilities for Other Post-Employment Benefits and California Public Employees' Retirement System in the total outstanding obligation amount of \$10,636,226 (\$1,376,312 + \$9,259,914). Finance originally denied these items as enforceable obligations.

However, in compliance with the writ of mandate issued on June 28, 2018 in the matter of *Sacramento Housing and Redevelopment Agency Employees Association, et al v. Cohen, et al* (Case Nos. 34-2017-20002603 and 34-2017-80002623), Finance sets aside its determination for these items. Future requests for funding for these items are now allowable, consistent with the court's ruling.

- Item Nos. 124, 197, and 198 – Rental Subsidy Agreements dated January 1, 2016 (Agreements) with outstanding obligation amounts totaling \$14,533,964 (\$5,251,848 + \$4,180,038 + \$5,102,078). Finance continues to deny these items. During the Meet and Confer, the Agency discussed the importance of the program, but no new documentation was provided. It is our understanding the Agency is not a party to the January 2016 Agreements as the Agreements are between the Sacramento Housing Authority and various third-party vendors.

It is our understanding the Agreements are renewed annually. However, the Oversight Board (OB) did not submit the Agreements to Finance for review and approval. Pursuant to HSC section 34179 (h) (1), written notice and information about all actions taken by an OB shall be provided to Finance as an approved resolution by electronic means and in a manner of the department's choosing. Further, HSC section 34163 (a) prohibits the Agency from entering into new contracts after June 27, 2011.

Furthermore, pursuant to HSC section 34176 (b), the Agency transferred the responsibility for performing the housing functions, including all rights, powers, assets, duties, and obligations associated with the housing activities, to the Sacramento Housing Authority. The Sacramento Housing Authority is a party to the Agreements. Therefore, these items are not enforceable obligations and the requested amount of \$676,008 (\$244,272 + \$194,424 + \$237,312) from Redevelopment Property Tax Trust Funds (RPTTF) is not allowed.

- Item No. 385 – Property Disposition Costs in the amount of \$191,500 are partially allowed. The Agency provided an estimate totaling \$180,500 for 22 properties, which resulted in an adjustment of \$11,000 (\$191,500 – \$180,500). Of the 22 properties, 21 properties were approved for sale and one property was approved for future development on the Agency's approved Long-Range Property Management Plan. Therefore, the Agency only has 21 properties that qualify for funding, which resulted in another adjustment of \$7,075. Finally, with the Agency's concurrence, Finance made an adjustment in the amount of \$12,425 because brokerage fees are paid during escrow. Therefore, Finance approves \$161,000 (\$191,500 - \$11,000 - \$7,075 - \$12,425) and the excess amount requested from RPTTF, \$30,500, is not allowed.
- Item No. 420 – Canez vs. Redevelopment Agency of Successor Agency in the total requested amount of \$50,000 is not allowed. It is our understanding the litigation has been adjudicated, with a settlement agreement reached between the parties and approved in December 2016. Since there is no pending litigation, funding for this item is no longer required. Therefore, the requested amount of \$50,000 from RPTTF is not allowed. To the extent the Agency can provide documentation to support the item as enforceable, funding for this item may be considered on a future ROPS.
- Item No. 441 – Excess Bond Proceeds Plan Agreement in the total outstanding obligation amount of \$138,845 funded with Bond Proceeds. The Agency received its Finding of Completion on September 20, 2013 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the bond covenants. The Agency intends to transfer pre-2011 bond proceeds to the City during ROPS 17-18. However, it is our understanding a bond expenditure agreement has not been executed. Therefore, before the transfer can take place, a bond expenditure agreement with the City outlining the transfer of pre-2011 bond proceeds must be approved by the OB and submitted to Finance for review and approval.

Except for the items previously adjusted, Finance is not objecting to the remaining items listed on the ROPS 17-18.

The Agency's maximum approved RPTTF distribution for the reporting period remains \$29,716,578 as previously summarized in the Approved RPTTF Distribution table on Page 4. (see Attachment).

Ms. Leslie Fritzsche
August 20, 2018
Page 3

RPTTF distributions occur biannually, one distribution for the July 1, 2017 through December 31, 2017 period (ROPS A period) and one distribution for the January 1, 2018 through June 30, 2018 period (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 17-18 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Finance reviews the Agency's self-reported cash balances on an ongoing basis. The Agency should be prepared to submit financial records and bridging documents to support the cash balances reported upon request.

The Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through June 30, 2016 period (ROPS 15-16). The Agency will report actual payments for ROPS 15-16 on ROPS 18-19, pursuant to HSC section 34186 (a) (1). A prior period adjustment may be applied to the Agency's ROPS 18-19 RPTTF distribution. Therefore, the Agency should retain any unexpended ROPS 15-16 RPTTF.

This is Finance's final determination regarding the obligations listed on the ROPS 17-18. This determination only applies to items when funding was requested for the 12-month period.

The ROPS 17-18 form submitted by the Agency and Finance's determination letter has been posted on Finance's website:

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

Finance's determination is effective for the ROPS 17-18 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 the 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 the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Barr, Lead Analyst, at (916) 322-2985.

Sincerely,


ERIKA LI
Program Budget Manager

cc: Ms. Mary Jean Rodriguez, Program Specialist, City of Sacramento
Mr. Ben Lamera, Finance Director, Sacramento County

Attachment.

Approved RPTTF Distribution			
For the period of July 2017 through June 2018			
	ROPS A Period	ROPS B Period	ROPS 17-18 Total
RPTTF Requested	\$ 5,681,809	\$ 24,608,686	\$ 30,290,495
Administrative RPTTF Requested	465,669	465,669	931,338
Total RPTTF Requested	6,147,478	25,074,355	31,221,833
RPTTF Requested	5,681,809	24,608,686	30,290,495
Adjustments			
Item No. 15	(56,137)	(48,601)	(104,738)
Item No. 16	(322,004)	(322,005)	(644,009)
Item No. 124	(122,136)	(122,136)	(244,272)
Item No. 197	(97,212)	(97,212)	(194,424)
Item No. 198	(118,656)	(118,656)	(237,312)
Item No. 385	(15,250)	(15,250)	(30,500)
Item No. 420	(50,000)	0	(50,000)
	(781,395)	(723,860)	(1,505,255)
RPTTF Authorized	4,900,414	23,884,826	28,785,240
Administrative RPTTF Authorized	465,669	465,669	931,338
Total RPTTF Approved for Distribution	\$ 5,366,083	\$ 24,350,495	\$ 29,716,578

Note - Authorized amounts remain unchanged from Finance's May 17, 2017 ROPS 17-18 Meet and Confer determination letter as the distribution period for ROPS 17-18 has elapsed.

**RESOLUTION NO. 2018 -
ADOPTED BY THE SACRAMENTO COUNTYWIDE OVERSIGHT BOARD**

**APPROVAL OF AMENDED RECOGNIZED OBLIGATION SCHEDULE FOR
FY 18-19 FOR CITY OF SACRAMENTO REDEVELOPMENT
AGENCY SUCCESSOR AGENCY**

WHEREAS, pursuant to Health and Safety Code (HSC) Section 34173(d)(2), on January 31, 2012, the City of Sacramento elected to serve as the successor agency to the Redevelopment Agency of the City of Sacramento ("Agency") for its non-housing assets and functions (City Resolution No. 2012-018). By this action, the City of Sacramento became the Redevelopment Agency Successor Agency or RASA as of February 1, 2012. The Oversight Board (OB) for the RASA has been formed pursuant to HSC Section 34179; and

WHEREAS, under HSC Section 34182(a) and (b), the Sacramento County Auditor-Controller (County) conducted an audit of the items on the Agency's Enforceable Obligations Payment Schedule (EOPS) which verified they are backed by binding commitments. This report was issued on October 1, 2012; and

WHEREAS, pursuant to HSC Section 34177(o)(1), RASA is required to submit an OB approved annual ROPS to the State Department of Finance (DOF) and the County by February 1. The ROPS for the period July 1, 2018 through June 30, 2019 ("Annual ROPS 18-19") provides for payments to be made for enforceable obligations that are due during the current fiscal year. The ROPS was approved by the Oversight Board on January 22, 2018; and

WHEREAS, the annual ROPS 18-19 is subject to DOF's review and approval. DOF approved the ROPS on April 13, 2018. DOF, however, did not approve items 15 and 16, the Other Post-Employment Benefits (OPEB) and the Public Employees Retirement System (PERS) payments for former Agency employees due to pending litigation. DOF had previously denied the same items on ROPS 17-18; and

WHEREAS, on June 1, 2017 a lawsuit was filed by RASA, Housing Authority of the City of Sacramento, Sacramento Housing and Redevelopment Agency and the Sacramento Housing and Redevelopment Agency Employees Association against DOF seeking reinstatement of these items as enforceable obligations.

WHEREAS, on June 28, 2018, the court issued a writ of mandate directing DOF to set-aside its determination that the OPEB and PERS obligations were not enforceable obligations. On August 28, 2018, pursuant to the court order, DOF issued a letter to RASA changing its earlier determination for ROPS 17-18 and stating that items 15 and 16 are now allowable, so that they may be listed on the ROPS.

NOW, THEREFORE, BE IT RESOLVED that the Sacramento Countywide Oversight Board of Sacramento, State of California, hereby approves RASA's Amended Recognized Obligation Schedule for 18-19 (attached as Attachment A) to include the OPEB and PERS obligations for FY 17-18 and FY 18-19 for former Agency employees and approves its submission to DOF.

Attachments:

Attachment A - RASA's Amended Recognized Obligation Schedule for 18-19 A

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Sacramento County Oversight Board this 24th day of September 2018, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSENT: Directors,

ABSTAIN: Directors,

RECUSAL: Directors,
(PER POLITICAL REFORM ACT (§ 18702.5.))

Chairperson, Sacramento Countywide
Oversight Board

ATTEST: _____
Clerk, Sacramento Countywide
Oversight Board

Amended Recognized Obligation Payment Schedule (ROPS 18-19B) - Summary

Filed for the January 1, 2019 through June 30, 2019 Period

Successor Agency: Sacramento City
 County: Sacramento

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 18-19B Authorized Amounts	ROPS 18-19B Requested Adjustments	ROPS 18-19B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 1,526,567	\$ -	\$ 1,526,567
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	1,526,567	-	1,526,567
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 23,676,447	\$ 1,623,846	\$ 25,300,293
F RPTTF	23,244,669	1,623,846	24,868,515
G Administrative RPTTF	431,778	-	431,778
H Current Period Enforceable Obligations (A+E):	\$ 25,203,014	\$ 1,623,846	\$ 26,826,860

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.

 Name Title
 /s/_____
 Signature Date

City of Folsom
City of Galt
City of Isleton
City of Rancho Cordova
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

**For the Agenda of: September 24, 2018
Agenda Item: 3**

To: Sacramento Countywide Oversight Board
From: City of Sacramento Redevelopment Agency Successor Agency
Subject: Disposition Process for City of Sacramento Redevelopment Agency Successor Agency Properties
Report Type: Action
Contact: Leslie Fritzsche, RASA Staff, 916.808.5450

Overview

Staff from the City of Sacramento Redevelopment Agency Successor Agency (RASA) is seeking approval for certain delegation of authority to allow an expedited process for the disposition of the remaining 35 parcels included in the RASA's portfolio.

Background

On February 1, 2012, the City of Sacramento assumed the role as Successor Agency to the Redevelopment Agency of the City of Sacramento (Agency). In that capacity, RASA is responsible for unwinding the Agency's activities and disposing of its assets, including the disposition of the Agency's non-housing real estate assets.

RASA's Long Range Property Management Plan (LRPMP) dated June 15, 2015, as revised on December 15, 2015, addresses the planned disposition of the 81 remaining parcels that were transferred to RASA. The LRPMP, as approved by the State Department of Finance (DOF) on December 31, 2015, sets forth the method for disposition of the parcels, including transferring to the City as government use, purchase by the City for future development, or sold to the general public. Pursuant to the recent change in the Dissolution Law, actions to implement the approved LRPMP are not subject to additional review by DOF. (Health and Safety Code Section 34191.5(f)).

Discussion

In order to expedite the implementation of the LRPMP, on January 25, 2016, the Oversight Board for the City of Sacramento RASA delegate limited authority for RASA to sell properties without the need for further Oversight Board approval to streamline the disposition process. The Oversight Board delegated the authority to RASA to:

- 1) Sell RASA property at market value. This will be accomplished utilizing one of two disposition methods:
 - a) Sell at appraised value; or
 - b) Sell at highest bid

Properties that cannot be sold at their appraised value or through a bidding process would require Oversight Board approval of the pricing alternatives. The disposition options in such cases may involve a lower sale price to transfer the property so it returns to the tax rolls and possibly development obligations to provide long-term benefits for the taxing entities and the community.

- 2) Sell small RASA remnant parcels based on a Broker's Estimate of Value of \$10,000 or less at a negotiated price. A focus of this effort will be working with the adjacent property owners for potential acquisition of these remnants and possibly property consolidation to create a usable site.
- 3) Sell to the City the properties listed under City Retain for Future Development based on the June 2011 appraised value and subject to approval of Compensation Agreements by the taxing entities. (The taxing entities have approved the Compensation Agreements.)
- 4) Transfer the properties north of the Robertson Community Center along Norwood Avenue (Assessor Parcel Numbers 250-0130-016, -017,-021,-022,-023) to the City at no cost as government use for expansion of Robertson Park. (The Oversight Board previously authorized the transfer of the other "government use" properties listed in the LRPMP.)

All of the sales transactions of \$100,000 or more would require the RASA Board (City Council) approval. The City has delegated to its City Manager authority to sell properties under \$100,000, and

Recommendation

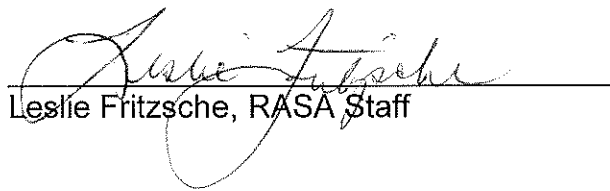
The approval of the LRPMP provided the policy framework for the disposition of the RASA properties. To fulfill the mandate of the Dissolution Law (AB 1x 26, AB 1484, and SB 107), RASA staff has been working through the disposition process. Continuing the delegation to RASA consistent with the prior Oversight Board action will expedite the sale of the remaining properties and allow them to return to the tax rolls more quickly than having to return to the Oversight Board for approval of each transaction.

Two key implementation pieces have already been approved. On September 16, 2013, the Oversight Board for the City of Sacramento RASA approved a list of "on-call" appraisers that had been selected

by the City through a competitive process for preparing any needed appraisals. In addition, in June 2015, two real estate brokerage firms (DTZ and Turton Commercial Real Estate) were selected to assist in RASA in marketing the properties for sale. RASA staff have also worked with other broker firms that specialize in selling properties in depressed neighborhoods. RASA staff will continue to work with these firms to obtain values for listing and to position the assets for disposition in a logical and systematic manner, so as to yield the maximum proceeds from the subject properties and expedite disposition. To date, 32 parcels have been sold and 35 remain in RASA's inventory to be sold. Many of these remaining parcels are smaller residual parcels.

Staff is seeking approval from the new Countywide Oversight Board for the same delegation of authority provided by the Oversight Board to the City of Sacramento RASA.

Respectfully submitted,



Leslie Fritzsche, RASA Staff

**RESOLUTION NO. 2018 -
ADOPTED BY THE SACRAMENTO COUNTYWIDE OVERSIGHT BOARD**

**APPROVING EXPEDITED DISPOSITION PROCESS FOR CITY OF SACRAMENTO
REDEVELOPMENT AGENCY SUCESSOR AGENCY PROPERTIES**

WHEREAS, Pursuant to AB 1484 enacted in June of 2012, the City of Sacramento Redevelopment Agency Successor Agency (RASA) is required to prepare a Long Range Property Management Plan ("Plan") to identify the proposed disposition of the non-housing real property assets of the former Redevelopment Agency of the City of Sacramento. The Plan is to include historical information about each property, current use, estimated value, and the proposed method of disposition; and.

WHEREAS, On December 15, 2013, the Oversight Board for RASA approved the Plan that included the sale of non-government use parcels the parcels to be retained by the City of Sacramento for future private development, and parcels to be transferred pursuant to an enforceable obligation; and

WHEREAS, Following review of the Plan by the State Department of Finance (DOF), the Oversight Board approved a revised Plan on June 15, 2015; and

WHEREAS, A "Long Range Property Management Plan Tracking Worksheet", a format provided by DOF, was prepared in December 2015 to become RASA's Long Range Property Management Plan, thus expediting DOF's review; and

WHEREAS, On December 15, 2015, the Oversight Board approved the "Long Range Property Management Plan Tracking Worksheet" as RASA's Plan; and

WHEREAS, On December 31, 2015, DOF approved RASA's Plan; and

WHEREAS, Following the approval of the Plan by DOF, on January 25, 2016, RASA received approval from the Oversight Board for an expedited disposition process and began the disposition of RASA property assets; and

WHEREAS, the Countywide Oversight Board has been formed and RASA is seeking the same delegated authority for an expedited disposition process for the remaining RASA property assets.

NOW, THEREFORE, BE IT RESOLVED that the Sacramento Countywide Oversight Board of Sacramento, State of California, hereby approves the disposition process for the City of Sacramento Redevelopment Agency Successor Agency As follows:

- 5) Sell RASA property at market value. This will be accomplished utilizing one of two disposition methods:

- c) Sell at appraised value; or
 - d) Sell at highest bid.
- 6) Sell small RASA remnant parcels based on a Broker's Estimate of Value of \$10,000 or less at a negotiated price.
- 7) Sell to the City of Sacramento the properties listed under City Retain for Future Development based on the June 2011 appraised value in accordance with Compensation Agreements approved by the taxing entities.
- 8) Transfer the properties north of the Robertson Community Center along Norwood Avenue (Assessor Parcel Numbers 250-0130-016, -017,-021,-022, -023) to the City at no cost as government use for expansion of Robertson Park.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Sacramento County Oversight Board this ___ day of _____ 2018, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSENT: Directors,

ABSTAIN: Directors,

RECUSAL: Directors,
(PER POLITICAL REFORM ACT (§ 18702.5.))

Chairperson, Sacramento Countywide
Oversight Board

ATTEST:
Clerk, Sacramento Countywide
Oversight Board