



OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY TO THE CITY OF HUGHSON  
REDEVELOPMENT AGENCY  
SPECIAL MEETING  
City Hall Council Chambers  
7018 Pine Street, Hughson, CA

**AGENDA**  
**WENDESDAY, APRIL 25, 2012 – 6:00 P.M.**

**CALL TO ORDER:**

**ROLL CALL:**

**FLAG SALUTE:**

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**1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):**

Members of the Audience may address the Oversight Board on any item of interest to the public pertaining to the Oversight Board and may step to the podium, State their name and City of Residence for the record (requirement of Name and City of Residence is optional) and make their presentation. Please limit presentations to five minutes. Since the Oversight Board cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the Secretary a "Citizen Request Form" which may be obtained from the Secretary.

**2. PRESENTATIONS:**

2.1: Role of the Oversight Board

**3. NEW BUSINESS:**

3.1: Consider adopting Bylaws for the Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency.

3.2: Consider Election of Chairperson and Vice-Chairperson

- 3.3: Consideration of Resolution 2012-01 adopting the Recognized Obligation Payment Schedule and Related Administrative Budget Pursuant to ABx1 26.

**5. ADJOURNMENT:**



**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT  
NOTIFICATION FOR THE CITY OF HUGHSON**

This agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

**Disabled or Special needs Accommodation:** In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

**AFFIDAVIT OF POSTING**

**DATE:** April 24, 2012                      **TIME:** \_\_\_\_\_  
**NAME:** Dominique Spinale                      **TITLE:** Deputy City Clerk

**Notice Regarding Non-English Speakers:**

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency shall be in English and anyone wishing to address the Board is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

## **ROLE OF OVERSIGHT BOARD**

### **Introduction**

The Legislature created successor agencies to wind down the business and fiscal affairs of the redevelopment agencies dissolved by ABx1 26 (“AB 26”). More specifically, a successor agency must (1) continue to make payments for "enforceable obligations" of the former redevelopment agency; (2) remit unencumbered funds to the county auditor; and (3) dispose of real property assets. Each successor agency has an oversight board to monitor its progress in achieving these goals. In turn, the Department of Finance and the State Controller may review actions of the Oversight Board.

### **Composition of Oversight Board**

Each oversight board has seven members. A majority of the seven members constitutes a quorum and a majority vote of the total membership of the board is required for action. Board members have personal immunity from suit for their actions taken within the scope of their responsibilities. The oversight board has fiduciary responsibilities to the holders of enforceable obligations and taxing entities. Health & Safety Code Section 34179. The holders of enforceable obligations are owed money by the successor agency. The taxing entities will receive property taxes after the following payments have been made: pass-through payments; enforceable obligations; and successor agency administrative costs.

Board actions are not effective for three business days, pending a request for review by the Department of Finance. If the DOF requests a review, it has ten days to approve the action or return it to the board for reconsideration.

### **Successor Agency Actions Requiring Oversight Board Review**

The successor agency must receive approval from the oversight board before taking the following actions:

- Establishing new repayment terms for any outstanding loans;
- Refunding of outstanding redevelopment agency debt to provide savings or avoid debt service spikes. The successor agency is not permitted to create additional debt or accelerate debt services;
- Setting aside reserves for outstanding redevelopment agency bonds;
- Merging project areas;
- Continuing acceptance of grants or other financial assistance, if the assistance is conditioned on the provision of matching funds in an amount greater than five percent;
- If a city or county wishes to retain any property or other assets for future redevelopment activities, the city or county can reach a compensation agreement with the other taxing

entities to provide them a share of the value of the property retained. This agreement must also be approved by the oversight board;

- Establish the Recognized Obligation Payment Schedule;
- Any agreement between the successor agency and the city or county that formed the redevelopment agency; and
- An agreement of the successor agency to pledge, or enter into an agreement to pledge property tax revenues.

Health & Safety Code Section 34180.

### **Oversight Board Direction of Successor Agency**

The oversight board is also required to direct the successor agency to do all of the following:

- Dispose of all assets and property of the former redevelopment agency that were funded by tax increment. The oversight board may direct the successor agency to transfer ownership of certain public assets, such as roads, school buildings, parks and fire stations, to an appropriate public agency pursuant to any existing agreements relating to the construction or use of such assets.
- Cease performance under any agreements that do not meet the definition of "Enforceable Obligations."
- Terminate any agreements between the redevelopment agency and any public entity providing funding for debt service obligations or for the construction or operation of facilities owned and operated by the public entity, if the oversight board determines that early termination would be in the best interest of the taxing entities.
- Determine whether any agreements with private parties should be terminated or renegotiated to reduce liabilities and increase revenues to the taxing entities.

Health & Safety Code Section 34181.

### **Next Steps**

Several bills have been introduced to slightly modify AB 26 including the duties of the Oversight Board. Staff will keep the Board informed of the progress of this legislation.

It is expected that one of the first tasks for the Oversight Board will be to review the City of Hughson successor agency's Recognized Obligation Payment Schedule. This is the document that will list each of the successor agency's "enforceable obligations" and will be the basis for the allocation of property taxes by the county auditor to the successor agency.

**BYLAWS OF THE  
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
CITY OF HUGHSON REDEVELOPMENT AGENCY**

**ARTICLE I - THE OVERSIGHT BOARD**

Section 1. Name of Authority

The official name shall be the "Oversight Board of the Successor Agency to The City of Hughson Redevelopment Agency" (herein referred to as "Oversight Board" and "Board"),

Section 2. Powers

The Oversight Board shall be vested with all the rights, powers, duties, privileges, and immunities established by the California Health and Safety Code Sections 34179, 34180, and 34181.

**ARTICLE II- OFFICERS**

Section 1. Members

The officers of the Oversight Board shall be composed of seven members. The members shall elect one of their members as the chairperson and select one of their members as the vice chairperson. All Oversight Board members shall be selected pursuant to the guidelines set forth in the California Health and Safety Code 34179. Other officials acting as its staff shall be the Executive Director of the Successor Agency, a secretary, and such other employees of the Successor Agency/and or City of Hughson as deemed necessary by the Executive Director of the Successor Agency.

Section 2. Officers

The Officers of the Oversight Board shall be comprised of the following: Chairperson, Vice-Chairperson, and Secretary.

Section 3. Chairperson

The Chairperson of the Oversight Board shall preside at all meetings of the Oversight Board.

Section 4. Vice-Chairperson

The Vice-Chairperson shall perform the duties' of the Chairperson in the absence or incapacity of the Chairperson.

Section 5. Secretary

The Executive Director of the Successor Agency shall designate a person to serve as the Secretary to the Oversight Board. The Secretary shall keep the records of the Oversight Board, shall act as secretary at meetings of the Oversight Board, shall record all votes, keep a record of the proceedings of the Oversight Board in a journal of proceedings to be kept for such purpose and shall perform all duties incident to the office. The Secretary shall maintain a record of all official proceedings of the Oversight Board and its programs. In the absence of the Secretary, the Executive Director to the Successor Agency shall appoint a member of the staff to act as Secretary.

Section 6. Duties of Elected Officers

A. Chairperson.

1. Shall preside at all meetings of the Oversight Board and such other meetings approved by the Board, and have authority to call for short recesses during meetings unless a majority of the Board members by vote oppose a recess.

2. Shall serve as official spokesperson for the Board.

3. Shall perform such other duties as necessary to carry out the work of the Board.

4. Shall perform such duties as prescribed by law.

B. Vice-Chairperson.

1. Shall serve in the absence of the Chairperson.

Section 7. Terms of Officers

With the exception of the Secretary, Officers of the Board shall be elected by the Oversight Board at the first regular meeting of each calendar year and shall serve for a period of one (1) year, said term to commence upon election. All elected officers shall be eligible to serve successive terms.

Section 8. Vacancies

When a seat of the Oversight Board becomes vacant, the position will be filled by a member appointed by the agency who originally appointed the former member. Such appointments are to take place within 60 days of the creation of the vacancy. The

Governor may appoint individuals to fill a member position that remains vacant for more than 60 days.

Section 9. Compensation

Oversight Board member shall serve without compensation or reimbursement for expenses.

**ARTICLE VI - MEETINGS**

Section 1. Regular and Special Meetings

A. The office and regular place of meeting of the Oversight Board shall be at the City of Hughson City Hall ("City Hall"), 7018 Pine Street, Hughson, California 95326. The Board shall hold a regular meeting at 6 p.m. on the fourth (4th) Wednesday of January, April, July, and October at City Hall. Such regular meetings shall be for considering reports of the affairs of the Oversight Board and for transacting such other business as may be properly brought before the meeting. Regular meetings may be altered as to date, time and place, as provided for in a Resolution adopted by the Oversight Board. The Oversight Board may hold its meetings at such other locations as the Oversight Board may from time to time designate by resolution, in the order of adjournment, or notice of call of any special meeting in accordance with the Ralph M. Brown Act in Government Code Section 54950 et. seq..

B. Special meetings may be called in accordance with the California Ralph M. Brown Act.

C. All meetings shall be conducted in accordance with the Ralph M. Brown Act.

D. All motions made at Oversight Board meetings shall require a second to the motion prior to the Board Members voting.

Section 2. Quorum

The Oversight Board shall be empowered to conduct the business of the Board whenever there is present at a properly called meeting, a quorum, as defined as comprising a majority of the existing Board Members; four (4); except as otherwise provided by law.

Section 3. Voting

A. Voting shall only be conducted at proper noticed meeting where a quorum has been established and present at the time of the voting.

B. Voting shall be by voice, show of hands, or roll call vote.

Section 4. Notice of Regular and Special Meetings

A. Notices of regular meetings shall be sent in writing to each Oversight Board Member at his/her home address at least four calendar (4) days prior to such meetings. Such notices shall specify the place, the day, and the hour of the meeting and accompanying the notice shall be a copy of the agenda for that meeting.

B. In the case of special meetings, the notice, written or by telephone, shall specify the specific nature of the business to be transacted.

**ARTICLE VIII - PARLIAMENTARY AUTHORITY**

Rosenberg's Rules of Order, current edition or such other authority as may be subsequently adopted by resolution of the Board is to apply to all questions of procedure and parliamentary law not specified in these Bylaws or otherwise by law.

**ARTICLE IX - AMENDMENTS**

The Bylaws may be repealed or amended, or new Bylaws may be proposed, by resolution and the affirmative vote of the majority of the Oversight Board at any regular meeting of the Board, provided notice of such proposal shall have been mailed to each Director at least four (4) days prior to the meeting at which the matter is to be acted upon.



**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
CITY OF HUGHSON REDEVELOPMENT AGENCY  
AGENDA ITEM NO. 3.2  
SUCCESSOR AGENCY STAFF REPORT**

**Date:** April 25, 2012

**To:** Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency (“Oversight Board”)

**From:** Dan Schroeder, City Attorney for the Successor Agency of the Hughson Redevelopment Agency.

**Subject:** Election of Officers

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**SPECIFIC REQUEST OR RECOMMENDATION:**

That the Oversight Board Elect a Chairperson and Vice-Chairperson.

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**JUSTIFICATION OR INFORMATION:**

**BACKGROUND AND OVERVIEW:**

In the event that the Oversight Board has adopted bylaws similar to the proposed bylaws provided in action item 3.1, the Oversight Board will need to elect a Chairperson and Vice Chairperson from among its members. The Oversight Board may want to consider the following procedure in electing a Board Member for each office:

1. Accept Nominations for Chairperson
2. Close Nominations
3. Entertain a motion to appoint a Chairperson. (A motion requires a second by another Board Member).

Repeat the Process for Vice-Chairperson.

**ATTACHMENT:**

None.



**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
CITY OF HUGHSON REDEVELOPMENT AGENCY  
AGENDA ITEM NO. 3.3  
SUCCESSOR AGENCY STAFF REPORT**

**Date:** April 25, 2012

**To:** Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency ("Oversight Board")

**From:** Bryan Whitemyer, City Manager, Acting for Successor Agency

**Subject:** Adoption of Recognized Obligation Payment Schedule and Related Administrative Budget Pursuant to ABx1 26

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**SPECIFIC REQUEST OR RECOMMENDATION:**

That the Oversight Board adopt the attached Resolution No. 2012-01 approving the Recognized Obligation Payment Schedule and related Administrative Budget for January through June 2012 pursuant to AB 1x 26.

**BACKGROUND:**

The implementation of AB 1x 26 requires adoption of a series of Enforceable Obligation Payment Schedules ("EOPS") and Recognized Obligation Payment Schedules ("ROPS") to document and monitor enforceable obligations to be paid by the former Agency and the Successor Agency. Enforceable Obligations include bond debt service, executed construction contracts and other types of contracts such as consultant services, agreements necessary for the continued administration of an agency such as the former Agency's annual obligation to reimburse the General Fund for staff support, and commitments to purchase equipment.

Cities/agencies are prohibited from making any payments (bonded indebtedness being the exception) unless such payments are listed on an approved EOPS/ROPS. The initial schedule listed those enforceable obligations which had to be paid between the date the schedule was approved by the former Agency on September 26, 2011 through December 31, 2011.

**On January 23, 2012**, as one of its last remaining duties the City of Hughson Redevelopment Agency, through its Successor Agency (“Successor Agency”) , based upon information provided in the Court's opinion and advisories from the California Redevelopment Association, adopted a second EOPS to cover the period for January 1, 2012 through April 30, 2012.

The Successor Agency is now responsible for administering the payments appearing on the Draft ROPS, subject to the approval of the Oversight Board, which is charged with approving a final ROPS and submitting it to the California Department of Finance and Riverside County Auditor-Controller's Office. Once it becomes effective, the ROPS will replace the previously adopted EOPS as the basis of future payments for January 1, 2012 through June 30, 2012.

If approved by the Oversight Board, the approved ROPS and related administrative budget will be submitted to the County.

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED  
FILED FOR THE Jan-2012 to Jun-2012 PERIOD**

**Name of Successor Agency**

City of Hughson serve as the Successor Agency to the Hughson Redevelopment Agency

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
<b>Outstanding Debt or Obligation</b>	\$ 3,816,212.62	\$ 1,038,009.62
	<b>Total Due for Six Month Period</b>	
<b>Outstanding Debt or Obligation</b>	\$ 967,427.86	
<b>Available Revenues other than anticipated funding from RPTTF</b>	\$ -	
<b>Enforceable Obligations paid with RPTTF</b>	\$ 894,683.44	
<b>Administrative Cost paid with RPTTF</b>	\$ 32,745.00	
<b>Pass-through Payments paid with RPTTF</b>	\$ 39,999.42	
<b>Administrative Allowance</b> (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 44,734.17	

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(l) of the Health and Safety code,  
I hereby certify that the above is a true and accurate Recognized  
Enforceable Payment Schedule for the above named agency.

\_\_\_\_\_  
Name Title

\_\_\_\_\_  
Signature Date

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34177 (\*)**

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)							
						Payments by month							Total
						Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012		
1) Series 2006 Refunding Tax Allocation Bonds	Union Bank of California	Downtown Streetscape Improvements	2,875,000.00	202,931.00	RPTTF			70,854.44					\$ 70,854.44
2) Contract for Consulting Services	California Consulting	Govt. Affairs, Grant Writing	5,004.00	5,004.00	RPTTF	417.00	417.00	417.00	417.00	417.00	417.00		\$ 2,502.00
3) General Fund Reimbursement	Employees of Agency	Reimbursement to City's General Fund for personnel and overhead expenses provided on behalf of the agency.	78,588.00	6,549.00	RPTTF	6,549.00							\$ 6,549.00
4) Disclosure Services	Urban Futures	Continuing Disclosure Services	2,150.00	2,150.00	RPTTF		2,150.00						\$ 2,150.00
5) Statement of Indebtedness	Urban Futures	Statement of Indebtedness	675.00	675.00	RPTTF	675.00							\$ 675.00
6) Annual Agency Report	Thales Consulting	Annual Agency Report	1,350.00		RPTTF	1,350.00							\$ 1,350.00
7) Unencumbered Low Mod Income	Stanislaus County Auditor-Controller		800,000.00	800,000.00	RPTTF				800,000.00				\$ 800,000.00
8) Series 2006 Refunding Tax Allocation Bonds	Union Bank of California	Admin Fee	1,978.00	1,978.00	RPTTF			1,978.00					\$ 1,978.00
9) Annual Audit	Moss, Levy & Hartzheim	Annual Audit	3,500.00	3,500.00		295.00							\$ 295.00
10) Contract for Legal Services	Neumiller & Beardslee	Legal Services	15,222.62	15,222.62	RPTTF	480.00		4,850.00	2,000.00	500.00	500.00		\$ 8,330.00
11)													\$ -
12)													\$ -
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Totals - This Page (RPTTF Funding)			\$ 3,783,467.62	\$ 1,038,009.62	N/A	\$ 9,766.00	\$ 2,567.00	\$ 78,099.44	\$ 802,417.00	\$ 917.00	\$ 917.00		\$ 894,683.44
Totals - Page 2 (Other Funding)			\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Totals - Page 3 (Administrative Cost Allowance)			\$ 32,745.00	\$ -	N/A	\$ -	\$ 6,549.00	\$ 6,549.00	\$ 6,549.00	\$ 6,549.00	\$ 6,549.00		\$ 32,745.00
Totals - Page 4 (Pass Thru Payments)			\$ 80,000.00	\$ 80,000.00	N/A	\$ 6,666.57	\$ 6,666.57	\$ 6,666.57	\$ 6,666.57	\$ 6,666.57	\$ 6,666.57		\$ 39,999.42
Grand total - All Pages			\$ 3,816,212.62	\$ 1,038,009.62		\$ 9,766.00	\$ 9,116.00	\$ 84,648.44	\$ 808,966.00	\$ 7,466.00	\$ 7,466.00		\$ 967,427.86

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

\*\* All totals due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund      Bonds - Bond proceeds  
 LMIHF - Low and Moderate Income Housing Fund      Admin - Successor Agency Administrative Allowance





**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
CITY OF HUGHSON REDEVELOPMENT AGENCY  
RESOLUTION NO. 2012-01**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY TO THE CITY OF HUGHSON REDEVELOPMENT AGENCY  
ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
AND RELATED ADMINISTRATIVE BUDGET PURSUANT TO ABX1 26**

**WHEREAS**, on January 23, 2012, as one of its last remaining duties the Hughson Redevelopment Agency, through the City of Hughson as its Successor Agency ("Successor Agency"), based upon information provided in the Court's opinion and advisories from the California Redevelopment Association, adopted a second Enforceable Obligations Payment Schedule ("EOPS") to cover the period for January 1, 2012 through April 30, 2012; and

**WHEREAS**, the project proponents have requested a five-year time extension for the project, which is a discretionary approval; and

**WHEREAS**, the Successor Agency is now responsible for administering the payments appearing on the Draft Recognized Obligation Payment Schedule ("ROPS"), subject to the approval of the Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency ("Oversight Board"), which is charged with approving a final ROPS and submitting it to the California Department of Finance and Riverside County Auditor-Controller's Office; and

**WHEREAS**, once it becomes effective, the ROPS will replace the previously adopted EOPS as the basis of future payments for January 1, 2012 through June 30, 2012.

**WHEREAS**, on April 25, 2012, the Oversight Board was presented with a Draft ROPS for approval; and

**NOW THEREFORE, BE IT RESOLVED** that the Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency hereby approves the ROPS attached to this Resolution as Attachment A.

**PASSED AND ADOPTED** by the Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency at a special meeting thereof held on April 25, 2012, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary