

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF VENTURA

SPECIAL MEETING AGENDA

November 14, 2012

3:00 PM

County Government Center
Hall of Administration
County Executive Office
Large Conference Room – 4th Floor
800 S. Victoria Avenue
Ventura, California 93009

MEMBERS OF THE BOARD

BILL BARTELS, CHAIR
PAULA DRISCOLL,
VICE CHAIR
MATT CARROLL
TOM KASPER
DAVID KEEBLER
CHRISTY MADDEN

Persons who require accommodation for any audio, visual or other disability in order to review an agenda, or to participate in a meeting of the Oversight Board per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation in writing addressed to the County Executive Office, 800 South Victoria Avenue, Loc. #1940, Ventura, CA 93009 or telephonically by calling (805) 477-1994. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

All agenda reports and supporting data, including those filed in accordance with Government Code Section 54957.5 (b) (1) and (2) are available from the County Executive Office, Ventura County Government Center, Hall of Administration, 4th Floor, 800 South Victoria Avenue, Ventura, California. The same materials will be available and attached with each associated agenda item, when received, at the following website: www.countyofventura.org/ceo/divisions/communitydevelopment/RDA.

Welcome to the Meeting of the Oversight Board to the Successor Agency to the Former Redevelopment Agency of the County of Ventura.

The following information is provided to help you understand, follow, and participate in the Board meeting:

Pursuant to California Government Code Section 54953 (a) et al., time is set aside for citizen presentations regarding Oversight Board related matters. Those wishing to speak must fill out a speaker card and submit it to the Secretary. Speaker cards for issues not on the agenda must be submitted to the Secretary prior to the beginning of the public comment period. Agendized item, speaker cards must also be submitted before the item is taken up for consideration. The Secretary may not

accept any additional speaker cards once an item commences.

Members of the public making oral presentations to the Board in connection with one or more agenda or non-agenda items at a single meeting are limited to a cumulative total of time not to exceed five (5) minutes for all of their oral presentations at such meeting unless otherwise provided. The entire public comment period is limited to no more than thirty (30) minutes total for all speakers.

Members of the public who desire to augment their comments with visual or audio presentations using County equipment must submit their materials to the County Executive Office and the Chair for review before use of County equipment will be allowed. The review will be conducted to determine only whether the materials are on matters within the jurisdiction of the Board, would be disruptive of the meeting, or would foster illegality, such as identity theft. If it is determined the materials are about matters not within the Board's jurisdiction, or would be disruptive of the meeting, or would foster illegality, use of County equipment will not be allowed.

OPENING

1. Call to Order.
2. Roll Call.
3. Pledge of Allegiance to the Flag of the United States of America.
4. Public Comments – Citizen presentations regarding Board related matters NOT appearing on this agenda. (See Guidelines above)
5. **Approval of Minutes for October 12, 2012 Regular Meeting.**

Consider Approval of Minutes for October 12, 2012 Regular Meeting. Staff Recommends: Approve as submitted.

6. **Receive and File Two Letters Regarding the ROPS III Meet and Confer Request.**
7. **Review the Department of Finance Response to the Applicability of the Long Range Management Plan for the Bank Building and Take Action as Needed Thereon.**
8. **Review the Department of Finance Response to the Successor Agency Inquiry Regarding Accelerated Bond Payments and Take Action as Needed Thereon.**
9. **Review the Transfer of the Town Square Project and the Storm Drain Project to the County of Ventura and Take Action as Needed Thereon.**
10. **Receive and File the Department of Finance Letter Regarding the Due**

Diligence Review of the Low and Moderate Income Housing Fund.

11. **Adoption of Resolution No. 12-15 Authorizing the Successor Agency to Enter into a Memorandum of Agreement with the County of Ventura, and Delegation to Successor Agency's Secretary to Sign Agreement.**

Consider for Adoption of Resolution No. 12-15 Authorizing the Successor Agency to Enter into a Memorandum of Agreement with the County of Ventura, and Delegation to Successor Agency's Secretary to Sign Agreement.

Staff Recommends: Adoption of Resolution No. 12-15 Authorizing the Successor Agency to Enter in a Memorandum of Agreement with the County of Ventura.

12. **Review the Regular Date and Time for the Meetings of the Oversight Board to the Successor Agency to the Former Redevelopment Agency of the County of Ventura and Take Action as Needed Thereon.**

13. **Announcements and Future Agenda Items**

A. Announcements

B. Future Agenda Items

- Review for approval an amended ROPS III
- Second Due Diligence Review on all other fund and account balances due December 15, 2012 and approved review due to DOF on January 15, 2013
- ROPS IV deadline - TBA
- Other Administrative Issues

Next Regular Oversight Board meeting is scheduled for December 14, 2012 at 3:00 p.m.

Adjournment:

**OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA**

**OFFICIAL SUMMARY
MINUTES**

**October 12, 2012
3:00 PM**

County Government Center
Hall of Administration
County Executive Office
Large Conference Room - 4th Floor
800 S. Victoria Avenue
Ventura, California 93009

OPENING

1. Call to Order.
2. Roll Call.

Quorum established.

Members Present: Bill Bartels, Tom Kasper, David Keebler, Matt Carroll, and Christy Madden

Members Absent: Paula Driscoll

Staff Present: Mary Ann Guariento, Jaclyn Smith, Roberto Orellana, Donna Plummer and Beverly Monnier

Staff Absent: Mike Powers

3. Pledge of Allegiance to the Flag of the United States of America.
4. Public Comments

No public comments.

5. Approval of Minutes for September 14, 2012 Regular Meeting

Motion to approve Minutes

Moved by David Keebler, seconded by Christy Madden

Vote: 5-0

Yes: Bill Bartels, Tom Kasper, David Keebler, Matt Carroll, and Christy Madden

6. Approval of Minutes for October 3, 2012 Special Meeting

Motion to approve Minutes with one correction: Tom Kasper was present at the meeting October 3 meeting.

Moved by Tom Kasper, seconded by Christy Madden

Vote: 5-0

Yes: Bill Bartels, Tom Kasper, David Keebler, Matt Carroll, and Christy Madden

7. Review the Department of Finance Response to the Applicability of the Long Range Property Management Plan for the Bank Building and Take Action as Needed Thereon.

Discussion: Successor Agency (SA) Staff Secretary Donna Plummer reported that, as directed by the Oversight Board (OB), Staff emailed an inquiry to the DOF on September 5, 2012, asking if a Long Range Property Management Plan (LRPMP) was required to dispose of the Bank Building, since it had not yet sold, and seeking clarification of the term "Finding of Completion." Ms. Plummer reported that, on September 25, 2012, the DOF replied, by e-mail, stating the SA is required to: 1) receive a Finding of Completion and 2) complete a Long Range Property Management Plan (LRPMP), before it can sell the Bank Building to a third party.

The DOF clarified that a "Finding of Completion" is a certification that the SA receives after 1) the SA and Auditor-Controller have complied with the July True Up Process and the Auditor-Controller has notified the DOF that all monies owed to taxing entities for the January through June 2012 period have been adjusted, if necessary under the July True Up Process, and 2) the two, statutorily required Due Diligence Reviews have been completed and any monies owed have been remitted to the County Auditor-Controller for distribution to all local taxing entities. Once the SA has obtained a Finding of Completion, the DOF will review the SA's proposed LRPMP, which then must be approved by DOF before the Bank Building can be sold.

Members asked whether the OB should hire someone to do the LRPMP. Ms. Plummer stated that Staff had anticipated that the DOF website would have LRPMP guidance; however, to date, the DOF website does not. Ms. Plummer suggested that SA Staff could begin to work on the LRPMP and need not hire an outside source to do it at this time; the OB Members concurred with this approach.

8. **Review the Department of Finance Response to the Successor Agency Inquiry Regarding Accelerated Bond Payments and its Impact on the Potential Transfer of the Town Square and the Storm Drain Projects to the County of Ventura and Take Action as Needed Thereon.**

Discussion: Ms. Plummer reported that, as directed by OB, Staff had e-mailed an inquiry to the DOF on September 5, 2012, asking whether the SA could accelerate the Storm Drain and Town Square bond payments in order to save money for all concerned in the long-term.

On October 3, 2012, the DOF responded it is not, at this time, prepared to authorize the accelerated repayment of bond indebtedness, arguing that it would reduce the amount of property tax monies received by the other taxing entities in the short-term – which could result in unanticipated budgetary shortfalls for those taxing entities.

Members discussed whether the other taxing entities could not voice their own objections, if any of them had concerns. However, the OB instructed Staff not to respond to the DOF at this time, but to maintain this as an Agenda item for discussion at future meetings.

9. **Adoption of Resolution No. 12-12 Approving and Transmitting the Due Diligence Review of the Low and Moderate Income Housing Fund (LMIHF) as Required by Health and Safety Code Sections 34179.5 and 34179.6.**

Consider Adoption of Resolution No. 12-12 Approving and Transmitting the Due Diligence Review of the LMIHF to the Department of Finance and the County Auditor-Controller as Required by Health and Safety Code Sections 34179.5 and 34179.6.

Staff Recommends: Close the Public Hearing and Adopt Resolution No. 12-12.

Motion: To close the Public Hearing opened October 3, 2012 at a Special Meeting of the OB and Adopt Resolution No. 12-12 Approving and Transmitting the Due Diligence Review of the Low and Moderate Income Housing Fund (LMIHF) as Required by Health and Safety Code Sections 34179.5 and 34179.6.

Moved by Christy Madden, seconded by David Keebler

Vote: 5-0

Yes: Bill Bartels, Tom Kasper, David Keebler, Matt Carroll, and Christy Madden

10. Adoption of Resolution No. 12-13 Accepting the Agreed Upon Procedures Audit Required by Health and Safety Code Section 34182 and Directing Successor Agency Staff to Post the Audit to the Successor Agency's Internet Website.

Consider for Adoption Resolution No. 12-13 Accepting the Agreed Upon Procedures Audit Required by Health and Safety Code Section 34182 and Directing Successor Agency Staff to Post the Audit to the Successor Agency's Internet Website.

Staff Recommends: Adoption of Resolution No. 12-13 approving the Agreed Upon Procedures Audit and direct posting to the Successor Agency website.

Motion: To Adopt Resolution No. 12-13 Accepting the Agreed Upon Procedures Audit Required by Health and Safety Code Section 34182 and Directing Successor Agency Staff to Post the Audit to the Successor Agency's Internet Website.

Moved by David Keebler, seconded by Matt Carroll

Vote: 5-0

Yes: Bill Bartels, Tom Kasper, David Keebler, Matt Carroll, and Christy Madden

11. Review "Meet and Confer" Request Filed with the Department of Finance (DOF) to Resolve Disputes Regarding the Decisions and Determinations of the Oversight Board (DOF Disallowance and Recharacterization of Certain ROP III Line Items Totaling \$12,408) and Take Action as Needed Thereon.

Consider Adoption of Resolution No. 12-14 Ratifying the Successor Agency's Decision to File the Meet and Confer Request and Authorizing Staff to Pursue Resolution Thereof with the DOF.

Staff Recommends: Approve as submitted.

Discussion: Ms. Plummer reported that on September 24, 2012, the DOF issued its ROPS III determination for the SA rejecting (1) two County (Resource Management Agency) invoices totaling \$6,228, and (2) the transfer of \$6,180 in utility costs to the Administration budget line items.

On September 27, 2012, within the statutory 5 business-day deadline, Staff submitted a Meet and Confer Request to the DOF. On October 8, 2012, Ms. Plummer, along with representatives from County Counsel, Auditor-Controller, and CEO (fiscal) participated in a Meet and Confer conference call with DOF. The DOF heard testimony regarding the SA's position that the invoices were eligible, enforceable obligations and should be allowed as well as the SA's reasons why it maintains the that Town Square utilities should not be considered part of the Administration budget, as the DOF had directed,

since they are directly related to the Town Square asset maintenance costs and not related to any costs of SA Administration.

Motion: To Adopt Resolution No. 12-14 Ratifying the Successor Agency's Decision to File the Meet and Confer Request and Authorizing Staff to Pursue Resolution Thereof with the DOF.

Moved by David Keebler, seconded by Christy Madden

Vote: 5-0

Yes: Bill Bartels, Tom Kasper, David Keebler, Matt Carroll, and Christy Madden

12. Announcements and Future Agenda Items

Chair member Bartels commented that the OB and Staff should not assume that the DOF understands even the most matter of fact and simplest forms of County process and financial accounting. As such, Staff should be clear in all communications with the DOF as to what is being requested, presented, or transmitted to the DOF.

A. Announcements

B. Future Agenda Items

- November Oversight Board meeting to review for approval a revised ROPS for Jan-June 2013 to increase allocation for the licensed accountant for the second Due Diligence Review
- Pending November Oversight Board meeting(s) to discuss DOF actions regarding LMIHF Due Diligence Review
- Second Due Diligence Review on all other fund and account balances due December 15, 2012 and approved review due to DOF on January 15, 2013
- Other Administrative Issues
Oversight Board Member Mr. Bartels suggested that the Successor Agency Secretary agendize the monthly meeting schedule.

The next Regular Oversight Board meeting, scheduled on November 9, 2012, is canceled. A Special Oversight Board meeting is scheduled for November 16, 2012 at 3:00 p.m.

The Special Oversight Board meeting previously stated as having been scheduled for November 16, 2012 was noted as being scheduled for November 14, 2012. Staff will notice the meeting for that date.

13. The Board adjourned at 3:30 p.m.

**OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA
AGENDA REPORT**

DATE: November 14, 2012

TO: Oversight Board to Successor Agency

FROM: Donna Plummer, CEO Management Analyst

SUBJECT: Receive and File Two Letters Regarding the ROPS III Meet and Confer Request.

RECOMMENDATION:

It is recommended that your Board:

1. Receive and File Two Letters Regarding the ROPS III Meet and Confer Request.

FISCAL IMPACT:

No fiscal impact.

DISCUSSION:

Pursuant to subdivision (m) of Health and Safety Code section 34177, the Successor Agency (SA) may request “meet and confer” reviews of disputed ROPS items.

At your September 14, 2012 Oversight Board (OB) meeting, your OB adopted Resolution No. 12-11 authorizing the SA to file meet and confer requests with the Department of Finance (DOF) whenever necessary to preserve the opportunity to resolve any disputes regarding the decisions and determinations of the OB, subject to ratification and further direction by your OB at its next regularly scheduled meeting.

On September 24, 2012, the DOF issued its ROPS III determination letter which rejected two invoices for debt obligations owed by the former Piru Redevelopment Agency to Ventura County RMA for \$6,228 (ROPS Item No. 11) and administrative utilities costs for \$6,180 (ROPS Items Nos. 2 through 5).

Pursuant to Resolution No. 12-11, the SA filed a Meet and Confer Request with the DOF on September 27, 2012, challenging its determination on the ROPS III for the above-referenced items.

On October 8, 2012, SA staff, County of Ventura legal counsel, County of Ventura fiscal staff and County of Ventura Auditor Controller staff participated in a Meet and Confer conference call with the DOF. No decisions were made; this was only an information sharing session.

At your October 12, 2012 Oversight Board meeting, your OB adopted Resolution No. 12-14, ratifying the SA's decision to file the meet and confer request on ROPS III disputed items and authorizing the SA to pursue resolution thereof with the DOF.

On October 18, 2012, the DOF issued a letter, Exhibit A, responding to the Meet and Confer conference call on October 8, 2012.

On October 23, 2012, the SA, as authorized by your OB through Resolution No. 12-14, issued a letter, Exhibit B, to the DOF withdrawing the Meet and Confer request, for the reasons stated therein. The DOF has until December 15, 2012 to issue its final Determination Letter to conclude the Meet and Confer process regarding the ROPS III issues.

Exhibit A – DOF Response Letter dated October 18, 2012

Exhibit B – Successor Agency Response Letter to the DOF dated October 23, 2012



EDMUND G. BROWN JR. • GOVERNOR

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

October 18, 2012

Ms. Donna Plummer, Management Analyst
County of Ventura
800 S. Victoria Avenue, L#1940
Ventura, CA 93009

Dear Ms. Plummer:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated September 24, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the County of Ventura Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 10, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on September 24, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on Monday, October 8, 2012.

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

- Item 11, Piru Area Plan Update in the amount of \$6,228 – Finance denied the item as an enforceable obligation as the expenditure was incurred from June and July of 2006. The Agency contends the item is a legitimate expense for services performed by the County of Ventura (County) related to the former redevelopment agency's five-year plan. However, Finance continues to deny the item. Per HSC Section 34171 (d) (2), an enforceable obligation does not include any agreements, contracts, or arrangements between the county that created the redevelopment agency and the former redevelopment agency. Documents provided indicate the County is the payee for the claimed expenses. As such, this item is not an enforceable obligation.
- Items 2 to 5 for utilities totaling \$6,180 – Finance reclassified these items as part of the administrative cost allowance as they appeared to be related to general administrative costs. However, after review of additional information provided by the Agency, these items are utility costs related to maintaining a park as allowed in HSC Section 34171 (d) (1). Therefore, these items are considered enforceable obligations.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$249,747 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 149,475
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 11	6,228
Total approved RPTTF for enforceable obligations	\$ 143,247
Plus: Requested RPTTF distribution for administrative cost for ROPS III	106,500
Total RPTTF approved:	\$ 249,747

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Obligations deemed not to be enforceable shall be removed from your ROPS.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Danielle Brandon, Analyst at (916) 445-1546.

Sincerely,

Steve Szalay
Local Government Consultant

cc: Mr. Robert R. Orellana, Assistant County Counsel, County of Ventura

SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF VENTURA

October 23, 2012

California Department of Finance
Attention: Steve Szalay
915 L Street
Sacramento, CA 95814-3706

**SUBJECT: RESPONSE LETTER TO DOF'S REVISED DRAFT FINDINGS LETTER: RECOGNIZED OBLIGATION
PAYMENT SCHEDULE OF THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF
VENTURA**

Dear Mr. Szalay,

Upon review of the DOF's October 18, 2012, draft ROPS III determination, and after further consultation with counsel, the Successor Agency (SA) hereby withdraws its Meet and Confer request for the \$6,228 charges for Ventura County Resource Management Agency (RMA) Invoices from 2006 and notifies the DOF of its intent to pay such RMA invoices from its 2011 property tax distribution and/or from other revenues and balances transferred to the SA on or before February 1, 2012. (Health & Saf. Code, § 34177, subd. (l)(3) ["... Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency."].)

The reasons for this decision by the SA are as follows:

Under section 34177(l)(3), former RDA debts or obligations due prior to January 1, 2012 shall be made from 2011 property tax revenues or from other revenues and balances transferred to the successor agency. As the DOF instructed, such debts are not "enforceable obligations" to be listed on a SA's ROPS, which "shall be forward looking to the next six months." (Section 34177(l)(3).) ROPS contemplate on-going, future debts of a former RDA. Thus, the SA now recognizes that debts due prior to January 31, 2012 should have been paid at the beginning of the dissolution process, using 2011 property tax revenue or other revenues and balances transferred to the successor agency.

The 2006 debt in question here was manifestly due prior to 2012 and therefore should be paid with 2011 property tax revenue or other revenues and balances transferred to the SA. It is not an on-going or future debt of the Former RDA and is therefore not an appropriate charge to be listed on a ROPS. While the 2006 debt was not paid at the time the RDA dissolution legislation took effect in February 2012, the Former RDA was not aware of the outstanding 2006 debt until June 2012 when the SA was billed by RMA.

That the SA did not become aware of the RMA debt until June 2012 does not change the appropriate funding source for that debt. At this time, however, the SA for the Former RDA is authorized to pay the RMA debt, which was incurred in 2006, from the proper source – 2011 property tax revenue or other revenues and balances transferred to the successor agency, as provided by section 34177(l)(3).

Funds available on January 31, 2012, recorded to our general ledger prior to dissolution and consisting of pre-dissolution tax increment, rent, film permit fees and interest earnings, are sufficient to pay the outstanding invoice and will be utilized to satisfy the amount owed.

If you have any questions or would like further information, you may contact my office at 805-654-2876.

Regards,

A handwritten signature in dark ink, appearing to read "Donna Plummer", followed by a long horizontal flourish.

DONNA PLUMMER

Secretary, Successor Agency to the Redevelopment Agency of the County of Ventura

cc: Paul Derse, Chief Financial Officer
Joanne McDonald, Deputy Director Auditor-Controller

Donna Plummer - Re: Revised Meet and Confer Draft Findings Letter

From: Donna Plummer
To: Danielle Brandon; Redevelopment Administration
Date: 10/23/2012 3:52 PM
Subject: Re: Revised Meet and Confer Draft Findings Letter
CC: Evelyn Suess; Jaclyn Smith; Robert Orellana
Attachments: Letter to DOF - Withdrawing Meet and Confer Request.pdf

Dear Danielle,

Please find the attached letter in response to the DOF's revised meet and confer Draft Findings Letter, that was dated October 18, 2012, which meets the required five (5) business-day response time line.

Best Regards,
Donna Plummer

Donna Plummer
Management Analyst II
Ventura County Executive Office
Hall of Administration L#1940
800 South Victoria Avenue
Ventura, CA 93009
Office: 805-654-2876
FAX: 805-654-5106
donna.plummer@ventura.org

>>> "Brandon, Danielle" <Danielle.Brandon@dof.ca.gov> 10/18/2012 2:51 PM >>>
Good Afternoon,

Please find attached the Department of Finance's revised Draft Findings Letter for your meet and confer session conducted Monday, October 8, 2012. Your Agency has five (5) business days to review and provide comment as to the factual accuracy of the findings. After the five day period Finance will issue the Final Determination Letter.

*Danielle M. Brandon, Analyst
Department of Finance
Local Government Unit
(916) 322-2985 ext. 3107*

Donna Plummer - Automatic Reply from Department of Finance

From: "Redevelopment Administration" <RedevelopmentAdministration@dof.ca.gov>
To: "Donna Plummer" <Donna.Plummer@ventura.org>
Date: 10/23/2012 3:52 PM
Subject: Automatic Reply from Department of Finance

Thank you for contacting the Department of Finance's (Finance) Local Government Unit. Finance established this new unit to assist local governments with winding down Redevelopment Agencies. Your patience is appreciated as we continue to work through high volumes of questions and form submittals.

ROPS III—If your email is a submittal of a properly formatted ROPS form that has been approved by your Oversight Board, Health and Safety Code Section 34177 (m) provides that Finance shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the ROPS is submitted. Pending the resolution of the questions we have on these obligations, your ROPS shall not be effective. Finance staff will be contacting you shortly to identify which items are being reviewed.

If you are submitting requested documents or information related to your ROPS review, thank you. Finance staff will be contacting you with follow up questions after we review the documents or information submitted.

ROPS (Period of July through December 2013)—If your email is a submittal of an oversight board approved ROPS form for the Period of July through December 2013 we are hereby returning your Oversight Board action and pursuant to section 34179 (h) the action is not effective. Finance is in the process of making adjustments to the ROPS form. Per HSC section 34177 (m) (1), the ROPS must be prepared in the manner provided for by Finance; therefore, no ROPS forms for the period of July through December 2013 should be submitted until the new form is ready. Finance is currently working on the new ROPS format and will notify all Successor Agencies when it is available on our website.

Due Dillgence Reviews—If you are submitting a completed Due Diligence Review, thank you. Finance staff will be contacting you with follow up questions after we review the material submitted.

Meet and Confer—If your email is related to the "Meet and Confer" process or is a request to "Meet and Confer," our Dispute Resolution Coordinator will contact you to set a meeting time and date. A formal written request to "Meet and Confer" will be required before the process can be initiated.

Visit www.dof.ca.gov/redevelopment/meet_and_confer for additional information on the "Meet and Confer" process and requirements.

Other Questions—If your email is asking a question that doesn't fit into the three categories above, your question will be assigned to Finance staff to get you a response. In the meantime, please go to our website at www.dof.ca.gov/redevelopment for information on the winding down of redevelopment agencies and answers to frequently asked questions.

Please allow one to two weeks for a response.

Sincerely,
Department of Finance
Redevelopment Agency Administration

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA

SPECIAL MEETING
November 14, 2012

AGENDA ITEM #7:

Review the Department of Finance Response to the Applicability of the
Long Range Management Plan for the Bank Building and Take Action as
Needed Thereon.

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA

SPECIAL MEETING
November 14, 2012

AGENDA ITEM #8:

Review the Department of Finance Response to the Successor Agency Inquiry Regarding Accelerated Bond Payments and its Impact on the Potential Transfer of the Town Square and the Storm Drain Projects to the County of Ventura and Take Action as Needed Thereon.

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA

SPECIAL MEETING
November 14, 2012

AGENDA ITEM #9:

Review the Transfer of the Town Square Project and the Storm Drain Project to the County of Ventura and Take Action as Needed Thereon.

**OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA
AGENDA REPORT**

DATE: November 14, 2012

TO: Oversight Board to Successor Agency

FROM: Donna Plummer, CEO Management Analyst

SUBJECT: Receive and File the Department of Finance Letter Regarding the Due Diligence Review of the Low and Moderate Income Housing Fund.

RECOMMENDATION:

It is recommended that your Board:

1. Receive and File the Department of Finance Letter Regarding the Due Diligence Review of the Low and Moderate Income Housing Fund.

FISCAL IMPACT:

No fiscal impact.

DISCUSSION:

Pursuant to Health and Safety Code Section 34179.5(a), "each successor agency shall employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities."

Health and Safety Code Section 34179.6 establishes the following additional requirements:

1. The Due Diligence Review of the Low and Moderate Income Housing Fund (LMIHF) had to be submitted by the licensed accountant to the Oversight Board, the County Auditor-Controller's Office and the Department of Finance by October 1, 2012. Therefore, staff, with the County Auditor Controller's approval,

entered into an agreement, on September 4, 2012, with Vavrink, Trine, Day and Company to conduct the Due Diligence Review (LMIHF).

2. Upon receipt of the Due Diligence Review (LMIHF), the oversight board had to convene a public comment session at least five business days before it voted to approve the LMIHF review. Your Board opened the public comment session at a meeting held on October 3, 2012, and continued it to October 12, 2012. (There were no public comments on October 3rd or 12th.)
3. The oversight board also had to consider any opinions offered by the County's Auditor-Controller on the results of this review before approving it.
4. At your October 12, 2012 Oversight Board meeting, your Board adopted Resolution 12-12 approving the LMIHF Due Diligence Review, and directed staff to transmit it to the DOF and County Auditor Controller by October 15, 2012.

Staff timely transmitted the review and the DOF issued a final Determination letter, attached as Exhibit A, dated November 7, 2012, approving, with no adjustments, the submitted LMIHF Due Diligence Review.

Exhibit A – DOF LMIHF Due Diligence Review Letter dated November 7, 2012



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. - GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3708 ■ WWW.DOF.CA.GOV

November 7, 2012

Ms. Donna Plummer, Management Analyst
County of Ventura
800 S. Victoria Avenue, L#1940
Ventura, CA 93009

Dear Ms. Plummer:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the County of Ventura Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 12, 2012. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Pursuant to HSC section 34179.6 (d), Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

Based on our review, Finance made no adjustments to the Low and Moderate Income Housing Fund (LMIHF) balance available for allocation to the affected taxing entities. As a result, the Agency's LMIHF balance available for distribution to the affected taxing entities is \$251,044.

HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified above within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, that taxing entity's failure to remit those funds may result in offsets to its sales and use tax allocation or to its property tax allocation.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the

Ms. Donna Plummer
November 7, 2012
Page 2

Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated August 27, 2012 do not in any way eliminate the Controller's authority.

Please direct inquiries to Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish extending from the bottom left.

STEVE SZALAY
Local Government Consultant

cc: Ms. Mary Ann Guariento, Accounting Officer, County of Ventura
Ms. Sandra Bickford, Chief Deputy, County of Ventura Auditor-Controller

**OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA
AGENDA REPORT**

DATE: November 14, 2012

TO: Oversight Board to Successor Agency

FROM: Donna Plummer, CEO Management Analyst

SUBJECT: Adoption of Resolution No. 12-15 Authorizing the Successor Agency to Enter into a Memorandum of Agreement with the County of Ventura, and Delegation to Successor Agency's Secretary to Sign Agreement

DISCUSSION:

County Counsel has been providing legal services to the former Redevelopment Agency of the County of Ventura (RDA) staff since its inception in May 1995. Billable hours were sporadic, minimal and easily absorbed by the County Executive Office budget.

Through the enactment of part 1.85 of Division 24 of the Health and Safety Code, all Redevelopment Agencies were dissolved statewide as of February 1, 2012, and the Successor Agency to the former Redevelopment Agency of Ventura County (SA) was designated as the successor entity to that Ventura County RDA.

The dissolution of the Ventura County RDA and the subsequent and continuous work necessary to meet legislated mandates has resulted in a significant increase in County Counsel support and legal work for the SA since February 1, 2012.

Pursuant to Health and Safety Code Section 34178, a successor agency wishing to enter into agreements with the county that formed the former redevelopment agency that it has succeeded may do so upon obtaining the approval of its oversight board.

Pursuant to Health and Safety Code Section 34171, an administrative cost allowance is payable from property tax revenues of up to 5% of the allocated tax increment to the successor agency in FY 2011-12 and 3% annually thereafter; however, the amount permitted for administrative expenses shall not be less than \$250,000 for any fiscal year

unless agreed to by the SA. The SA prepared the FY 2011-12 Administrative Budget and Resolution, with an administrative cost allocation of \$124,400 for January 2012 to June 2012. The July 2012 to December 2012 allocation was \$46,500 and the FY 2012-13 administrative cost allocation totaled \$106,500 for January 2013 to June 2013. Each annual allocation was well under the \$250,000 maximum for each year.

The County Counsel budget for SA work for February 01, 2012 to June 30, 2012 is an estimated cost not to exceed \$16,141.25; the budget for July 1, 2012 to December 31, 2012 is an estimated cost not to exceed \$50,000; and the budget for January 1, 2013 to June 30, 2013 is an estimated cost not to exceed \$50,000.

Because this agreement provides for the legal services provided to the SA as it winds down the activities of the former RDA and the additional cost for legal services does not increase the administrative budget beyond the maximum allowed, staff is recommending approval of this agreement.

STAFF RECOMMENDATION:

1. Adoption of a Resolution No. 12-15 authorizing the SA to enter into a memorandum of agreement with the County of Ventura (Attachment A).
2. Delegation to SA's Secretary to prepare and sign the agreement with the County (for County Counsel services).

Exhibit A – Resolution Authorizing Agreement

Exhibit B – MOA County Counsel

RESOLUTION NO. 12-15

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO
THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF VENTURA,
STATE OF CALIFORNIA, AUTHORIZING THE SUCCESSOR AGENCY TO ENTER INTO A MEMORANDUM OF
AGREEMENT WITH THE COUNTY OF VENTURA**

The Oversight Board for the Successor Agency to The Former Redevelopment Agency of the County of Ventura does resolve as follows:

WHEREAS, Assembly Bill x1 26 ("ABx1 26") was passed by the State Legislature on June 15, 2011 and signed by the Governor on June 28, 2011; and

WHEREAS, among other things, ABx1 26 adds Part 1.85 to the California Health and Safety Code; and

WHEREAS, by enactment of Part 1.85 of Division 24 of the Health and Safety Code, The Redevelopment Agency of the County of Ventura was dissolved as of February 1, 2012 such that the Successor Agency to The Redevelopment Agency of the County of Ventura ("Successor Agency") shall be designated as successor entity to the former redevelopment agency under Health and Safety Code Section 34173(a); and

WHEREAS, pursuant to Health and Safety Code Section 34178, certain agreements, contracts, or arrangements between the county that created the redevelopment agency and the redevelopment agency are invalid and shall not be binding on the successor agency; and

WHEREAS, pursuant to Health and Safety Code Section 34178, a successor agency wishing to enter into agreements with the county that formed the redevelopment agency that it is succeeding may do so upon obtaining the approval of its oversight board: and

WHEREAS, the oversight board of the Successor Agency to the former redevelopment agency of the County of Ventura wishes to enter into a memorandum of agreement with the County of Ventura for County Counsel legal services, in an amount not to exceed \$16,141.25 between February 1, 2012 through June 30, 2012 and in an amount not to exceed \$50,000 between July 1, 2012 and December 31, 2012 and in an amount not to exceed \$50,000 between January 1, 2013 and June 30, 2013.

NOW, THEREFORE BE IT FOUND AND RESOLVED AS FOLLOWS:

1. The above recitations are true and correct.
2. Entering the agreement is hereby approved.
3. The Oversight Board delegates to the Successor Agency's Secretary the authority to prepare and sign said agreement.

PASSED, APPROVED AND ADOPTED by the Oversight Board, on a motion by Board Member _____, seconded by Member _____, this _____ day of _____ 2012.

By: _____
Chair
Oversight Board

ATTEST:

By: _____
Successor Agency Secretary

**MEMORANDUM OF AGREEMENT REGARDING SERVICES
BETWEEN THE COUNTY OF VENTURA AND THE SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF VENTURA FOR
ONGOING VENTURA COUNTY COUNSEL LEGAL SERVICES**

This agreement is made by and between the County of Ventura ("County") and the Successor Agency to the Former Redevelopment Agency of the County of Ventura ("SA"), and is entered into effective February 1, 2012, with respect to the following:

WHEREAS, the SA has been and is in need of County Counsel's legal services in connection with the execution of its duties; and

WHEREAS, the County Counsel has been and is currently providing those services to the SA, and the SA desires to continue to receive those services from the Ventura County Counsel; and

WHEREAS, the County Counsel is authorized, pursuant to ABx1 26 (2011), to provide legal services to the SA and the SA is authorized to pay fees for such services from its administrative budgets; and

NOW THEREFORE, to accomplish these objectives, County and SA enter into this memorandum of agreement regarding legal services ("Agreement"), as follows:

1. **Term of Agreement.** The Agreement shall cover the period of time from and including February 1, 2012, and to and including June 30, 2013.
2. **Cost of Services.** The County Counsel budget for services rendered to the SA and Oversight Board (OB) for February 1, 2012 to June 30, 2012 is an estimated cost not to exceed \$16,141.25; the budget for July 1, 2012 to December 31, 2012 is an estimated cost not to exceed \$50,000; and the budget for January 1, 2013 to June 30, 2013 is an estimated cost not to exceed \$50,000.
3. **Scope of Services.** The County, through its County Counsel Office, shall provide staff legal services for, and on behalf of the SA, including but not limited to: review and revision of draft reports, resolutions, exhibits, and agenda for OB meetings; review and revision of "Meet and Confer" requests for filing with the Department of Finance (DOF); review and advice regarding proposed and adopted legislation impacting the SA or OB; review and defense of claims made and actions filed against the SA or OB; research and preparation of advice to OB at request of OB or its Chair; attendance and response to inquiries from OB members at all regularly and specially scheduled meetings of the OB.
3. **Additional Services.** SA may request additional services beyond the Scope of Services in Section 2. Agreement for provision and reimbursement of the additional services is required by both parties.
4. **Services Reimbursement Rate and Methodology.** Services and related costs incurred shall be billed at Board of Supervisors approved contract services rates effective for the fiscal years 2011-12 and 2012-13 terms, in an amount estimated not to exceed \$190.00 per hour, and charged to the SA at a frequency no more than on a monthly basis, or as may be agreed in writing by the parties.
5. **Independent Contractor.** County shall perform this Agreement as an independent contractor. County and the officers, agents and employees of County are not, and shall not be deemed, SA employees for any purpose, including workers' compensation, and shall not be entitled to any of the benefits accorded to SA employees, if any.
6. **Indemnification.** SA shall defend, indemnify, and hold harmless the County as well as those its officers, agents, and employees who perform any services or duties under this Agreement, from any claim, loss, or liability including without limitation, those for personal injury (including death)

**MEMORANDUM OF AGREEMENT REGARDING SERVICES
BETWEEN THE COUNTY OF VENTURA AND THE SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF VENTURA FOR
ONGOING VENTURA COUNTY COUNSEL LEGAL SERVICES**

or damage to property, arising out of or connected with any aspect of the performance by the County or its officers, agents, or employees, of services under this Agreement.

7. **Amendment.** This Agreement may only be modified or amended in writing and with the prior written consent of both parties.
8. **Severability.** If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.
9. **Venue.** The venue for any legal action filed by either party in State court to enforce any provision of this Agreement shall be in the Superior Court of Ventura County, California.
10. **Entirety of Contract.** This Agreement constitutes the entire agreement between the parties relating to the specific subject of this Agreement and supersedes all previous agreements, promises, representations, understanding and negotiation, whether written or oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date last signed.

COUNTY OF VENTURA, a political
Subdivision of the State of California

Dated: _____

By: _____
Leroy Smith
County Counsel

SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT
AGENCY OF THE COUNTY OF VENTURA

Dated: _____

By: _____
Donna Plummer
Secretary, Successor Agency to the Former
Redevelopment Agency of the County of Ventura

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA

SPECIAL MEETING
November 14, 2012

AGENDA ITEM #12:

Review the Regular Date and Time for the Meetings of the Oversight Board to the Successor Agency to the Former Redevelopment Agency of the County of Ventura and Take Action as Needed Thereon.