

# **Oversight Board (to the Successor Agency to the Turlock Redevelopment Agency) Meeting Agenda**

**FIRST REGULAR MEETING**

**APRIL 4, 2012**

**2:00 p.m.**

**City of Turlock Yosemite Room**

**156 S. Broadway, Turlock, California**



**NOTICE REGARDING NON-ENGLISH SPEAKERS:** The Board meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

**EQUAL ACCESS POLICY:** If you have a disability which affects your access to public facilities or services, please contact the City Clerk's Office at (209) 668-5540. The Board is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

**NOTICE:** Pursuant to California Government Code Section 54954.3, any member of the public may directly address the Board on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during the Board's consideration of the item; however, no action may be taken on matters that are not part of the posted agenda.

**CHALLENGING BOARD DECISIONS:** If a person wishes to challenge the nature of the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the Board, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

**AGENDA PACKETS:** Prior to the Board meeting, a complete Agenda Packet is available for review on the City of Turlock's website at [www.cityofturlock.org](http://www.cityofturlock.org) and in the Board Secretary's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Agency after distribution of the Agenda Packet are also available for public inspection in the Board Secretary's Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

1. **A. CALL TO ORDER**
  - B. SALUTE TO THE FLAG**
  
2. **INTRODUCTION AND ADMINISTRATION OF OATH OF OFFICE**
  - A. Introduction of Board Members
  - B. Oaths of Office administered by Secretary
  
3. **SCHEDULED MATTERS:**
  - A. Overview of Legal Status and Role of Oversight Board

***Recommended Action:***  
Informational Item Only

- B. Overview of Ralph M. Brown Act

***Recommended Action:***

Informational Item Only

- C. Ratification of Conflict of Interest Code

***Recommended Action:***

*Resolution:* Ratifying the Conflict of Interest Code adopted by the Successor Agency to the Turlock Redevelopment Agency containing designated positions and disclosure categories for Successor Agency and Oversight Board positions

- D. Election of Board Chair and Vice Chair

***Recommended Action:***

*Motion:* Electing one member to serve as Chair, and electing one member to serve as Vice Chair of the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency for one-year terms

- E. Approval of Regular Meeting Schedule

***Recommended Action:***

*Resolution:* Establishing a regular meeting schedule for the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency

- F. Designation of Contact Person for Department of Finance Inquiries

***Recommended Action:***

*Motion:* Designating Marie Lorenzi, Senior Accountant for the City of Turlock, as the official who shall serve as the contact person for Department of Finance inquiries regarding Oversight Board actions

- G. Recognized Obligation Payment Schedule of the Successor Agency to the Turlock Redevelopment Agency

***Recommended Action:***

*Resolution:* Approving the Recognized Obligation Payment Schedule for the Period January 1, 2012 through June 30, 2012

**4. CITIZEN PARTICIPATION:**

Any member of the public may address the Board on items within the Board's subject matter jurisdiction but which are not listed on this agenda during Public Comment; however, no action may be taken on matters that are not part of the posted agenda.

**5. BOARD ITEMS FOR FUTURE CONSIDERATION**

**6. BOARD COMMENTS**

Board Members may provide a brief report on notable topics of interest. The Brown Act does not allow discussion or action by the legislative body.

**7. ADJOURNMENT**

2 A/B

**OVERSIGHT BOARD**  
TO SUCCESSOR AGENCY TO THE  
TURLOCK REDEVELOPMENT AGENCY

**SYNOPSIS**

**April 4, 2012**

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**TITLE: INTRODUCTION OF OVERSIGHT BOARD MEMBERS AND  
ADMINISTRATION OF OATHS OF OFFICE**

**REPORT PREPARED BY:** Kellie E. Weaver, City Clerk, as Secretary to the  
Successor Agency to the Turlock Redevelopment  
Agency

**ACTION RECOMMENDED:**

Introduction of Oversight Board Members and administration of Oaths of Office by  
Secretary

**EXECUTIVE SUMMARY:**

The Redevelopment Dissolution Act, AB 1X 26, signed by the Governor in June 2011, was upheld by the California Supreme Court on December 29, 2011. The Court set the date of February 1, 2012, for dissolution of all California redevelopment agencies. The City of Turlock has elected to serve as the Successor Agency to the Turlock Redevelopment Agency.

The Dissolution Act requires that each Successor Agency have an Oversight Board composed of seven members appointed by specific governmental agencies. Each member of the Oversight Board serves at the pleasure of the entity that appointed such member. The appointees to the Oversight Board, listed alphabetically by last name, are as follows:

- **Curt Andre, former City of Turlock Mayor/Optometrlist**  
Appointed by: Stanislaus County Board of Supervisors as a public member
- **Steve Boyd, Director of Water Resources and Regulatory Affairs, Turlock Irrigation District**  
Appointed by: Turlock Irrigation District as member appointed by the largest special district – determined by property tax share

- **Vito Chiesa, Supervisor District 2, Stanislaus County Board of Supervisors**  
Appointed by: Stanislaus County Board of Supervisors as member
- **Sonny DaMarto, Superintendent, Turlock Unified School District**  
Appointed by: Stanislaus County Superintendent of Education
- **John Lazar, Mayor, City of Turlock**  
Appointed by: Mayor, City of Turlock
- **Abe Rojas, Board Member, Yosemite Community College District Board of Trustees**  
Appointed by: Chancellor of California Community Colleges to represent community college districts in the county
- **Roy Wasden, City Manager, City of Turlock**  
Appointed by: Mayor, City of Turlock, as member representing the employees of the former RDA from the recognized employee organization representing the largest number of former RDA employees employed by the successor agency

Following introductions of Board Members, it is recommended that the Oath of Office be administered by the City Clerk.

3A

**OVERSIGHT BOARD**  
TO SUCCESSOR AGENCY TO THE  
TURLOCK REDEVELOPMENT AGENCY

**SYNOPSIS**

**April 4, 2012**

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**TITLE: OVERVIEW OF LEGAL STATUS AND ROLE OF OVERSIGHT BOARD**

**REPORT PREPARED BY:** Maryn Pitt, Successor Agency Staff

**ACTION RECOMMENDED:** Information Only

**EXECUTIVE SUMMARY:**

On June 28, 2011, the Governor signed ABX1 26, which amended the Community Redevelopment Law California (the CRL", found at Health and Safety Code Sections 33000 and following) to, among other things, direct the dissolution of all redevelopment agencies in California. On December 29, 2011, the California Supreme Court issued a decision that upheld the constitutionality of ABXI 26. As a result of the Court decision, as of February 1, 2012, by implementation of ABX1 26, the Redevelopment Agency of the City of Turlock was dissolved, the Successor Agency to the Redevelopment Agency of the City of Turlock ("Successor Agency") came in to existence, and the requirement for the appointment of an Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Turlock ("Oversight Board") became effective.

On February 14, 2012, in order to provide an orderly transition of responsibilities from the Redevelopment Agency to the Successor Agency, the Agency Board adopted a resolution which enacted the following:

1. Memorializing the dissolution of the Turlock Redevelopment Agency by operation of law, as of February 1,2012;
2. Memorializing the transfer, by operation of law, of all of the Agency's assets, properties, contracts, leases, books and records, buildings and equipment, to the City in its capacity as Successor Agency.
3. Memorializing the transfer, by operation of law, of all of the housing assets and functions of the Agency with regard to the Low and Moderate Income Housing Program, to the City pursuant to the terms of health and Safety Code Section 34176.

Further, on January 10, 2012, the Turlock City Council adopted a resolution: 1) memorializing the designation of the City to act as the Successor Agency to the redevelopment Agency; and 2) electing to retain the assets and functions of the Agency with regard to the Low and Moderate Income Housing Program, pursuant to the terms of Health and Safety Code Section 34176. Further, the City Council, acting in its capacity as the Board of the Successor Agency, adopted a resolution: 1) establishing the "Redevelopment Obligation Retirement Fund", for the Successor Agency, as required by Health and Safety Code Section 34170.5 for the purpose of receiving funds to repay the obligations of the dissolved Redevelopment Agency.

**ATTACHMENTS:**

1. Health and Safety code Sections 34179-34181 (Provisions of the Dissolution Act that create the Oversight Board and define its functions.)
2. Complete Redevelopment Dissolution Act (Chaptered AB1X 26)

CALIFORNIA CODES  
HEALTH AND SAFETY CODE  
SECTION 34179-34181

**34179.** (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before May 1, 2012. Members shall be selected as follows:

(1) One member appointed by the county board of supervisors.

(2) One member appointed by the mayor for the city that formed the redevelopment agency.

(3) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.

(4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public appointed by the county board of supervisors.

(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

(8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.

(9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.

(10) Where a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, where such appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college

districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city where such an appointment is subject to confirmation by the county board of supervisors, to represent the largest number of former redevelopment agency employees employed by the successor agency at that time.

(b) The Governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by May 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as oversight board members.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) The Department of Finance may review an oversight board action taken pursuant to the act adding this part. As such, all oversight board actions shall not be effective for three business days, pending a request for review by the department. Each oversight board shall designate an official to whom the department may make such requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given oversight board action, it shall have 10 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and such oversight board action shall not be effective until approved by the department. In the event that the department returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or

community college district.

(j) Commencing on and after July 1, 2016, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board appointed as follows:

(1) One member may be appointed by the county board of supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2016, or any member position that remains vacant for more than 60 days.

(l) Commencing on and after July 1, 2016, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (b).

(m) Any oversight board for a given successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

34180. All of the following successor agency actions shall first be approved by the oversight board:

(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part.

(b) Refunding of outstanding bonds or other debt of the former redevelopment agency by successor agencies in order to provide for savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated.

(c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Merging of project areas.

(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former

redevelopment agency, in an amount greater than 5 percent.

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by the county assessor.

(g) Establishment of the Recognized Obligation Payment Schedule.

(h) A request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding.

(i) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

34181. The oversight board shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value.

(b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

(c) Transfer housing responsibilities and all rights, powers, duties, and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Section 34176.

(d) Terminate any agreement, between the dissolved redevelopment agency and any public entity located in the same county, obligating the redevelopment agency to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity, in any instance where the oversight board has found that early termination would be in the best interests of the taxing entities.

(e) Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of such agreements where it finds that amendments or early termination would be in the best interests of the taxing entities.

Assembly Bill No. 26

CHAPTER 5

An act to amend Sections 33500, 33501, 33607.5, and 33607.7 of, and to add Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of, the Health and Safety Code, and to add Sections 97.401 and 98.2 to the Revenue and Taxation Code, relating to redevelopment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 28, 2011. Filed with  
Secretary of State June 29, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 26, Blumenfeld. Community redevelopment.

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law provides that an action may be brought to review the validity of the adoption or amendment of a redevelopment plan by an agency, to review the validity of agency findings or determinations, and other agency actions.

This bill would revise the provisions of law authorizing an action to be brought against the agency to determine or review the validity of specified agency actions.

(2) Existing law also requires that if an agency ceases to function, any surplus funds existing after payment of all obligations and indebtedness vest in the community.

The bill would suspend various agency activities and prohibit agencies from incurring indebtedness commencing on the effective date of this act. Effective October 1, 2011, the bill would dissolve all redevelopment agencies and community development agencies in existence and designate successor agencies, as defined, as successor entities. The bill would impose various requirements on the successor agencies and subject successor agency actions to the review of oversight boards, which the bill would establish.

The bill would require county auditor-controllers to conduct an agreed-upon procedures audit of each former redevelopment agency by March 1, 2012. The bill would require the county auditor-controller to determine the amount of property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved and deposit this amount in a Redevelopment Property Tax Trust Fund in the county. Revenues in the trust fund would be allocated to various taxing entities in the county and to cover specified expenses of the former agency. By imposing additional duties upon local public officials, the bill would create a state-mandated local program.

(3) The bill would prohibit a redevelopment agency from issuing new bonds, notes, interim certificates, debentures, or other obligations if any legal challenge to invalidate a provision of this act is successful.

(4) The bill would appropriate \$500,000 to the Department of Finance from the General Fund for administrative costs associated with the bill.

(5) The bill would provide that its provisions take effect only if specified legislation is enacted in the 2011–12 First Extraordinary Session of the Legislature.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(7) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

(8) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) The economy and the residents of this state are slowly recovering from the worst recession since the Great Depression.

(b) State and local governments are still facing incredibly significant declines in revenues and increased need for core governmental services.

(c) Local governments across this state continue to confront difficult choices and have had to reduce fire and police protection among other services.

(d) Schools have faced reductions in funding that have caused school districts to increase class size and layoff teachers, as well as make other hurtful cuts.

(e) Redevelopment agencies have expanded over the years in this state. The expansion of redevelopment agencies has increasingly shifted property taxes away from services provided to schools, counties, special districts, and cities.

(f) Redevelopment agencies take in approximately 12 percent of all of the property taxes collected across this state.

(g) It is estimated that under current law, redevelopment agencies will divert \$5 billion in property tax revenue from other taxing agencies in the 2011–12 fiscal year.

(h) The Legislature has all legislative power not explicitly restricted to it. The California Constitution does not require that redevelopment agencies must exist and, unlike other entities such as counties, does not limit the Legislature’s control over that existence. Redevelopment agencies were created by statute and can therefore be dissolved by statute.

(i) Upon their dissolution, any property taxes that would have been allocated to redevelopment agencies will no longer be deemed tax increment. Instead, those taxes will be deemed property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agencies, with remaining balances allocated in accordance with applicable constitutional and statutory provisions.

(j) It is the intent of the Legislature to do all of the following in this act:

(1) Bar existing redevelopment agencies from incurring new obligations, prior to their dissolution.

(2) Allocate property tax revenues to successor agencies for making payments on indebtedness incurred by the redevelopment agency prior to its dissolution and allocate remaining balances in accordance with applicable constitutional and statutory provisions.

(3) Beginning October 1, 2011, allocate these funds according to the existing property tax allocation within each county to make the funds available for cities, counties, special districts, and school and community college districts.

(4) Require successor agencies to expeditiously wind down the affairs of the dissolved redevelopment agencies and to provide the successor agencies with limited authority that extends only to the extent needed to implement a winddown of redevelopment agency affairs.

SEC. 2. Section 33500 of the Health and Safety Code is amended to read:

33500. (a) Notwithstanding any other provision of law, including Section 33501, an action may be brought to review the validity of the adoption or amendment of a redevelopment plan at any time within 90 days after the date of the adoption of the ordinance adopting or amending the plan, if the adoption of the ordinance occurred prior to January 1, 2011.

(b) Notwithstanding any other provision of law, including Section 33501, an action may be brought to review the validity of any findings or determinations by the agency or the legislative body at any time within 90 days after the date on which the agency or the legislative body made those findings or determinations, if the findings or determinations occurred prior to January 1, 2011.

(c) Notwithstanding any other law, including Section 33501, an action may be brought to review the validity of the adoption or amendment of a

redevelopment plan at any time within two years after the date of the adoption of the ordinance adopting or amending the plan, if the adoption of the ordinance occurred after January 1, 2011.

(d) Notwithstanding any other law, including Section 33501, an action may be brought to review the validity of any findings or determinations by the agency or the legislative body at any time within two years after the date on which the agency or the legislative body made those findings or determinations, if the findings or determinations occurred after January 1, 2011.

SEC. 3. Section 33501 of the Health and Safety Code is amended to read:

33501. (a) An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of bonds and the redevelopment plan to be financed or refinanced, in whole or in part, by the bonds, or to determine the validity of a redevelopment plan not financed by bonds, including without limiting the generality of the foregoing, the legality and validity of all proceedings theretofore taken for or in any way connected with the establishment of the agency, its authority to transact business and exercise its powers, the designation of the survey area, the selection of the project area, the formulation of the preliminary plan, the validity of the finding and determination that the project area is predominantly urbanized, and the validity of the adoption of the redevelopment plan, and also including the legality and validity of all proceedings theretofore taken and (as provided in the bond resolution) proposed to be taken for the authorization, issuance, sale, and delivery of the bonds, and for the payment of the principal thereof and interest thereon.

(b) Notwithstanding subdivision (a), an action to determine the validity of a redevelopment plan, or amendment to a redevelopment plan that was adopted prior to January 1, 2011, may be brought within 90 days after the date of the adoption of the ordinance adopting or amending the plan.

(c) Any action that is commenced on or after January 1, 2011, which is brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity or legality of any issue, document, or action described in subdivision (a), may be brought within two years after any triggering event that occurred after January 1, 2011.

(d) For the purposes of protecting the interests of the state, the Attorney General and the Department of Finance are interested persons pursuant to Section 863 of the Code of Civil Procedure in any action brought with respect to the validity of an ordinance adopting or amending a redevelopment plan pursuant to this section.

(e) For purposes of contesting the inclusion in a project area of lands that are enforceably restricted, as that term is defined in Sections 422 and 422.5 of the Revenue and Taxation Code, or lands that are in agricultural use, as defined in subdivision (b) of Section 51201 of the Government Code, the Department of Conservation, the county agricultural commissioner, the

county farm bureau, the California Farm Bureau Federation, and agricultural entities and general farm organizations that provide a written request for notice, are interested persons pursuant to Section 863 of the Code of Civil Procedure, in any action brought with respect to the validity of an ordinance adopting or amending a redevelopment plan pursuant to this section.

SEC. 4. Section 33607.5 of the Health and Safety Code is amended to read:

33607.5. (a) (1) This section shall apply to each redevelopment project area that, pursuant to a redevelopment plan which contains the provisions required by Section 33670, is either: (A) adopted on or after January 1, 1994, including later amendments to these redevelopment plans; or (B) adopted prior to January 1, 1994, but amended, after January 1, 1994, to include new territory. For plans amended after January 1, 1994, only the tax increments from territory added by the amendment shall be subject to this section. All the amounts calculated pursuant to this section shall be calculated after the amount required to be deposited in the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 has been deducted from the total amount of tax increment funds received by the agency in the applicable fiscal year.

(2) The payments made pursuant to this section shall be in addition to any amounts the affected taxing entities receive pursuant to subdivision (a) of Section 33670. The payments made pursuant to this section to the affected taxing entities, including the community, shall be allocated among the affected taxing entities, including the community if the community elects to receive payments, in proportion to the percentage share of property taxes each affected taxing entity, including the community, receives during the fiscal year the funds are allocated, which percentage share shall be determined without regard to any amounts allocated to a city, a city and county, or a county pursuant to Sections 97.68 and 97.70 of the Revenue and Taxation Code, and without regard to any allocation reductions to a city, a city and county, a county, a special district, or a redevelopment agency pursuant to Sections 97.71, 97.72, and 97.73 of the Revenue and Taxation Code and Section 33681.12. The agency shall reduce its payments pursuant to this section to an affected taxing entity by any amount the agency has paid, directly or indirectly, pursuant to Section 33445, 33445.5, 33445.6, 33446, or any other provision of law other than this section for, or in connection with, a public facility owned or leased by that affected taxing agency, except: (A) any amounts the agency has paid directly or indirectly pursuant to an agreement with a taxing entity adopted prior to January 1, 1994; or (B) any amounts that are unrelated to the specific project area or amendment governed by this section. The reduction in a payment by an agency to a school district, community college district, or county office of education, or for special education, shall be subtracted only from the amount that otherwise would be available for use by those entities for educational facilities pursuant to paragraph (4). If the amount of the reduction exceeds the amount that otherwise would have been available for use for educational

facilities in any one year, the agency shall reduce its payment in more than one year.

(3) If an agency reduces its payment to a school district, community college district, or county office of education, or for special education, the agency shall do all of the following:

(A) Determine the amount of the total payment that would have been made without the reduction.

(B) Determine the amount of the total payment without the reduction which: (i) would have been considered property taxes; and (ii) would have been available to be used for educational facilities pursuant to paragraph (4).

(C) Reduce the amount available to be used for educational facilities.

(D) Send the payment to the school district, community college district, or county office of education, or for special education, with a statement that the payment is being reduced and including the calculation required by this subdivision showing the amount to be considered property taxes and the amount, if any, available for educational facilities.

(4) (A) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to school districts, 43.3 percent shall be considered to be property taxes for the purposes of paragraph (1) of subdivision (h) of Section 42238 of the Education Code, and 56.7 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(B) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to community college districts, 47.5 percent shall be considered to be property taxes for the purposes of Section 84751 of the Education Code, and 52.5 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(C) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to county offices of education, 19 percent shall be considered to be property taxes for the purposes of Section 2558 of the Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(D) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section for special education, 19 percent shall be considered to be property taxes for the purposes of Section 56712 of the

Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for education facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(E) If, pursuant to paragraphs (2) and (3), an agency reduces its payments to an educational entity, the calculation made by the agency pursuant to paragraph (3) shall determine the amount considered to be property taxes and the amount available to be used for educational facilities in the year the reduction was made.

(5) Local education agencies that use funds received pursuant to this section for school facilities shall spend these funds at schools that are: (A) within the project area, (B) attended by students from the project area, (C) attended by students generated by projects that are assisted directly by the redevelopment agency, or (D) determined by the governing board of a local education agency to be of benefit to the project area.

(b) Commencing with the first fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, including the community if the community elects to receive a payment, an amount equal to 25 percent of the tax increments received by the agency after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted. In any fiscal year in which the agency receives tax increments, the community that has adopted the redevelopment project area may elect to receive the amount authorized by this paragraph.

(c) Commencing with the 11th fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivision (b) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 21 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the first adjusted base year assessed value. The first adjusted base year assessed value is the assessed value of the project area in the 10th fiscal year in which the agency receives tax increment revenues.

(d) Commencing with the 31st fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivisions (b) and (c) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 14 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate

against the amount of assessed value by which the current year assessed value exceeds the second adjusted base year assessed value. The second adjusted base year assessed value is the assessed value of the project area in the 30th fiscal year in which the agency receives tax increments.

(e) (1) Prior to incurring any loans, bonds, or other indebtedness, except loans or advances from the community, the agency may subordinate to the loans, bonds, or other indebtedness the amount required to be paid to an affected taxing entity by this section, provided that the affected taxing entity has approved these subordinations pursuant to this subdivision.

(2) At the time the agency requests an affected taxing entity to subordinate the amount to be paid to it, the agency shall provide the affected taxing entity with substantial evidence that sufficient funds will be available to pay both the debt service and the payments required by this section, when due.

(3) Within 45 days after receipt of the agency's request, the affected taxing entity shall approve or disapprove the request for subordination. An affected taxing entity may disapprove a request for subordination only if it finds, based upon substantial evidence, that the agency will not be able to pay the debt payments and the amount required to be paid to the affected taxing entity. If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive.

(f) (1) The Legislature finds and declares both of the following:

(A) The payments made pursuant to this section are necessary in order to alleviate the financial burden and detriment that affected taxing entities may incur as a result of the adoption of a redevelopment plan, and payments made pursuant to this section will benefit redevelopment project areas.

(B) The payments made pursuant to this section are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan.

(2) Notwithstanding any other provision of law, a redevelopment agency shall not be required, either directly or indirectly, as a measure to mitigate a significant environmental effect or as part of any settlement agreement or judgment brought in any action to contest the validity of a redevelopment plan pursuant to Section 33501, to make any other payments to affected taxing entities, or to pay for public facilities that will be owned or leased to an affected taxing entity.

(g) As used in this section, a "local education agency" is a school district, a community college district, or a county office of education.

SEC. 5. Section 33607.7 of the Health and Safety Code is amended to read:

33607.7. (a) This section shall apply to a redevelopment plan amendment for any redevelopment plans adopted prior to January 1, 1994, that increases the limitation on the number of dollars to be allocated to the redevelopment agency or that increases, or eliminates pursuant to paragraph (1) of subdivision (e) of Section 33333.6, the time limit on the establishing of loans, advances, and indebtedness established pursuant to paragraphs (1)

and (2) of subdivision (a) of Section 33333.6, as those paragraphs read on December 31, 2001, or that lengthens the period during which the redevelopment plan is effective if the redevelopment plan being amended contains the provisions required by subdivision (b) of Section 33670. However, this section shall not apply to those redevelopment plans that add new territory.

(b) If a redevelopment agency adopts an amendment that is governed by the provisions of this section, it shall pay to each affected taxing entity either of the following:

(1) If an agreement exists that requires payments to the taxing entity, the amount required to be paid by an agreement between the agency and an affected taxing entity entered into prior to January 1, 1994.

(2) If an agreement does not exist, the amounts required pursuant to subdivisions (b), (c), (d), and (e) of Section 33607.5, until termination of the redevelopment plan, calculated against the amount of assessed value by which the current year assessed value exceeds an adjusted base year assessed value. The amounts shall be allocated between property taxes and educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance, according to the appropriate formula in paragraph (3) of subdivision (a) of Section 33607.5. In determining the applicable amount under Section 33607.5, the first fiscal year shall be the first fiscal year following the fiscal year in which the adjusted base year value is determined.

(c) The adjusted base year assessed value shall be the assessed value of the project area in the year in which the limitation being amended would have taken effect without the amendment or, if more than one limitation is being amended, the first year in which one or more of the limitations would have taken effect without the amendment. The agency shall commence making these payments pursuant to the terms of the agreement, if applicable, or, if an agreement does not exist, in the first fiscal year following the fiscal year in which the adjusted base year value is determined.

SEC. 6. Part 1.8 (commencing with Section 34161) is added to Division 24 of the Health and Safety Code, to read:

PART 1.8. RESTRICTIONS ON REDEVELOPMENT AGENCY OPERATIONS

CHAPTER 1. SUSPENSION OF AGENCY ACTIVITIES AND PROHIBITION ON CREATION OF NEW DEBTS

34161. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, no agency shall incur new or expand existing monetary or legal obligations except as provided in this

part. All of the provisions of this part shall take effect and be operative on the effective date of the act adding this part.

34162. (a) Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this act, an agency shall be unauthorized and shall not take any action to incur indebtedness, including, but not limited to, any of the following:

(1) Issue or sell bonds, for any purpose, regardless of the source of repayment of the bonds. As used in this section, the term “bonds,” includes, but is not limited to, any bonds, notes, bond anticipation notes, interim certificates, debentures, certificates of participation, refunding bonds, or other obligations issued by an agency pursuant to Part 1 (commencing with Section 33000), and Section 53583 of the Government Code, pursuant to any charter city authority or any revenue bond law.

(2) Incur indebtedness payable from prohibited sources of repayment, which include, but are not limited to, income and revenues of an agency’s redevelopment projects, taxes allocated to the agency, taxes imposed by the agency pursuant to Section 7280.5 of the Revenue and Taxation Code, assessments imposed by the agency, loan repayments made to the agency pursuant to Section 33746, fees or charges imposed by the agency, other revenues of the agency, and any contributions or other financial assistance from the state or federal government.

(3) Refund, restructure, or refinance indebtedness or obligations that existed as of January 1, 2011, including, but not limited to, any of the following:

(A) Refund bonds previously issued by the agency or by another political subdivision of the state, including, but not limited to, those issued by a city, a housing authority, or a nonprofit corporation acting on behalf of a city or a housing authority.

(B) Exercise the right of optional redemption of any of its outstanding bonds or elect to purchase any of its own outstanding bonds.

(C) Modify or amend the terms and conditions, payment schedules, amortization or maturity dates of any of the agency’s bonds or other obligations that are outstanding or exist as of January 1, 2011.

(4) Take out or accept loans or advances, for any purpose, from the state or the federal government, any other public agency, or any private lending institution, or from any other source. For purposes of this section, the term “loans” include, but are not limited to, agreements with the community or any other entity for the purpose of refinancing a redevelopment project and moneys advanced to the agency by the community or any other entity for the expenses of redevelopment planning, expenses for dissemination of redevelopment information, other administrative expenses, and overhead of the agency.

(5) Execute trust deeds or mortgages on any real or personal property owned or acquired by it.

(6) Pledge or encumber, for any purpose, any of its revenues or assets. As used in this part, an agency's "revenues and assets" include, but are not limited to, agency tax revenues, redevelopment project revenues, other agency revenues, deeds of trust and mortgages held by the agency, rents, fees, charges, moneys, accounts receivable, contracts rights, and other rights to payment of whatever kind or other real or personal property. As used in this part, to "pledge or encumber" means to make a commitment of, by the grant of a lien on and a security interest in, an agency's revenues or assets, whether by resolution, indenture, trust agreement, loan agreement, lease, installment sale agreement, reimbursement agreement, mortgage, deed of trust, pledge agreement, or similar agreement in which the pledge is provided for or created.

(b) Any actions taken that conflict with this section are void from the outset and shall have no force or effect.

(c) Notwithstanding subdivision (a), a redevelopment agency may issue refunding bonds, which are referred to in this part as Emergency Refunding Bonds, only where all of the following conditions are met:

(1) The issuance of Emergency Refunding Bonds is the only means available to the agency to avoid a default on outstanding agency bonds.

(2) Both the county treasurer and the Treasurer have approved the issuance of Emergency Refunding Bonds.

(3) Emergency Refunding Bonds are issued only to provide funds for any single debt service payment that is due prior to October 1, 2011, and that is more than 20 percent larger than a level debt service payment would be for that bond.

(4) The principal amount of outstanding agency bonds is not increased.

34163. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall not have the authority to, and shall not, do any of the following:

(a) Make loans or advances or grant or enter into agreements to provide funds or provide financial assistance of any sort to any entity or person for any purpose, including, but not limited to, all of the following:

(1) Loans of moneys or any other thing of value or commitments to provide financing to nonprofit organizations to provide those organizations with financing for the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing or the acquisition of commercial property for lease, each pursuant to Chapter 7.5 (commencing with Section 33741) of Part 1.

(2) Loans of moneys or any other thing of value for residential construction, improvement, or rehabilitation pursuant to Chapter 8 (commencing with Section 33750) of Part 1. These include, but are not limited to, construction loans to purchasers of residential housing, mortgage loans to purchasers of residential housing, and loans to mortgage lenders, or any other entity, to aid in financing pursuant to Chapter 8 (commencing with Section 33750).

(3) The purchase, by an agency, of mortgage or construction loans from mortgage lenders or from any other entities.

(b) Enter into contracts with, incur obligations, or make commitments to, any entity, whether governmental, tribal, or private, or any individual or groups of individuals for any purpose, including, but not limited to, loan agreements, passthrough agreements, regulatory agreements, services contracts, leases, disposition and development agreements, joint exercise of powers agreements, contracts for the purchase of capital equipment, agreements for redevelopment activities, including, but not limited to, agreements for planning, design, redesign, development, demolition, alteration, construction, reconstruction, rehabilitation, site remediation, site development or improvement, removal of graffiti, land clearance, and seismic retrofits.

(c) Amend or modify existing agreements, obligations, or commitments with any entity, for any purpose, including, but not limited to, any of the following:

(1) Renewing or extending term of leases or other agreements, except that the agency may extend lease space for its own use to a date not to exceed six months after the effective date of the act adding this part and for a rate no more than 5 percent above the rate the agency currently pays on a monthly basis.

(2) Modifying terms and conditions of existing agreements, obligations, or commitments.

(3) Forgiving all or any part of the balance owed to the agency on existing loans or extend the term or change the terms and conditions of existing loans.

(4) Increasing its deposits to the Low and Moderate Income Housing Fund created pursuant to Section 33334.3 beyond the minimum level that applied to it as of January 1, 2011.

(5) Transferring funds out of the Low and Moderate Income Housing Fund, except to meet the minimum housing-related obligations that existed as of January 1, 2011, to make required payments under Sections 33690 and 33690.5, and to borrow funds pursuant to Section 34168.5.

(d) Dispose of assets by sale, long-term lease, gift, grant, exchange, transfer, assignment, or otherwise, for any purpose, including, but not limited to, any of the following:

(1) Assets, including, but not limited to, real property, deeds of trust, and mortgages held by the agency, moneys, accounts receivable, contract rights, proceeds of insurance claims, grant proceeds, settlement payments, rights to receive rents, and any other rights to payment of whatever kind.

(2) Real property, including, but not limited to, land, land under water and waterfront property, buildings, structures, fixtures, and improvements on the land, any property appurtenant to, or used in connection with, the land, every estate, interest, privilege, easement, franchise, and right in land, including rights-of-way, terms for years, and liens, charges, or encumbrances by way of judgment, mortgage, or otherwise, and the indebtedness secured by the liens.

# The ABC

## of Open Government Laws

The underlying philosophy of the open government laws is that public agency processes should be as transparent as possible. Such transparency is vital in promoting public trust in government.

This concept of governmental transparency is so important to the public that some 83 percent of voters supported adding it to California's constitution by adopting Proposition 59 in 2004.

California's open government laws require public officials to:

### A

Conduct meetings of public bodies openly, except for limited circumstances under which the law allows the public's business to be conducted privately in closed sessions.

### B

Allow the public to participate in meetings of public bodies through a public comment process.

### C

Allow inspection and copying of public records, except when non-disclosure is authorized by law.

This pamphlet summarizes these three requirements in general terms.

Local officials are also encouraged to consult with their agency attorneys for information about how these requirements apply in any given situation or more information about this area of the law.

The Institute is able to make this resource available to local officials and others as a result of much appreciated financial support from:

**RW RICHARDS | WATSON | GERSHON**  
ATTORNEYS AT LAW - A PROFESSIONAL CORPORATION

The Institute is grateful for this firm's ongoing commitment to public service ethics and public service ethics education.

All decisions regarding the final content of this pamphlet were the Institute's.

## A Conducting the Public's Business in Public

### General Rules

- Elected and most appointed local-agency bodies - which include many advisory committees - must conduct their business in open and public meetings.
- A "meeting" is any situation involving a majority of a public body in which agency business is transacted or discussed. In other words, a majority of the body cannot talk privately about a matter of agency business no matter how the communication occurs, whether by telephone or e-mail, or at a local coffee shop.
- The public must be informed of (1) the time and place of and (2) the issues to be addressed at each meeting. In general, public officials may only discuss and act on items included on the posted agenda for a meeting. The agenda must be posted at least 72 hours in advance of a regular meeting and written in a way that informs people of what business will be discussed. Members of the public may request a copy of the agenda packet be mailed to them at the time the agenda is posted or upon distribution to the governing body. Many local agencies also post these materials on their websites. And/or maintain e-mail lists to make agendas available.

### Key Things to Know

- **Advisory Bodies.** Advisory bodies formally created by the governing body are subject to the open meeting laws. In some cases, committees of less than a quorum of the public body are also subject to these laws.
- **Serial Meetings.** Avoid unintentionally creating a "serial" meeting—a series of communications that result in a majority of the body's members discussing, deliberating, or taking action on a matter of agency business.

### A

## A Conducting the Public's Business in Public

- **Permissible Gatherings.** Not every gathering of members of a public body outside a noticed meeting violates the law. For example, a violation would not occur if a majority of the members attend the same educational conference or attend a meeting not organized by the local agency as long as members do not discuss among themselves agency business except as part of the gathering. Nor is attendance at a social or ceremonial event in itself a violation. The basic rule to keep in mind is a majority of the members cannot gather and discuss agency business except at an open and properly noticed meeting.

- **Closed Sessions.** The open meeting laws include provisions for private discussions under very limited circumstances. The reasons for holding the closed session must be noted on the agenda and different disclosure requirements apply to different types of closed sessions.

- **Posting and Following the Agenda.** In general, public officials may only discuss and act on items included on the posted agenda for a meeting. However, they or staff may briefly respond to questions or statements during public comments that are unrelated to the agenda items. Officials can also request staff to look into a matter or place a matter on the agenda for a subsequent meeting. Only under unexpected circumstances can matters that are not on the agenda be discussed or acted upon.

### Consequences of Non-Compliance with Open Meeting Requirements

- **Nullification of Decision.** Many decisions that are not made according to the open meeting laws are voidable. After asking the agency to cure the violation, either the district attorney or any interested person may sue to have the action declared invalid.
- **Criminal Sanctions.** Additionally, members of the body who intentionally violate the open meeting laws may be guilty of a misdemeanor. The penalty for a misdemeanor conviction is imprisonment in county jail for up to six months or a fine of up to \$1,000 or both.

### A

### Example

If two members of a five-member public body consult outside of a public meeting (which is not in and of itself a violation) about a matter of agency business and then one of those individuals consults with a third member on the same issue, a majority of the body has consulted on that issue. Note the communication does not need to be in person and can occur through a third party. For example, sending or forwarding e-mail can be sufficient to create a serial meeting, as can a staff member's polling the body's members in a way that reveals the members' positions to one another.

- **Taping or Recording of Meetings Is Allowed.** Anyone attending a meeting may photograph or record it, with an audio or video recorder, unless the governing body makes a finding that the noise, illumination, or obstruction of view will disrupt the meeting. Any meeting tape or film made by the local agency becomes a public record that must be made available to the public for at least 30 days.
- **Sign-In Must Be Voluntary.** Members of the public cannot be required to register their name or satisfied any other condition for attendance. If an attendance list is used, it must clearly state that signing the list is voluntary.

- **Other Measures.** Either the district attorney or any interested person may sue to remedy past and prevent future violations of the open meeting laws. Another remedy, under certain circumstances, is for a court to order that all closed sessions be tape-recorded. Regulations of public participation beyond those allowed by applicable statutory and constitutional principals can be a civil rights violation.

- **Attorneys' Fees and Costs.** Attorneys' fees and costs may be awarded to those who successfully challenge open meeting violations.

### A

## The Public's Right to Participate in Meetings

### General Rules

- **Democracy in Action.** The public has a right to address the public body at any meeting. A public official's role is to both hear and evaluate these communications.
- **The Public's Right to be Heard.** Generally, every regular meeting agenda must provide an opportunity for the public to address the public body on any item within the body's jurisdiction. If the issue of concern is one pending before the body, the opportunity must be provided before or during the body's consideration of that issue.

### Open Government is Good Politics Note

The media are highly vigilant in monitoring compliance with open government requirements—and quick to report on perceived violations.

### Key Things to Know

- **Anonymous Speech Must Be Permitted.** Members of the public cannot be required to give their name or address as a condition of speaking. The clerk or presiding officer may request speakers to complete a speaker card, or identify themselves "for the record," but must respect a speaker's desire for anonymity.
- **Reasonable Time Limits May Be Imposed.** Local agencies may adopt reasonable regulations to ensure everyone has an opportunity to be heard in an orderly manner. For example, some agencies impose a uniform time limit on each person providing public comments on an issue.
- **Dealing with Discussion.** The chair cannot stop speakers from expressing their opinions or their criticism of the body. If an individual or group willfully interrupts a meeting and order cannot be restored, the room may be cleared. Members of the media must be allowed to remain and only matters on the agenda can be discussed.

## The Public's Right To Access Agency Documents and Records

### General Rules

- Public agencies must generally make their records available for inspection by the public. Disclosure is the rule, withholding is the exception. In addition, there are a number of state laws that require affirmative disclosure of certain kinds of information (for example, by posting the information on the agency's website).

### Key Things to Know

- **Agenda and Meeting Materials.** Copies of the agenda materials and other documents not exempt from disclosure distributed to the body must be available to the public. Any nonexempt materials prepared by the local agency must be available for public inspection at the meeting. Materials prepared and distributed by some other person must be made available after the meeting.
- **Scope of Access.** The public has the right to see nonexempt materials that are created as part of the conduct of the people's business. These materials include any writing that was prepared, owned, used, or retained by a public agency. This can include documents, computer data, e-mails, facsimiles, and photographs.
- **Presumption and Exceptions.** Written materials are presumed to be a public record unless an exception applies. There are a number of exceptions. For example, personnel records are typically exempt from disclosure because their release may violate an employee's privacy rights.

The public's right of access to public records is broadly construed and applies to many documents that public officials might otherwise assume are protected from disclosure.

### Consequences of Violation

Anyone can sue the agency to enforce his or her right to access public records subject to disclosure. If the agency loses or otherwise produces the records as the result of the lawsuit, it must pay costs and attorney's fees.

## Beyond Legal Minimums

It is important to note that the requirements discussed in this pamphlet are legal minimums for local government transparency in decision-making. Local agencies can provide for greater transparency.

In thinking about how an agency might provide for greater transparency, questions local agency officials might ponder include the following:

- 1 How can the agency make public information more readily available and easily understandable by the public in order to promote public trust and confidence in the agency and demonstrate the agency's commitment to transparency?
- 2 Are there kinds of information that are already publicly available in some form, but could be made available more conveniently to the public (for example, through voluntarily posting the information on the agency's website or including links on the agency's website to where information is available on other websites)?
- 3 What kinds of information might be of interest to a cross-section of the public relating to the agency's operations and decision-making processes? Are there ways this information can be made available without individual members of the public having to ask for it?

Ongoing consideration of these kinds of questions enables a local agency's officials to engage in collective discussion and decision-making about ways in which their agency can set its sights higher than the minimum requirements of the law.

### A Note on Civility in Public Discourse

For communities to be able to work through difficult issues, it's important that people be able to express differing opinions about what best serves the public's interests in a respectful and civil manner.

This includes focusing on the merits of one's position. Even if people disagree about what's best for the community in this situation, it doesn't mean that those holding different views are bad people. Treat others with the same respect as one would like to be treated. Questioning others' motives or intelligence, being hostile, engaging in name-calling or making threats undermines one's effectiveness.

No matter how passionate one is about an issue, the goal is to conduct oneself in a way that will add to one's credibility and standing as a thoughtful member of the community.

## Resources for Further Information

California's open government laws are complex and extensive. Consult the following resources for more information on these laws.

- **Understanding the Basics of Public Service Ethics: Transparency Laws**, available at [www.ca-ig.org/](http://www.ca-ig.org/) transparency (includes discussions of other kinds of disclosure laws, in addition to Open Meeting Law and Public Records Act).
- **Open and Public TV: A User's Guide to the Ralph M. Brown Act, 2d Edition**, 2010. Available on the League of California Cities website at [www.cacities.org](http://www.cacities.org) or by calling 916.658.8200.
- **The People's Business: A Guide to the California Public Records Act, 2008**. Available on the League of California Cities website at [www.cacities.org](http://www.cacities.org) or by calling 916.658.8200.

Local officials should also consult their agency counsel with questions.

The Attorney General also offers guides on these laws; they are available from the Attorney General's website: [http://ag.ca.gov/publications/2003\\_intro\\_brownact.pdf](http://ag.ca.gov/publications/2003_intro_brownact.pdf) (Brown Act Guide) and [http://ag.ca.gov/publications/2003\\_intro\\_brownact.pdf](http://ag.ca.gov/publications/2003_intro_brownact.pdf) (Public Records Act).



INSTITUTE FOR LOCAL GOVERNMENT

The Institute for Local Government promotes good government at the local level with practical, impartial, and easy-to-use resources for California communities.

ILG is the research and education affiliate of the California State Association of Counties and the League of California Cities.

1400 K STREET, SUITE 205  
SACRAMENTO, CALIFORNIA 95814  
TELEPHONE: 916.658.8208 • FAX: 916.444.7535



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**OVERSIGHT BOARD**  
TO SUCCESSOR AGENCY TO THE  
TURLOCK REDEVELOPMENT AGENCY

**SYNOPSIS**

**April 4, 2012**

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**TITLE:       RATIFICATION OF CONFLICT OF INTEREST CODE**

**REPORT PREPARED BY:**       Kellie E. Weaver, City Clerk, as Secretary to the  
Successor Agency to the Turlock Redevelopment  
Agency

**ACTION RECOMMENDED:**

**Resolution:**       Ratifying the Conflict of Interest Code adopted by the Successor  
Agency to the Turlock Redevelopment Agency containing  
designated positions and disclosure categories for Successor  
Agency and Oversight Board positions

**EXECUTIVE SUMMARY:**

On March 27, 2012, pursuant to Government Code Section 81000, et seq., (the "Political Reform Act"), the Successor Agency to the Turlock Redevelopment Agency adopted Resolution No. SA-RDA-2012-005 (attached as Exhibit A), which established a Conflict of Interest Code containing designated positions and disclosure categories for Successor Agency and Oversight Board positions.

Persons holding designated positions listed in Appendix A shall file Statements of Economic Interest (Form 700) pursuant to the Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations, Section 5. Assuming Office Statements shall be filed within 30 days of assuming office and thereafter, Annual Statements shall be filed no later than April 1.

On April 10, 2012, the Turlock City Council, as the Code Reviewing Body, will consider the review and approval of that Conflict of Interest Code. Ratification of the Conflict of Interest Code by the Oversight Board is requested prior to approval by the Code Reviewing Body (Turlock City Council).

Additionally, on April 10, 2012, the Turlock City Council, as the Code Reviewing Body, will consider the designation of the Code Reviewing Body (City Council) as the entity with which Statements of Economic Interest are to be filed and the designation of the City Clerk of the City of Turlock as the filing officer for reports required to be filed by each member of the Successor Agency

**BEFORE THE OVERSIGHT BOARD TO THE  
SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY**

IN THE MATTER OF RATIFYING THE }  
CONFLICT OF INTEREST CODE ADOPTED }  
BY THE SUCCESSOR AGENCY TO THE }  
TURLOCK REDEVELOPMENT AGENCY }  
CONTAINING DESIGNATED POSITIONS AND }  
DISCLOSURE CATEGORIES FOR }  
SUCCESSOR AGENCY AND OVERSIGHT }  
BOARD POSITIONS }  
\_\_\_\_\_ }

RESOLUTION NO. OB-2012-

**WHEREAS**, on March 27, 2012, the Successor Agency to the Turlock Redevelopment Agency adopted Resolution No. SA-RDA-2012-005, which established a Conflict of Interest Code containing designated positions and disclosure categories for Successor Agency and Oversight Board positions (Exhibit A); and

**WHEREAS**, on April 10, 2012, the Turlock City Council, as the Code Reviewing Body, will consider the review and approval of the established Conflict of Interest Code.

**NOW, THEREFORE, BE IT RESOLVED**, that the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency does hereby ratify the Conflict of Interest Code adopted by the Successor Agency to the Turlock Redevelopment Agency containing designated positions and disclosure categories for Successor Agency and Oversight Board positions.

**PASSED AND ADOPTED** by the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency at the first regular meeting held on April 4, 2012, by the following vote:

AYES:  
NOES:  
NOT PARTICIPATING:  
ABSENT:

ATTEST:

\_\_\_\_\_  
Kellie E. Weaver, Secretary

BEFORE THE SUCCESOR AGENCY TO THE  
TURLOCK REDEVELOPMENT AGENCY

IN THE MATTER OF ADOPTING A }  
CONFLICT OF INTEREST CODE }  
CONTAINING DESIGNATED POSITIONS }  
AND DISCLOSURE CATEGORIES }  
\_\_\_\_\_ }

RESOLUTION NO. SA-RDA-2012-005

NOW, THEREFORE, the Board of Directors of the Successor Agency to the Turlock Redevelopment Agency does hereby find, resolve, and order as follows:

**Section 1.** The Political Reform Act, Government Code Section 81000, et seq., (the "Political Reform Act") requires the Successor Agency to the Turlock Redevelopment Agency ("Agency") to adopt a conflict of interest code.

**Section 2.** The Fair Political Practices Commission has adopted a Model Conflict of Interest Code (the "Model Code"). The Model Code, codified at 2 California Code of Regulations Section 18730, can be incorporated by reference by the Agency as its conflict of interest code. That Model Code will be amended by the Fair Political Practices Commission from time to time to conform to amendments to the Political Reform Act.

**Section 3.** By this resolution the Agency is adopting a Conflict of Interest Code which contains designated positions and disclosure categories.

**Section 4.** The Model Code, Attached hereto as Exhibit "A" and any amendments to it duly adopted by the Fair Political Practices Commission, and Appendix A which sets forth the designated positions and the disclosure categories for each position of the Agency, are hereby incorporated by reference and shall constitute the Conflict of Interest Code for the Successor Agency to the Turlock Redevelopment Agency.

**Section 5.** Persons holding designated positions listed in Appendix A shall file Statements of Economic Interest pursuant to Section 5 of the Conflict of Interest Code with the information required for the disclosure category assigned to them unless exempt from filing such Statements pursuant to Section 3 of the Conflict of Interest Code.

**Section 6.** The Secretary of the Agency shall certify to the passage and adoption of this Resolution and shall submit a copy of this Code to the City Council for its approval as the Code Reviewing Body for the Successor Agency to the Turlock Redevelopment Agency.

**PASSED AND ADOPTED** at a regular meeting of the Successor Agency to the Turlock Redevelopment Agency this 27<sup>th</sup> day of March, 2012, by the following vote:

- AYES: Agency Members Bublak, DeHart, Jackson, White and Mayor Lazar
- NOES: None
- NOT PARTICIPATING: None
- ABSENT: None

ATTEST:

  
Kellie E. Weaver, City Clerk,  
City of Turlock, County of Stanislaus,  
State of California

## APPENDIX A

### DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

#### FOR THE SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Agency Board Member	1
Executive Director	1
Agency Secretary	2
Agency General Counsel	1
Assistant City Manager	2
Finance Officer	1
Agency Engineer	2
Agency Planner	2
Other Consultant(s)	7
Oversight Board Member	8

### Disclosure Categories

1. Persons holding designated positions which are assigned a disclosure category of "1" above are not required to report under this Conflict of Interest Code because they hold positions within the City of Turlock which are required to report pursuant to California Government code Section 87200. Persons in this category "1" are, however, subject to the disqualification provisions of this Code when acting in their official capacity for the Successor Agency to the Turlock Redevelopment Agency.
2. Persons holding designated positions which are assigned a disclosure category of "2" above are not required to prepare a Statement of Economic Interest (Form 700) for their positions with the Agency because they also hold positions which are already required to disclose and report under the Conflict of Interest Code of the City of Turlock. Persons in this category "2" are, however, subject to the disqualification provisions of this Code when acting in their official capacity for the Successor Agency to the Turlock Redevelopment Agency.
3. Reportable interests in real property in jurisdiction. (Form 700, Schedule B).
4. Reportable income and business positions. (Form 700, Schedule C).
5. Reportable investments. (Form 700, Schedules A-1 and A-2).
6. Reportable gifts and travel gifts. (Form 700, Schedules D and E).
7. For consultants who serve in a staff capacity with the Agency, the consultant shall disclose based on the disclosure categories assigned elsewhere in this Code for that staff position.

The following disclosure categories shall be used for consultants who do not serve in staff capacity:

Persons required to disclose in this category shall disclose pursuant to categories 3, 4, 5 and 6 above unless the Executive Director determines in writing that a particular consultant is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in categories 3, 4, 5 and 6. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Code.

8. Oversight Board members who serve in a position of the City of Turlock and who are already required to report financial interests pursuant to the broadest disclosure categories under the City's Conflict of Interest Code, are not required to prepare a Statement Economic Interest (Form 700) for their position with the Agency. Persons in this category "8" are, however, subject to the disqualification provisions of this Code when acting in their official capacity for the Successor Agency to the Turlock Redevelopment Agency.

Oversight Board Members who do not serve in another position with the City or who serve in a position with the City that is not required to disclose pursuant to the broadest disclosure categories under the City's Conflict of Interest Code shall disclose pursuant to categories 3, 4, 5 and 6 above.

3D

**NO REPORT FOR THIS ITEM.**

3E

**OVERSIGHT BOARD**  
TO SUCCESSOR AGENCY TO THE  
TURLOCK REDEVELOPMENT AGENCY

**SYNOPSIS**

**April 4, 2012**

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**TITLE:           APPROVAL OF REGULAR MEETING SCHEDULE**

**REPORT PREPARED BY:**           Kellie E. Weaver, City Clerk, as Secretary to the  
Successor Agency to the Turlock Redevelopment  
Agency

**ACTION RECOMMENDED:**

Resolution:           Establishing a regular meeting schedule for the Oversight Board to  
the Successor Agency to the Turlock Redevelopment Agency

**EXECUTIVE SUMMARY:**

The Oversight Board to the Successor Agency to the Turlock Redevelopment Agency has been appointed pursuant to the provisions of Health & Safety Code Section 34179 and is deemed a local entity for the purposes of the Ralph M. Brown Act, and must conduct its business in accordance with the Brown Act.

***Regular Meetings***

In order to comply with deadlines for mandatory reporting of the Recognized Obligation Payment Schedule, it is recommended the regular meetings of the Oversight Board be held on the second Wednesday of May, and on the second Wednesday of November of each year, at 2:00 p.m., at the City of Turlock City Hall, Yosemite Room, 156 S. Broadway, Turlock, California. Regular meetings may be adjourned to a future date, time and place and when so adjourned shall be considered a regular meeting. Meetings may be adjourned by the presiding officer or by the board secretary if a quorum is not present.

***Special Meetings***

Special meetings may be called by the Chair or by four (4) board members, and notice thereof shall be provided in accordance with the Ralph M. Brown Act.

**BEFORE THE OVERSIGHT BOARD TO THE  
SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY**

**IN THE MATTER OF ESTABLISHING A }  
REGULAR MEETING SCHEDULE FOR THE }  
OVERSIGHT BOARD TO THE SUCCESSOR }  
AGENCY TO THE TURLOCK }  
REDEVELOPMENT AGENCY MEETINGS }  
\_\_\_\_\_ }**

**RESOLUTION NO. OB-2012-**

**WHEREAS**, the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency has been appointed pursuant to the provisions of Health & Safety Code Section 34179; and

**WHEREAS**, the Oversight Board is deemed a local entity for the purposes of the Ralph M. Brown Act, and must conduct its business in accordance with the Brown Act; and

**WHEREAS**, the Oversight Board has met and conferred to determine a day, time and location for regular meetings of the Oversight Board.

**NOW, THEREFORE, BE IT RESOLVED**, by the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency as follows:

SECTION 1. All meetings of the Oversight Board shall be held in accordance with the Ralph M. Brown Act.

SECTION 2. The regular meetings of the Oversight Board shall be held on the second Wednesday of May, and on the second Wednesday of November of each year, at 2:00 p.m. The location of the meetings shall be at the City of Turlock City Hall, Yosemite Room, 156 S. Broadway, Turlock, California.

SECTION 3. Any regular meetings may be adjourned to a date, time and place and when so adjourned shall be considered a regular meeting. Meetings may be adjourned by the presiding officer or by the board secretary if a quorum is not present.

SECTION 4. Special meetings may be called by the Chair or by four (4) board members, and notice thereof shall be provided in accordance with the Ralph M. Brown Act.

**PASSED AND ADOPTED** by the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency at the first regular meeting held on April 4, 2012, by the following vote:

AYES:  
NOES:  
NOT PARTICIPATING:  
ABSENT:

ATTEST:

\_\_\_\_\_  
Kellie E. Weaver, Secretary

3F

**OVERSIGHT BOARD**  
TO SUCCESSOR AGENCY TO THE  
TURLOCK REDEVELOPMENT AGENCY

**SYNOPSIS**

April 4, 2012

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**TITLE:           DESIGNATION OF CONTACT PERSON FOR DEPARTMENT OF  
FINANCE INQUIRIES**

**REPORT PREPARED BY:**       Maryn Pitt, Successor Agency Staff

**ACTION RECOMMENDED:**

Motion:       Designating Marie Lorenzi, Senior Accountant for the City of Turlock, as  
the official who shall serve as the contact person for Department of  
Finance inquiries regarding Oversight Board Actions

**EXECUTIVE SUMMARY:**

California Health and Safety Code Section 34179 requires that all meetings of the Oversight Board be noticed and held in accordance with the Ralph M. Brown Act, and that agendas and proposed actions of the Oversight Board be posted on the Successor Agency's website for public review. Health and Safety Code Section 34179 provides that the Department of Finance (DOF) may review Oversight Board actions, and as such, all board actions are not effective for three (3) business days, pending review by the DOF. If the DOF exercises its right to review the action, it then has ten (10) days to approve the action or return it to the Oversight Board for reconsideration. The Oversight Board's modified action does not become effective until approved by the DOF.

Health and Safety Code Section 34179 requires the Oversight Board to formally designate an official for the purpose of communicating with the DOF regarding Oversight Board actions. Staff recommends that Marie Lorenzi, Senior Accountant of the City of Turlock, be designated as the contact person for the Oversight Board. Once the Oversight Board designates an official, staff will transmit the official's contact information to the DOF.

**ALTERNATIVES CONSIDERED**

The Oversight Board is required to designate an official to serve as the contact person to the Department of Finance. However, the Oversight Board may choose to designate an official other than the one recommended.

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**OVERSIGHT BOARD**  
TO SUCCESSOR AGENCY TO THE  
TURLOCK REDEVELOPMENT AGENCY

**SYNOPSIS**

**April 4, 2012**

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**TITLE: RECOGNIZED OBLIGATION PAYMENT SCHEDULE OF THE  
SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT  
AGENCY**

**REPORT PREPARED BY:** Marie Lorenzi, Senior Accountant, as Successor  
Agency Staff

**ACTION RECOMMENDED:**

**Resolution:** Approving the Recognized Obligation Payment Schedule for the  
Period January 1, 2012 through June 30, 2012

**EXECUTIVE SUMMARY:**

On December 29, 2011 the California Supreme Court (Court) upheld Assembly Bill X1 26 (AB X1 26) and directed that all redevelopment agencies in the State be dissolved effective February 1, 2012. On January 10, 2012 the Turlock City Council elected to become the Successor Agency to the soon to be dissolved Turlock Redevelopment Agency. As the Successor Agency, the City Council is charged with winding down the affairs of the former redevelopment agency, with certain actions subject to the approval of the Oversight Board.

The Successor Agency is responsible for the continued payment of enforceable obligations of the dissolved Turlock Redevelopment Agency. The Successor Agency must prepare a Recognized Obligation Payment Schedule (ROPS) which sets forth the amounts and due dates of enforceable obligation payments for each forward looking six-month period. The Oversight Board is required to review and approve each ROPS. Within specific timeframes outlined in AB X1 26, the State Department of Finance may review an Oversight Board's action. Once the Oversight Board's approved ROPS is effective, the County Auditor-Controller's Office will use the ROPS as the basis for distributing tax revenues to the Successor Agency who will use these revenues for payment of enforceable obligations of the dissolved Turlock Redevelopment Agency.

**SUCCESSOR AGENCY RECOMMENDATION**

The Turlock Council acting in their capacity as Successor Agency to the Turlock Redevelopment Agency approved the initial ROPS on February 28, 2012. On advice from legal counsel, this ROPS covered the period January 2, 2012 through June 30, 2012. Since that time, Successor Agency Staff was informed that the Low- and Moderate-Income Set Aside "LMI Set-Aside" listed on page three of the initial draft ROPS approved on February 28, 2012 was no longer an enforceable obligation of the Successor Agency and should therefore be removed from the ROPS. The ROPS presented to the Oversight Board at this

time is identical to that approved in February with the exception that the LMI Set-Aside has been removed.

### **ANALYSIS**

As a result of the Court's ruling in December 2011, all redevelopment agencies in California are now dissolved. AB X1 26 provides for the process to wind down the affairs of the dissolved agencies as well as the methodology for making payments on enforceable obligations of the dissolved agency.

As noted above, the Successor Agency is responsible for creating an ROPS in six-month intervals. The ROPS is to include payees, estimated amounts due and estimated payment dates for each enforceable obligation. The Successor Agency will approve the ROPS and forward it on to the Oversight Board for its approval. After the Oversight Board approves the ROPS and prior to July 1<sup>st</sup> or January 1<sup>st</sup> (depending on the period covered by the ROPS), Successor Agency Staff will forward the Oversight Board approved ROPS to the California Department of Finance (DOF), the California State Controller's Office (SCO) and the Stanislaus County Auditor-Controller's Office (A-C). There are oversight and certification steps with each of these agencies.

The DOF has three business days to determine whether it is going to review the ROPS. If it decides to do so, it has ten calendar days to either approve the Oversight Board's actions or return the ROPS to the Oversight Board for reconsideration.

After the ROPS is approved by DOF and certified by the A-C, it will become the basis under which the A-C will distribute property taxes generated by properties within the boundaries of the dissolved redevelopment agency. Amounts distributed to the Successor Agency will be used to make payments based on the enforceable obligations listed on the ROPS.

Due to the haste with which AB X1 26 was written and the implementation date changes required after the Supreme Courts December 2011 decision, there are many conflicting date deadlines in the current law. Successor Agency staff is working with the A-C and our legal counsel to abide by the law's requirements to the best of our ability.

The enforceable obligations on the ROPS currently before the Oversight Board include:

#### **Bonded Debt Obligations**

The former Turlock Redevelopment Agency had pledged tax increment revenue for the repayment of three debt issuances. The proceeds of the 1999 debt issuance were used for infrastructure improvements in the City's downtown corridor. The debt payments for this issuance go through September 2024 and are approximately \$330,000 per year.

The second outstanding debt issuance occurred in 2006 and the proceeds were used for various infrastructure projects including the rebuilding of fire station #1; improvements at the City's Regional Industrial Park, rebuilding the Carnegie Facility and design of the Public Safety Facility. The debt payments for this issuance go through September 2036 and range from \$1.5 million to \$1.8 million per year.

The third outstanding debt issuance occurred in 2011 and the proceeds are being used for the construction of the public safety facility. The debt payments for this issuance go through September 2039 and range from \$1.1 million to \$3.2 million per year.

**Contracts for Public Safety Facility**

The balance of the items on page 1 of the ROPS related to contracts entered into for the construction of both on- and off-site improvements for the public safety facility.

**Mobile Home Rental Subsidy**

In March 2007, the Turlock Redevelopment Agency approved a mobile home rent subsidy program. The program was a result of local mobile home park residents that came before the City Council to request a rent control ordinance. The program subsidizes the space rent in five senior mobile home parks within the City of Turlock. The program was extended to current residents (in 2007) who meet low income qualifications. This program is funded by Redevelopment Agency Low and Moderate Income Housing funds. Two of the city's eight mobile home parks are outside the boundaries of the redevelopment area. These two parks represent 46% of all the mobile home spaces in the city. Because the purpose of this program is to help preserve affordable housing in the City of Turlock, the Resolution proposed to fund and implement this program makes a finding of benefit that includes these two parks in the program as well as the three parks that are inside the boundaries of the Redevelopment Agency project areas.

**DDAs for Avena Bella – Affordable Housing Project**

The dissolved redevelopment agency had entered into Development and Disposition Agreements (DDAs) with EAH, Inc. for an affordable housing development known as Avena Bella. There are two DDA's because, due to the complexity of the entire financing package for this project, the project was divided into two phases. The DDAs contain conditions which must be achieved in order for the developer to be eligible to receive funding under either loan as well as conditions related to the development of the project, additional funding sources which must be obtained, and conditions for the transfer of ownership of the property.

**Economic Development Project Funding Agreement**

This item is an agreement entered into with the Stanislaus County Economic Land Bank which provided funding for the installation of the traffic signal at Fransil and West Main. This loan will be repaid over a seven year period, interest free starting in January 2014.

**Other Items**

The other items listed on page 2 of the ROPS relate to professional service contracts, personnel costs and other operational items included in the dissolved redevelopment agency's 2011-12 budget as approved at the beginning of the fiscal year. There are operational needs required to sort through the requirements, restrictions and mechanics of winding down the dissolved agency's activities. Staff was still digesting and evaluating the financial needs for the remainder of the year and at the time the ROPS was prepared did not have sufficient information with which to amend the 2011-12 budget. Therefore, it is included in the ROPS. As part of the City of Turlock's budget process for fiscal year 2012-13, the funding available and required to meet the challenges of winding down the dissolved agency will be determined and brought back to the Oversight Board for review and approval.

**Obligations on Page 3**

The obligations noted on page 3 include pass through agreement obligations and the county tax administrative fee. The dissolved redevelopment agency had various revenue sharing agreements with the taxing entities within the agency's boundaries to share the tax increment revenue generated by properties within the boundaries. Some of these agreements were negotiated and some were statutorily determined. These agreements survive under AB X1 26. The A-C's office annually determines the amounts to be paid to the various taxing entities and provides this information to Staff. Therefore, Staff has listed the obligations, but does not have sufficient information to indicate a precise amount due. In the past this information had been provided to Staff by August 15<sup>th</sup> for the previous fiscal year.

In return for its administration of the property tax distribution activities in Stanislaus County and for the administration of the various pass through obligations, the dissolved agency paid the County a tax administration fee. This obligation also survives under AB X1 26.

**BEFORE THE OVERSIGHT BOARD TO THE  
SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY**

**IN THE MATTER OF APPROVING THE }  
RECOGNIZED OBLIGATION PAYMENT }  
SCHEDULE FOR THE PERIOD JANUARY 1, }  
2012 THROUGH JUNE 30, 2012 }  
\_\_\_\_\_ }**

**RESOLUTION NO. OB-2012-**

**WHEREAS**, the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency has been appointed pursuant to the provisions of Health and Safety Code Section 34179 and

**WHEREAS**, Health and Safety Code Sections 34177 (l) (2) (B) and 34180 (g) require the approval of the Recognized Obligation Payment Schedule by the Oversight Board; and

**WHEREAS**, a Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012 has been prepared and approved by the Successor Agency to the Turlock Redevelopment Agency on February 28, 2012; and

**WHEREAS**, the attached Recognized Obligation Payment Schedule has been amended from that approved on February 28, 2012 due to communication from the California Department of Finance regarding items that were no longer enforceable obligations.

**NOW, THEREFORE, BE IT RESOLVED**, that the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency does hereby approve the Recognized Obligation Payment Schedule as adopted by the Successor Agency to the Turlock Redevelopment Agency with amendments.

**PASSED AND ADOPTED** by the Oversight Board to the Successor Agency to the Turlock Redevelopment Agency at the first regular meeting held on April 4, 2012, by the following vote:

AYES:  
NOES:  
NOT PARTICIPATING:  
ABSENT:

ATTEST:

\_\_\_\_\_  
Kellie E. Weaver, Secretary

**INITIAL 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	Anticipated Payment Source	Payments by month						Total
						Jan 2012	Feb 2012	March 2012	April 2012	May 2012	June 2012	
1) 1999 Tax Increment Bonds (1)	US Bank	funds issued to for non-housing projects	4,384,153.00	336,672.50	RPTTF		65,336.25				253,336.25	336,672.50
2) 2006 Tax Increment Bonds (1)	US Bank	funds issued to for non-housing projects	42,704,919.00	1,545,066.26	RPTTF		567,533.13				977,533.13	1,545,066.26
3) 2011 Tax Increment Bonds (1)	US Bank	funds issued to for non-housing projects	37,709,325.00	1,069,143.76	RPTTF		534,571.88				534,571.88	1,069,143.76
4)												
5) Public Safety Facility	Ross F Carroll, Inc	off-site improvements	314,534.21	314,534.22	(2) see below	104,844.74	104,844.74	104,844.74				314,534.22
6) Public Safety Facility	Diède Construction, Inc	general & specialties	2,092,860.00	600,000.00	(2) see below	50,000.00	100,000.00	150,000.00	100,000.00	100,000.00	100,000.00	600,000.00
7) Public Safety Facility	Bank of Ag & Commerce	retention for Diède Construction, Inc	232,540.00	66,666.67	(2) see below	5,555.56	11,111.11	16,666.67	11,111.11	11,111.11	11,111.11	66,666.67
8) Public Safety Facility	George Reed Inc	demo, grading and paving	726,256.56	600,000.00	(2) see below	50,000.00	50,000.00	100,000.00	150,000.00	100,000.00	100,000.00	600,000.00
9) Public Safety Facility	Modern Building Co	building structural concrete	1,002,335.40	1,000,000.00	(2) see below	250,000.00	350,000.00	150,000.00	110,000.00	90,000.00	50,000.00	1,000,000.00
10) Public Safety Facility	Duley's Landscaping, Inc	landscaping	221,410.00	140,000.00	(2) see below	10,000.00	10,000.00	30,000.00	30,000.00	30,000.00	30,000.00	140,000.00
11) Public Safety Facility	Frazier Masonry	masonry	1,174,893.00	635,000.00	(2) see below	25,000.00	25,000.00	60,000.00	175,000.00	175,000.00	175,000.00	635,000.00
12) Public Safety Facility	Golden State Steel	structural steel	570,461.27	570,000.00	(2) see below	200,000.00	150,000.00	150,000.00	70,000.00			570,000.00
13) Public Safety Facility	Central Valley Comm Bank	retention for Golden State Steel	63,334.60	63,333.34	(2) see below	22,222.22	16,666.67	16,666.67	7,777.78			63,333.34
14) Public Safety Facility	Tarlton & Son	framing, drywall & plaster	2,432,416.70	1,630,000.00	(2) see below	240,000.00	240,000.00	300,000.00	300,000.00	275,000.00	275,000.00	1,630,000.00
15) Public Safety Facility	Graham/Prewell	roofing and waterproofing	579,718.00	585,000.00	(2) see below	25,000.00	50,000.00	125,000.00	165,000.00	100,000.00	100,000.00	585,000.00
16) Public Safety Facility	Diède Construction, Inc	doors, windows & hardware	1,049,582.70	630,000.00	(2) see below	30,000.00	50,000.00	100,000.00	150,000.00	150,000.00	150,000.00	630,000.00
17) Public Safety Facility	Bank of Ag & Commerce	retention for Diède Construction, Inc	116,620.30	70,000.01	(2) see below	3,333.33	5,555.56	11,111.11	16,666.67	16,666.67	16,666.67	70,000.01
18) Public Safety Facility	LVI Facility Services	fireproofing	170,410.00	153,000.00	(2) see below	50,000.00	50,000.00	50,000.00			48,000.00	153,000.00
19) Public Safety Facility	DC Vient, Inc	painting & wall coverings	282,680.20	200,000.00	(2) see below	10,000.00	20,000.00	20,000.00	50,000.00	50,000.00	50,000.00	200,000.00
20) Public Safety Facility	Bobo construction	mechanical & HVAC	1,673,593.36	1,000,000.00	(2) see below	100,000.00	150,000.00	150,000.00	200,000.00	200,000.00	200,000.00	1,000,000.00
21) Public Safety Facility	Darrale Palfrias Elec.	building and site electrical	3,287,027.82	1,175,000.00	(2) see below	100,000.00	115,000.00	260,000.00	200,000.00	250,000.00	250,000.00	1,175,000.00
22) Public Safety Facility	Mark III Construction	building and site plumbing	548,329.00	165,000.00	(2) see below	15,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	165,000.00
23) Public Safety Facility	Kone Elevators	elevators	197,316.00	150,000.00	(2) see below		20,000.00	20,000.00	30,000.00	30,000.00	50,000.00	150,000.00
24) Public Safety Facility	Gen-Cal Fire Systems	fire protection	233,635.00	210,000.00	(2) see below	10,000.00	20,000.00	30,000.00	50,000.00	50,000.00	50,000.00	210,000.00
25) Public Safety Facility	WLC	architect and construction management	1,622,565.00	690,000.00	(2) see below	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	690,000.00
26) Public Safety Facility	Koehn Engineering & Design	parcel map/pct line adjustment	1,950.00	1,950.00	(2) see below	1,000.00	950.00					1,950.00
27) Public Safety Facility	Kleinfeider West, Inc	testing	35,683.50	35,000.00	(2) see below	5,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	35,000.00
28) Public Safety Facility	Neil O Anderson & Assoc	testing	75,373.00	75,000.00	(2) see below	10,000.00	15,000.00	15,000.00	15,000.00	10,000.00	10,000.00	75,000.00
29) Public Safety Facility	City of Turlock	contract mgmt & inspection	282,000.00	141,000.00	(2) see below	23,500.00	23,500.00	23,500.00	23,500.00	23,500.00	23,500.00	141,000.00
30)												0.00
31)												0.00
32)												0.00
Totals - This Page			103,795,952.62	13,831,366.76		1,405,455.65	2,894,069.34	2,036,789.19	2,005,055.56	1,882,277.76	3,605,719.04	13,831,366.76
Totals - Page 2			10,209,760.00	5,356,055.03		635,951.00	4,225,151.00	123,713.00	123,713.00	123,815.03	123,815.03	5,356,055.03
Totals - Page 3						0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand total - All Pages			114,005,712.62	19,187,421.79		2,041,406.65	7,119,220.34	2,162,502.19	2,128,768.56	2,006,092.81	3,729,534.07	19,187,421.79

RPTTF = Redevelopment Property Tax Trust Fund  
 (1) Bond documents require one year's debt service be set aside before tax revenues can be released for any other purpose. In addition, various statutory and negotiated pass through payments as well as Section 33676 elections have been subordinated to the debt payments related to these bond issuances.  
 (2) this project has multiple funding sources including bond proceeds, reserves, and the Redevelopment Property Tax Trust Fund



### INITIAL 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	Payments by month					Total
					Jan 2012	Feb 2012	March 2012	April 2012	May 2012	
1) Section 33676 Payments (1)	City of Turlock	Payments per former CRL 33676	This item is administered by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
2) Section 33676 Payments (1)	Turlock Irrigation Dist	Payments per former CRL 33676	This item is administered by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
3) Section 33676 Payments (1)	Turlock Joint USD	Payments per former CRL 33676	This item is administered by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
4) Section 33676 Payments (1)	Turlock Rural Fire District	Payments per former CRL 33676	This item is administered by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
5) Pass Through Agreement (1)	County Fire Service	Payments per former CRL 33401	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
6) Pass Through Agreement (1)	Stanislaus COE	Payments per former CRL 33401	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
7) Pass Through Agreement (1)	Stanislaus County	Payments per former CRL 33401	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
8) Pass Through Agreement (1)	Turlock Mosq Abate Dist.	Payments per former CRL 33401	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
9) Pass Through Agreement (1)	Yosemite CCD	Payments per former CRL 33401	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
10) Statutory Payments (1)	Chalom Elem District	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
11) Statutory Payments (1)	City of Turlock	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
12) Statutory Payments (1)	County Fire Service	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
13) Statutory Payments (1)	Stanislaus COE	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
14) Statutory Payments (1)	Stanislaus County	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
15) Statutory Payments (1)	Turlock Irrigation Dist	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
16) Statutory Payments (1)	Turlock Joint USD	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
17) Statutory Payments (1)	Turlock Mosq Abate Dist.	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
18) Statutory Payments (1)	Turlock Rural Fire District	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
19) Statutory Payments (1)	Yosemite CCD	Payments per CRL 33607.5 and .7	This item is administered with assistance by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
20)										\$ -
21) County property tax admin fee	Stanislaus County	County property tax admin fee	This item is administered by the County. This schedule will be updated as pertinent info is received from the County.							\$ -
22)										\$ -
1)										\$ -
2)										\$ -
3)										\$ -
4)										\$ -
5)										\$ -
<b>Totals</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Statutory and negotiated pass through payments as well as Section 33676 elections have been subordinated to the bonded debt payments shown on page 1.

\*\*\* All payment amounts are estimates