

AGENDA

SPECIAL
Meeting of the
Successor Agency of the
Scotts Valley Redevelopment Agency

Date: February 29, 2012

Time: 4:00 p.m.

SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5602	MEETING LOCATION Scotts Valley City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066
OFFICIALS Donna Lind, Chair Randy Johnson, Vice Chair Stephany E. Aguilar, Board Member Dene Bustichi, Board Member Jim Reed, Board Member	POSTING The agenda was posted 2-28-12 at City Hall, Scotts Valley Senior Center, Scotts Valley Library and on the Internet at www.scottsvalley.org .

CALL TO ORDER 4:00 p.m.

ROLL CALL

ALTERATIONS TO CONSENT AGENDA

(Board can remove or add items to the Consent Agenda.)

CONSENT AGENDA

(The Consent Agenda is comprised of items which appear to be non-controversial. Persons wishing to speak on any item may do so by raising their hand to be recognized by the Chair.)

A. Approve Successor Agency Board meeting minutes of 2-1-12

ALTERATIONS TO REGULAR AGENDA

(Board can remove or add items to the Regular Agenda.)

REGULAR AGENDA

(Persons wishing to speak on any item may do so by raising their hand to be recognized by the Chair.)

1. Approve Resolution No. SA-4 approving the initial draft Recognized Obligation Payment Schedule (ROPS)

CONVENE TO CLOSED SESSION

CLOSED SESSION	SUBJECT:	Conference with legal counsel regarding real property negotiations.
	Legal Authority:	Govt Code Section 54956.8
	APN:	022-211-80
	Staff Present:	Executive Director, Agency Counsel, Community Development Dir/Deputy City Manager

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKEN DURING CLOSED SESSION

ADJOURNMENT

The Successor Agency of the Scotts Valley Redevelopment Agency does not discriminate against persons with disabilities. The Scotts Valley City Council Chambers is an accessible facility. If you wish to attend a Board meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the Secretary's office at (831) 440-5602 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a Board meeting be available in an alternative format consistent with a specific disability, please call the Secretary's Office. The California State Relay Service (TDD to voice: 1-800-735-2929, voice to TDD: 1-800-735-2922), provides Telecommunications Devices for the Deaf and will provide a link between the TDD caller and users of telephone equipment.

MINUTES

Meeting of the Successor Agency of the Scotts Valley Redevelopment Agency

Date: February 1, 2012

POSTING:

The agenda was posted on 1-26-12
at City Hall, the SV Senior Center, and
the SV Library, by the City Clerk.

CALL TO ORDER 7:30 p.m.

ROLL CALL

Present:

- Donna Lind, Chair
- Randy Johnson, Vice Chair
- Stephany E. Aguilar, Board Member
- Dene Bustichi, Board Member
- Jim Reed, Board Member
- Stephen H. Ando, Executive Director
- Tracy A. Ferrara, Secretary
- Kirsten Powell, Agency Council
- Corrie D. Kates, Community Development
Director/Deputy City Manager

PUBLIC COMMENT: No one came forward.

**ALTERATIONS TO
REGULAR AGENDA**

M/S: Aguilar/Bustichi
To approve the Regular Agenda.
Carried 5/0

REGULAR AGENDA

1. **Consideration of Resolution No. SA-1, a resolution of the City Council of the City of Scotts Valley acting as the governing body for the Successor of the Scotts Valley Redevelopment Agency pursuant to Part 1.85 of Division 24 of the California Health and Safety Code establishing rules and regulations for the operations of the Successor Agency as a new legal entity separate from the City and taking certain actions in connection therewith**

AC Powell presented the written staff report and responded to questions from Council.

M/S: Aguilar/Reed

To adopt Resolution No. SA-1, a resolution of the City Council of the City of Scotts Valley acting as the governing body for the Successor of the Scotts Valley Redevelopment Agency pursuant to Part 1.85 of Division 24 of the California Health and Safety Code establishing rules and regulations for the operations of the Successor Agency as a new legal entity separate from the City and taking certain actions in connection therewith.

Carried 5/0

2. **Consideration of Resolution No. SA-2, a resolution of the Board of Directors of the Successor Agency of the Scotts Valley Redevelopment Agency creating a Redevelopment Obligation Retirement Fund pursuant to Health and Safety Code Section 34170.5 and taking certain actions in connection therewith**

AC Powell presented the written staff report and responded to questions from Council.

M/S: Aguilar/Reed

To adopt Resolution No. SA-2, a resolution of the Board of Directors of the Successor Agency of the Scotts Valley Redevelopment Agency creating a Redevelopment Obligation Retirement Fund pursuant to Health and Safety Code Section 34170.5 and taking certain actions in connection therewith.

Carried 5/0

3. **Consideration of Resolution No. SA-3, a resolution of the Board of the Directors of the Successor Agency of the Scotts Valley Redevelopment Agency adopting an Enforceable Obligation Payment Schedule pursuant to Health and Safety Code Section 34177 and taking certain actions in connection therewith**

AC Powell presented the written staff report and responded to questions from Council.

M/S: Aguilar/Bustichi

To adopt Resolution No. SA-3, a resolution of the Board of the Directors of the Successor Agency of the Scotts Valley Redevelopment Agency adopting an Enforceable Obligation Payment Schedule pursuant to Health and Safety Code Section 34177 and taking certain actions in connection therewith.

Carried 5/0

4. **Future Board agenda items**

None.

ADJOURNMENT The meeting adjourned at 7:40 p.m.

Approved: _____

Donna Lind, Chair

Attest: _____

Tracy A. Ferrara, Secretary

**Successor Agency of the Scotts Valley
Redevelopment Agency
INTEROFFICE MEMORANDUM**

DATE: February 29, 2012
TO: Honorable Chairperson and Board Members
FROM: Steve Ando, Executive Director 
SUBJECT: Approval of Draft Recognized Obligation Payment Schedule

SUMMARY OF ISSUE

This agenda item addresses an outcome of the California Supreme Court's decision in *California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861), the litigation challenging AB X1 26 ("AB 26") and AB X1 27 ("AB 27"). AB 26 and AB 27, which were signed by the Governor of California on June 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law.

The Supreme Court largely upheld AB 26 (which provides for the windup and dissolution of redevelopment agencies), invalidated AB 27 (which provided for an alternative voluntary redevelopment program), and held that AB 26 may be severed from AB 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 (the dissolution provisions) arising before May 1, 2012 to take effect four months later. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved, and cities do not have the option of making remittance payments to enable the continued operation of redevelopment agencies. The City is the successor agency for the Scotts Valley Redevelopment Agency (the "Successor Agency") and the board of the Successor Agency (the "Board") consists of the members of the City Council.

Pursuant to Health and Safety Code Section 34177, successor agencies are required to prepare a draft initial Recognized Obligation Payment Schedule by March 1, 2012.

FISCAL IMPACT

Preparation of a draft initial Recognized Obligation Payment Schedule is in furtherance of allowing the Successor Agency to pay enforceable obligations of the former redevelopment agency.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors of the Successor Agency to the Scotts Valley Redevelopment Agency adopt Resolution No. SA-4, approving the initial draft Recognized Obligation Payment Schedule.

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RESOLUTION NO. SA-4

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SUCCESSOR AGENCY OF THE SCOTTS VALLEY
REDEVELOPMENT AGENCY APPROVING A DRAFT INITIAL
RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO
HEALTH AND SAFETY CODE SECTION 34177 AND TAKING
CERTAIN ACTIONS IN CONNECTION THEREWITH**

RECITALS:

A. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85").

B. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the Matosantos case largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

C. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later.

D. As a result of the Supreme Court's decision, the Scotts Valley Redevelopment Agency (the "Redevelopment Agency"), a redevelopment agency in the City of Scotts Valley (the "City"), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012.

E. By its Resolution No. 1873, adopted on January 11, 2012, the City Council of the City made an election to serve as the successor agency for the Redevelopment Agency under Part 1.85 (the "Successor Agency").

F. By its Resolution No. SA-1, adopted on February 1, 2012, the City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors (the "Board") consisting of the members of the City Council of the City.

G. Health and Safety Code Section 34177(l), as modified by the California Supreme Court, provides that by March 1, 2012, the Successor Agency must prepare a draft initial Recognized Obligation Payment Schedule for the enforceable obligations of the former Redevelopment Agency, in accordance with the requirements of paragraph (l). The draft schedule must be reviewed and certified, as to its accuracy, by an external auditor designated at the county auditor-controller's direction pursuant to Health and Safety Code Section 34182. The certified Recognized Obligation Payment Schedule must be submitted to and approved by the oversight board. Finally, after approval by the oversight board, a copy of the approved Recognized Obligation Payment Schedule must be submitted to the county auditor-controller, the State Controller and the State Department of Finance ("DOF"), and be posted on the Successor Agency's web site. The first Recognized Obligation Payment Schedule submitted to the State Controller and the DOF will be for payments for the period of January 1, 2012 to June 30, 2012, inclusive.

H. Accordingly, the Board desires to adopt this Resolution approving a draft initial Recognized Obligation Payment Schedule in accordance with Paragraph G.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SCOTTS VALLEY REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34177.

Section 3. The Board hereby approves the draft initial Recognized Obligation Payment Schedule substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference (the "ROPS"). The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify the ROPS as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable.

Section 4. The Board hereby designates Executive Director as the official to whom the DOF may make requests for review in connection with the ROPS and who shall provide the DOF with the telephone number and e-mail contact information for the purpose of communicating with the DOF.

Section 5. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including submitting the certified Recognized Obligation Payment Schedule to the oversight board for approval, and any such actions previously taken by such officers are hereby ratified and confirmed.

PASSED AND ADOPTED this _____ day of _____, 2012.

Donna Lind, Chair

ATTEST:

Tracy Ferrara, Secretary

EXHIBIT A

DRAFT INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Name of Redevelopment Agency: Scotts Valley Redevelopment Agency
 Project Area(s) RDA Project Area All

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

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	*** Funding Source	Payable from the Redevelopment Property Tax Fund (RPTIF)					Total		
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012		Jun 2012	
1) 2006 Tax Allocation Bonds	Bank of New York	Bonds issue to fund non-housing projects	Scotts Valley	7,717,462.50	539,940.00	RPTIF	273,353.75						\$ 273,353.75	
2) 2008 Lease Rev Bonds Series A	Bank of New York	Bonds issue to fund non-housing projects	Scotts Valley	12,735,359.00	309,028.00	RPTIF			150,013.75				\$ 150,013.75	
3) 2009 Lease Rev Bonds Series B	Bank of New York	Bonds issue to fund non-housing projects	Scotts Valley	7,414,347.00	262,658.00	RPTIF			131,229.38				\$ 131,229.38	
4) 2003 Certificate of Participation	Bank of New York	Bonds issue to fund non-housing projects	Scotts Valley	1,753,899.00	46,102.00	RPTIF			46,102.00				\$ 46,102.00	
5) 1997 Note Payable	Scotts Valley Water District	Note issue to fund non-housing projects	Scotts Valley	206,600.00	12,500.00	RPTIF				7,200.00			\$ 7,200.00	
6) City Loan entered into on 9/19/91	City of Scotts Valley	Loan for operating costs and NH projects	Scotts Valley	2,063,231.25	416,846.25	RPTIF					1,000,000.00		\$ 1,000,000.00	
7) Furniture Invoice	One Work Place	Library Project	Scotts Valley	90,833.00	90,833.00	RPTIF		9,083.00					\$ 9,083.00	
8) Reimbursement Agreement	City of Scotts Valley	Lease Payments	Scotts Valley	12,735,359.00	309,028.00	RPTIF			150,013.75				\$ 150,013.75	
9) Furniture Invoice	Kroll, Inc	Library Project	Scotts Valley	2,788.57	2,788.57	RPTIF							\$ 2,788.57	
10) Furniture Invoice	Motivational Systems	Library Project	Scotts Valley	30,830.60	24,732.85	RPTIF		6,097.75					\$ 6,097.75	
11) Services Contract	Richards, Watson, Gershon	Legal Services - Bonds	Scotts Valley	50,000.00	25,000.00	RPTIF		4,981.50					\$ 4,981.50	
12) Services Contract	Coastal Evergreen	Board Meeting Slipepends	Scotts Valley	12,000.00	12,000.00	RPTIF		1,000.00					\$ 1,000.00	
13) Board Slipepends	Board of Directors	Board Meeting Slipepends	Scotts Valley	2,550.00	2,550.00	RPTIF		300.00					\$ 300.00	
14) Services Contract	Logan & Powell	Case # CV487230	Scotts Valley	125,000.00	20,000.00	RPTIF		45.00					\$ 45.00	
15) Services Contract	First Alarm	Library Building	Scotts Valley	540.00	32.00	RPTIF		32.00					\$ 32.00	
16) Utilities	AT&T	Library Building	Scotts Valley	2,500.00	2,500.00	RPTIF		135.00					\$ 135.00	
17) Utilities	Scotts Valley Water District	Library Building - HVAC System	Scotts Valley	10,150.00	10,150.00	RPTIF		350.00					\$ 350.00	
18) Services Contract	Employees of Agency	Library Building - Landscaping Maintenance	Scotts Valley	4,200.00	4,200.00	RPTIF		150.00					\$ 150.00	
19) Employees Salary & Benefits	PG&E	Library Building	Scotts Valley	1,770.00	1,770.00	RPTIF		115.00					\$ 115.00	
20) Utilities	City of Santa Cruz	Purchase option for three parcels	Scotts Valley	60,000.00	60,000.00	RPTIF		5,030.00					\$ 5,030.00	
21) Purchase Option Agreement	Employees of Agency	Styepark Maintenance	Scotts Valley	60,370.00	60,370.00	RPTIF		1,375.00					\$ 1,375.00	
22) Employees Salary & Benefits	Scotts Valley Water District	Styepark Maintenance	Scotts Valley	16,500.00	16,500.00	RPTIF		1,375.00					\$ 1,375.00	
23) Utilities	CG Uhlenberg LLP	Auditing services	Scotts Valley	12,000.00	12,000.00	RPTIF		12,000.00					\$ 12,000.00	
24) Services Contract													\$ -	
25)													\$ -	
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32)													\$ -	
Totals - This Page (RPTIF Funding)							\$ 45,128,761.92	\$ 2,179,120.67	\$ 19,375.00	\$ 504,340.88	\$ 29,982.00	\$ 22,182.00	\$ 1,014,982.00	\$ 1,884,948.96
Totals - Page 2 (Other Funding)							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 3 (Administrative Cost Allowance)							\$ 120,000.00	\$ 120,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 60,000.00
Totals - Page 4 (Pass Thru Payments)							\$ 72,073,594.00	\$ 2,441,138.00	\$ -	\$ -	\$ 1,965,197.00	\$ -	\$ -	\$ 1,965,197.00
Grand total - All Pages							\$ 45,248,761.92	\$ 2,299,120.67	\$ 29,375.00	\$ 514,340.88	\$ 39,982.00	\$ 32,182.00	\$ 1,024,982.00	\$ 3,310,145.96

** The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board and audited by the County.

*** All totals due during fiscal year and payment amounts are projected.

**** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTIF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTIF - Redevelopment Property Tax Trust Fund

LMHF - Low and Moderate Income Housing Fund

Admin - Successor Agency Administrative Allowance

Other - reserves, rents, interest earnings, etc

Name of Redevelopment Agency: Scotts Valley Redevelopment Agency
 Project Area(s): RDA Project Area AII

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

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	Funding Source**	Payable from the Administrative Allowance Allocation						Total	
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012		
1) Employees Salary & Benefits	City of Scotts Valley	Payroll for City support staff to SA	Scotts Valley	60,000.00	60,000.00	Admin	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	30,000.00	
2) Services Contract	Logan and Powell	Legal services for Successor Agency (SA)	Scotts Valley	60,000.00	60,000.00	Admin	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	30,000.00	
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Totals - This Page														
							\$ 120,000.00	\$ 120,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 60,000.00

* The Preliminary Draft Recognized Obligation Payment Schedule (RPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board and audited by the County.
 ** All total due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund
 LMHF - Low and Moderate Income Housing Fund
 Admin - Successor Agency Administrative Allowance
 Bonds - Bond proceeds
 Other - reserves, rents, interest earnings, etc

