

BEFORE THE SANTA CRUZ COUNTY  
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD  
RESOLUTION NO. \_\_\_\_\_

On the motion of \_\_\_\_\_ duly seconded by \_\_\_\_\_ the following resolution is adopted:

RESOLUTION APPROVING MEETING MINUTES OF THE  
OVERSIGHT BOARD

WHEREAS, the Santa Cruz County Redevelopment Successor Agency Oversight Board ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, the Oversight Board conducted a public meeting on February 17, 2015, the minutes of which are attached as Exhibit 1; and

WHEREAS, these meeting minutes reflect the actions of the Oversight Board;

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Santa Cruz County Redevelopment Successor Agency Oversight Board as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The meeting minutes of the Oversight Board meeting on February 17, 2015 are hereby approved.

PASSED, APPROVED and ADOPTED by the Santa Cruz County Redevelopment Successor Agency Oversight Board, this \_\_\_ day of \_\_\_\_\_, 2015 by the following vote:

- AYES:
- NOES:
- ABSENT:

\_\_\_\_\_  
Chairperson of the Santa Cruz County Redevelopment  
Successor Agency Oversight Board

ATTEST:

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Clerk of the Oversight Board

Approved as to form:

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County Counsel

Distribution:

- Auditor-Controller
- CAO
- County Counsel
- Successor Agency
- State Department of Finance

September 8, 2015

Exhibit 1

**PROCEEDINGS OF THE  
SANTA CRUZ COUNTY  
REDEVELOPMENT SUCCESSOR AGENCY  
OVERSIGHT BOARD**

**VOLUME 2015, NUMBER 2  
February 17, 2015**

**ACTION SUMMARY MINUTES**

**VOTING KEY:**

C = Cirillo  
G = Geisreiter  
H = Hart  
L = Leopold  
M = Maxwell  
Ro = Rozario  
Re = Reece

First Initial indicates maker of motion, second initial indicates the "second"; upper case letter = "yes" vote; lower case letter = "no" vote; ( ) = abstain; // = absent

1. **Call to Order/Roll Call** - Meeting called to order at 3:00 p.m. Members present: Cirillo, Rozario, Hart, Reece, Leopold. Absent: Maxwell and Geisreiter.
2. **Consideration of Late Additions to the Agenda; additions and deletions to Consent and Regular Agendas** - none
3. **Oral Communications** – no one addressed the Board.
4. ADOPTED Resolution No. 9-2015OB approving the meeting minutes of January 20, 2015  
  
ReCHLRO//MG
5. ADOPTED Resolution No. 10-2015OB approving the Administrative Budget for July 2015 through December 2015  
  
CRoHLRe//MG
6. ADOPTED Resolution No. 11-2015OB approving the Recognized Obligation Payment Schedule 15-16A for the period July 1, 2015 through December 31, 2015  
  
HReCLRO//MG

September 8, 2015

Exhibit 1

- 7. ADOPTED Resolution No. 12-2015 approving the Settlement Agreement in the matter of City of Scotts Valley v. County of Santa Cruz, Mary Jo Walker, et al, Case No. CV 467230, San Mateo County Superior Court

ReCHLRo//MG

Approved: \_\_\_\_\_  
 Chair, Oversight Board

Attest: \_\_\_\_\_  
 Secretary of the Oversight Board

NOTE: This set of Santa Cruz County Redevelopment Successor Agency Oversight Board minutes is scheduled to be approved September 8, 2015.



# County of Santa Cruz

## SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

August 14, 2015

Agenda: September 8, 2015

Oversight Board  
 Santa Cruz County Redevelopment Successor Agency  
 701 Ocean Street  
 Santa Cruz, CA 95060

### APPROVAL OF 2016 OVERSIGHT BOARD MEETING DATES

Dear Members of the Board:

At this time, it is necessary to schedule the meetings for calendar year 2016. The meetings will be held in the Board Chambers on the 5<sup>th</sup> floor of the County Government Center at 701 Ocean Street, Santa Cruz, at 9:00 a.m. The proposed meeting dates are February 16, 2016, and September 20, 2016.

It is therefore **RECOMMENDED** that your Board adopt the attached resolution approving the meeting schedule for calendar year 2016.

Very truly yours,

Betsey Lynberg  
 Director of Capital Projects

**RECOMMENDED:**

Susan A. Mauriello  
 County Administrative Officer

Attachment: Resolution

cc: CAO, Auditor-Controller, County Counsel, Successor Agency, DOF, Planning

BEFORE THE SANTA CRUZ COUNTY  
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD  
RESOLUTION NO. \_\_\_\_\_

On the motion of \_\_\_\_\_ duly seconded by \_\_\_\_\_ the following resolution is adopted:

RESOLUTION SCHEDULING MEETINGS  
OF THE OVERSIGHT BOARD

WHEREAS, the Santa Cruz County Redevelopment Successor Agency Oversight Board ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, it is necessary to schedule meetings of the Oversight Board for the 2016 calendar year;

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Santa Cruz County Redevelopment Successor Agency Oversight Board as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The Oversight Board shall meet on February 16, 2016, and on September 20, 2016 at 9 am in the Board Chambers on the 5<sup>th</sup> Floor of the County Government Center at 701 Ocean Street, Santa Cruz.

PASSED, APPROVED and ADOPTED by the Santa Cruz County Redevelopment Successor Agency Oversight Board, this \_\_ day of \_\_\_\_\_, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
Chairperson of the Santa Cruz County Redevelopment  
Successor Agency Oversight Board





# County of Santa Cruz

## SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

August 14, 2015

Agenda: September 8, 2015

Oversight Board  
Santa Cruz County Redevelopment Successor Agency  
701 Ocean Street  
Santa Cruz, CA 95060

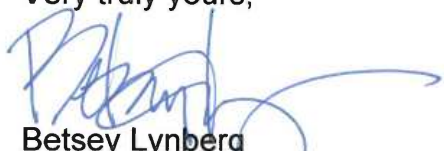
### ELECTION OF CHAIRPERSON AND VICE CHAIRPERSON

Dear Members of the Board:

At this time, it is necessary to select a Chairperson of the Oversight Board to preside over the Oversight Board's meetings for the next one year term. A Vice Chairperson should also be selected to preside over the meeting when the Chair is unavailable.

It is therefore RECOMMENDED that your Board adopt the attached resolution electing one member to serve as Chairperson and one person to serve as Vice Chairperson for the Santa Cruz County Successor Agency Oversight Board.

Very truly yours,



Betsey Lynberg  
Director of Capital Projects

RECOMMENDED:



Susan A. Mauriello  
County Administrative Officer

BL:kn



BEFORE THE SANTA CRUZ COUNTY  
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD  
RESOLUTION NO. \_\_\_\_\_

On the motion of \_\_\_\_\_ duly seconded by \_\_\_\_\_ the following  
resolution is adopted:

RESOLUTION ELECTING A CHAIRPERSON AND VICE  
CHAIRPERSON OF THE OVERSIGHT BOARD

WHEREAS, the Santa Cruz County Redevelopment Successor Agency Oversight Board ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, the Oversight Board conducted a public meeting on September 8, 2015, and elected \_\_\_\_\_ as Chairperson and \_\_\_\_\_ as Vice Chairperson, each to serve a one year term.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Santa Cruz County Redevelopment Successor Agency Oversight Board as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. \_\_\_\_\_ is elected as Chairperson and \_\_\_\_\_ is elected as Vice Chairperson, each to serve a one year term.

PASSED, APPROVED and ADOPTED by the Santa Cruz County Redevelopment Successor Agency Oversight Board, this \_\_ day of \_\_\_\_\_, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
Chairperson of the Santa Cruz County Redevelopment  
Successor Agency Oversight Board





# County of Santa Cruz

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## SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

August 14, 2015

Agenda: September 8, 2015

Oversight Board  
Santa Cruz County Redevelopment Successor Agency  
701 Ocean Street  
Santa Cruz, CA 95060


### STATUS REPORT

Dear Members of the Board:

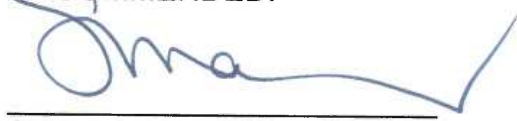
Attached is the Final Santa Cruz County Redevelopment Agency Asset Transfer Review Report from the State Controller. This was one of the last outstanding items from the RDA Dissolution process. Staff has reviewed it and the State Controller has made all the corrections and adjustments we had requested. The only remaining item, which the County never contested, is the \$21,087 in cash which will be transferred from Fund 42, County Capital Projects, to Fund 28, RSA Capital Projects, after the final 2015-16 budget is in place.

It is therefore RECOMMENDED that your Board approve the attached resolution accepting and filing this status report.

Very truly yours,

  
Betsey Lynberg  
Director of Capital Projects

RECOMMENDED:

  
Susan A. Mauriello  
County Administrative Officer

BL:kn

BEFORE THE SANTA CRUZ COUNTY  
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD  
RESOLUTION NO. \_\_\_\_\_

On the motion of \_\_\_\_\_ duly seconded by \_\_\_\_\_ the following  
resolution is adopted:

RESOLUTION ACCEPTING AND FILING STATUS REPORT

WHEREAS, the Santa Cruz County Redevelopment Successor Agency Oversight Board ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, the final Santa Cruz County Redevelopment Agency Asset Transfer Review Report from the State Controller is attached hereto.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Santa Cruz County Redevelopment Successor Agency Oversight Board as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The status report on the final Santa Cruz County Redevelopment Agency Asset Transfer Review Report from the State Controller is hereby accepted and filed.

PASSED, APPROVED and ADOPTED by the Santa Cruz County Redevelopment Successor Agency Oversight Board, this \_\_ day of \_\_\_\_\_, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
Chairperson of the Santa Cruz County Redevelopment  
Successor Agency Oversight Board

ATTEST:

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Clerk of the Oversight Board

Approved as to form:



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County Counsel

Distribution:

- Auditor-Controller
- CAO
- County Counsel
- Successor Agency
- State Department of Finance

# **SANTA CRUZ COUNTY REDEVELOPMENT AGENCY**

## **ASSET TRANSFER REVIEW**

### **Review Report**

*January 1, 2011, through January 31, 2012*



**BETTY T. YEE**  
California State Controller

June 2015



**BETTY T. YEE**  
California State Controller

June 30, 2015

Susan A. Mauriello, County Administrative Officer  
Santa Cruz County Redevelopment/Successor Agency  
701 Ocean Street, Room 520  
Santa Cruz, CA 95060

Dear Ms. Mauriello:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Santa Cruz County Redevelopment Agency (RDA) to the County of Santa Cruz (County) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency.

Our review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers to the County or any other public agency have been reversed.

Our review found that the RDA transferred \$214,041,456 in assets after January 1, 2011, including unallowable transfers to the County totaling \$34,209,643, or 15.98% of transferred assets.

However, the following corrective actions have been taken:

- On various dates after February 1, 2012, the County turned over \$12,925,546 in cash to the Successor Agency.
- On various dates after February 1, 2012, the County sold three properties totaling \$646,951 in land held for resale to a third party, deposited the proceeds into the Low- and Moderate-Income Housing Fund, and turned over the remaining four properties, totaling \$1,397,019, to the Successor Agency.
- On November 18, 2012, the County turned over \$16,993,060 in land to the Successor Agency.
- On October 1, 2012, the County turned over \$1,940,207 in construction-in-progress to the Successor Agency.

Susan A. Mauriello,  
County Administrative Officer

-2-

June 30, 2015

- On November 18, 2012, the County turned over \$285,773 in building assets to the Successor Agency.

Therefore, the remaining \$21,087 in unallowable transfers must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth González, Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622 or by email at [egonzalez@sco.ca.gov](mailto:egonzalez@sco.ca.gov).

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/as

cc: The Honorable Mary Jo Walker, CPA, Auditor-Controller  
County of Santa Cruz  
John Leopold, Oversight Board Chair  
Santa Cruz County Successor Agency  
David Botelho, Program Budget Manager  
California Department of Finance  
Richard J. Chivaro, Chief Legal Counsel  
State Controller's Office  
Elizabeth González, Bureau Chief  
Division of Audits, State Controller's Office  
Reginald Nidoy, Audit Manager  
Division of Audits, State Controller's Office  
Nesha Neycheva, Auditor-in-Charge  
Division of Audits, State Controller's Office  
Matthew Rios, Auditor  
Division of Audits, State Controller's Office



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## **Review Report**

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# Asset Transfer Review Report

## Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Santa Cruz County Redevelopment Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$214,041,456 in assets after January 1, 2011, including unallowable transfers to the County of Santa Cruz (County) totaling \$34,209,643, or 15.98% of transferred assets.

However, the following corrective actions have been taken:

- On various dates after February 1, 2012, the County turned over \$12,925,546 in cash to the Successor Agency.
- On various dates after February 1, 2012, the County sold three properties totaling \$646,951 in land held for resale to a third party, deposited the proceeds into the Low- and Moderate-Income Housing Fund, and turned over the remaining four properties, totaling \$1,397,019, to the Successor Agency.
- On November 18, 2012, the County turned over \$16,993,060 in land to the Successor Agency.
- On October 1, 2012, the County turned over \$1,940,207 in construction-in-progress to the Successor Agency.
- On November 18, 2012, the County turned over \$285,773 in building assets to the Successor Agency.

Therefore, the remaining \$21,087 in unallowable transfers must be turned over to the Successor Agency.

## Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA successor agencies and oversight boards to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety (H&S) Code beginning with section 34161.

H&S Code section 34167.5 states in part, “. . . the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency.”

The SCO identified asset transfers that occurred after January 1, 2011, between the RDA, the County and/or any other public agency. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal action to ensure compliance with this order.

## **Objective, Scope, and Methodology**

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency’s operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the County, the RDA, the Successor Agency, and the Oversight Board.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

## **Conclusion**

Our review found that the Santa Cruz County Redevelopment Agency transferred \$214,041,456 in assets after January 1, 2011, including unallowable transfers to the County of Santa Cruz (County) totaling \$34,209,643, or 15.98% of transferred assets.

However, the following corrective actions have been taken:

- On various dates after February 1, 2012, the County turned over \$12,925,546 in cash to the Successor Agency.

- On various dates after February 1, 2012, the County sold three properties totaling \$646,951 in land held for resale to a third party, deposited the proceeds into the Low- and Moderate-Income Housing Fund, and turned over the remaining four properties, totaling \$1,397,019, to the Successor Agency.
- On November 18, 2012, the County turned over \$16,993,060 in land to the Successor Agency.
- On October 1, 2012, the County turned over \$1,940,207 in construction-in-progress to the Successor Agency.
- On November 18, 2012, the County turned over \$285,773 in building assets to the Successor Agency.

Therefore, the remaining \$21,087 in unallowable transfers must be turned over to the Successor Agency.

Details of our finding are described in the Finding and Order of the Controller section of this report.

### **Views of Responsible Officials**

We issued a draft review report on October 22, 2014. Susan A. Mauriello, County Administrative Officer, responded by letter dated November 21, 2014. The County provided additional documentation in its response regarding properties located at 1240 Rodriguez Street, 2340 Harper Street, 210 Pajaro Circle, and 606 Calle Cuesta, valued at \$1,864,069. After reviewing the documents, the SCO removed these properties from its findings. The SCO's comment to the County's response addresses the remaining unallowable transfers only. The County's response is included in this final review report as an attachment.

### **Restricted Use**

This report is solely for the information and use of the County of Santa Cruz, the Successor Agency, the Oversight Board, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

June 30, 2015

## Finding and Order of the Controller

**FINDING—  
Unallowable asset  
transfer to the  
County of Santa  
Cruz**

The Santa Cruz County Redevelopment Agency (RDA) made unallowable asset transfers of \$34,209,643 to the County of Santa Cruz (County). The transfers occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.

On March 8, 2011, the RDA transferred \$34,209,643 in assets to the County per the amended and restated agreement dated February 8, 2011, and Resolution 83-2011 in order to continue the former RDA projects.

Unallowable asset transfers to the County were as follows:

- \$12,946,633 in cash
- \$2,043,970 in land held for resale
- \$16,993,060 in land
- \$1,940,207 in construction-in-progress
- \$285,773 in buildings

Pursuant to H&S Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. The assets must be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177(d) and (e).

### Order of the Controller

Pursuant to H&S Code section 34167.5, the County is ordered to reverse the transfers totaling \$34,209,643 and turn over the assets to the Successor Agency.

However, the following corrective actions have been taken:

- On various dates after February 1, 2012, the County turned over \$12,925,546 in cash to the Successor Agency.
- On various dates after February 1, 2012, the County sold three properties totaling \$646,951 in land held for resale to a third party, deposited the proceeds into the Low-and Moderate- Income Housing Fund, and turned over the remaining four properties, totaling \$1,397,019, to the Successor Agency.
- On November 18, 2012, the County turned over \$16,993,060 in land to the Successor Agency.
- On October 1, 2012, the County turned over \$1,940,207 in construction-in-progress to the Successor Agency.
- On November 18, 2012, the County turned over \$285,773 in building assets to the Successor Agency.

Therefore, the remaining \$21,087 in unallowable transfers must be turned over to the Successor Agency.

### County's Response

The County provided additional documentation and clarification for the unallowable transfers identified in the draft review report. Four properties were subsequently removed from the findings, reducing the total unallowable transfers to \$34,209,643. The County's response and the SCO's comment address the remaining unallowable transfers only.

- \$646,951 in land held for resale was sold to third parties on various dates, and the proceeds deposited into the Low- and Moderate-Income Housing:
  - 218 Pajaro Circle, Freedom
  - 560 30th Ave #55, Santa Cruz
  - 201 Amador, Watsonville

The remaining \$1,397,019 in land held for resale was turned over to the Successor Agency per Resolution No.276-14 (Attachment 4, in the County's response):

- 755 14<sup>th</sup> Avenue #108, Santa Cruz
- 5313 Soquel Drive, Soquel
- 111 Atherton Loop, Aptos
- 119 Atherton Loop, Aptos
- \$1,940,207 in construction-in-progress was turned over to the Successor Agency on October 1, 2012, per Board of Supervisors Resolution No. 234-2012, dated September 25, 2012 (Attachment 5, in the County's response).
- The County did not respond to the remaining unallowable cash transfer of \$21,087.

### SCO's Comment

The SCO reviewed the County's response and supporting documentation dated November 21, 2014, and accepts the County's corrective actions.

The Finding and Order of the Controller has been modified accordingly.

**Schedule—  
Unallowable Asset Transfers to  
the County of Santa Cruz  
January 1, 2011, through January 31, 2012**

	Total Unallowable Asset Transfers on March 8, 2011	Assets Transferred to Successor Agency or Sold to 3rd Parties after February 1, 2012	Total Transfers Subject to H&S Code section 34167.5
Cash transfer to the County of Santa Cruz (March 8, 2011)	\$ 12,946,633	\$ (12,925,546)	\$ 21,087
Land held for resale			
560 30th Ave #55, Santa Cruz	57,088	(57,088)	—
755 14th Avenue #108, Santa Cruz	234,544	(234,544)	—
5313 Soquel Drive, Soquel	339,662	(339,662)	—
111 Atherton Loop, Aptos	411,545	(411,545)	—
119 Atherton Loop, Aptos	411,268	(411,268)	—
218 Pajaro Circle, Freedom	286,857	(286,857)	—
201 Amador, Watsonville	303,006	(303,006)	—
Total land held for resale	2,043,970	(2,043,970)	—
Capital asset transfers to the County of Santa Cruz (March 8, 2011)			
Land			
Commercial Way	100,000	(100,000)	—
40 Moran Way	1,601,921	(1,601,921)	—
Ashe Property-0 Porter St	146,127	(146,127)	—
Heart of Soquel Mobile Home Park	706,326	(706,326)	—
Smith Property, East Cliff	121,078	(121,078)	—
Cunnison Lane Park (both pieces)	1,825,246	(1,825,246)	—
1965-1975-1985 Chanticleer Ave	901,707	(901,707)	—
1925 Chanticleer Ave	1,787,074	(1,787,074)	—
7th & Brommer/ 855 7th Ave	803,495	(803,495)	—
901 7th Ave, Santa Cruz	5,870,779	(5,870,779)	—
905 7th Ave, Santa Cruz	735,714	(735,714)	—
1412 Capitola Rd, Santa Cruz	454,936	(454,936)	—
Library site-Johnson/1438 Capitola Rd, Santa Cruz	421,005	(421,005)	—
Library Dell Aqua/1500 Capitola Rd, Santa Cruz	411,495	(411,495)	—
Library Dell Aqua/1514 Capitola Rd, Santa Cruz	400,000	(400,000)	—
Soquel Parking Adelita/Soquel Dr lot	219,688	(219,688)	—
Soquel Parking Lombardi/Soquel Dr lot	275,452	(275,452)	—
Soquel Parking Lot 18/Daubenbiss lot	20,097	(20,097)	—
Soquel Parking Sobey/Daubenbiss lot	90,413	(90,413)	—
Soquel Parking Chen/Daubenbiss lot	100,507	(100,507)	—
Total land	16,993,060	(16,993,060)	—

## Schedule (continued)

	Total Unallowable Asset Transfers on March 8, 2011	Assets Transferred to Successor Agency or Sold to 3rd Parties after February 1, 2012	Total Transfers Subject to H&S Code section 34167.5
Construction-in-progress			—
Chanticleer Ave Park	624,455	(624,455)	—
7th & Brommer Site	15,961	(15,961)	—
Farm Park & Community Center	1,209,689	(1,209,689)	—
Soquel Creek Linear Park & Parking Impr	35,374	(35,374)	—
Parksite Acquisition	54,728	(54,728)	—
Total construction-in-progress	1,940,207	(1,940,207)	—
Buildings			—
522 Capitola Rd Ext, Santa Cruz	285,773	(285,773)	—
Capital asset transfers	19,219,040	(19,219,040)	—
Total unallowable asset transfers	<u>\$ 34,209,643</u>	<u>\$ (34,188,556)</u>	<u>\$ 21,087</u>



**Attachment—  
County of Santa Cruz's Response to  
Draft Review Report**

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In addition to the attached letter, the County provided additional documents. Due to their size we are not including them as an attachment to this report. Please contact the County of Santa Cruz and the Santa Cruz Redevelopment Successor Agency for copies of the following attachments to the response:

- Attachment 1 – California Residential Purchase Agreement and Joint Escrow Instructions
- Attachment 2 – Grant Deeds for properties with the following APN Nos.: 048-371-15; 048-371-19; 051-621-01; 051-631-19
- Attachment 3 – Resolution No. 276-14, resolution for transfer of certain Redevelopment Agency acquired properties to the Santa Cruz County Redevelopment Successor Agency
- Attachment 4 – Grant Deeds for the transfer of each property recorded in the Santa Cruz County Recorder's Office on November 18, 2014
- Attachment 5 – Resolution No. 234-2012, resolution for transfer of certain Redevelopment Agency acquired properties to the Santa Cruz County Redevelopment Successor Agency
- Attachment 6 – Oversight Board Resolution Nos. 14-2012; 15-2012; 16-2012; 17-2012; 18-2012; 19-2012; 20-2012; 21-2012; resolutions to direct transfer of governmental-use properties to the County of Santa Cruz
- Attachment 7 – Copy of construction-in-progress turned over to the Successor Agency



# County of Santa Cruz

## SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073  
 (831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

November 21, 2014

State Controller's Office  
 Jeffrey V. Brownfield, CPA  
 Chief, Division of Audits  
 P.O. Box 942850  
 Sacramento, CA 94250-5874

Dear Mr. Brownfield:

On October 29, 2014, we received a revised draft Asset Transfer Review Report for the Santa Cruz County Redevelopment Agency. In subsequent discussions by phone and e-mail, Elizabeth Gonzalez of the State Controller's Office agreed that the deadline for our response would be November 21, 2014. Although the cover letter was addressed to the Santa Cruz County Redevelopment/Successor Agency, the order of the Controller contained in the revised draft report is addressed to the County of Santa Cruz. We appreciate the opportunity to respond on behalf of both the Santa Cruz County Redevelopment Successor Agency and the County of Santa Cruz.

In the revised draft report the State Controller's Office (SCO) found that the Santa Cruz County Redevelopment Agency (RDA) transferred \$214,613,210 in assets, which included unallowable transfers of \$36,073,716. It is our assertion that all of the transfers were allowable and lawful at the time they were made. We do agree that ABX1 26 made asset transfers of the RDA made after December 31, 2010, subject to retroactive invalidation and, where they were not contractually committed to a third party prior to the effective date of ABX1 26, subject to return to the Successor Agency.

In the report, the SCO identified \$6,155,106 in remaining unallowable transfers that must be turned over to the Successor Agency, accounting for various corrective actions which had already taken place prior to the review.

In the report, the SCO contends that two housing assets, 1240 Rodriguez Street, Santa Cruz, CA 95062 valued at \$1,001,478, and 2340 Harper Street, Santa Cruz, CA 95062 valued at \$290,837, were not contractually committed to a third party prior to June 28, 2011. In fact, the asset, 1240 Rodriguez Street, Santa Cruz, CA 95062 valued at \$1,001,478, was contractually committed to a third

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Nov. 21, 2014  
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party in a Residential Purchase Agreement and Joint Escrow Instructions between the County of Santa Cruz and Habitat for Humanity Santa Cruz, dated June 20, 2011. The asset, 2340 Harper Street, Santa Cruz, CA 95062 valued at \$290,837, was contractually committed to a third party in a Residential Purchase Agreement and Joint Escrow Instructions between the County of Santa Cruz and CFSC, Inc., dated June 20, 2011. Both agreements were provided to State Controller staff during the review, in our response to the first revised draft, and are again attached. (Attachment 1)

As it states in the revised draft report, "the SCO identified asset transfers that occurred after January 1, 2011, between the RDA, the County and/or any other public agency. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency." We respectfully request that the revised draft report be corrected to reflect the fact that the assets, 1240 Rodriguez Street, Santa Cruz, CA 95062 and 2340 Harper Street, Santa Cruz, CA 95062, were each contractually committed to a third party prior to June 28, 2011, and thus are not subject to the order that they be turned over to the Successor Agency.

Of the Land held for resale, capital assets which were transferred to the County of Santa Cruz on March 8, 2011, five properties have since been sold. APN 051-631-19, 606 Calle Cuesta, Watsonville, CA 95076, valued at \$284,708, was sold to a 3<sup>rd</sup> party private purchaser on March 16, 2011, prior to the dissolution of the former RDA, and the sale proceeds, \$258,780.04, were deposited in the Low and Moderate Income Housing Tax Increment fund of the former RDA on March 22, 2011. APN 048-371-19, 210 Pajaro Circle, Freedom, CA 95019, valued at \$287,046, was sold to a 3<sup>rd</sup> party private purchaser on May 18, 2011, prior to the dissolution of the former RDA, and the sale proceeds, \$257,630.88, were deposited in the Low and Moderate Income Housing Tax Increment fund of the former RDA on May 19, 2011. APN 051-621-01, 201 Amador, Watsonville, CA 95076, valued at \$303,006, was sold to a 3<sup>rd</sup> party private purchaser on September 27, 2011, prior to the dissolution of the former RDA, and the sale proceeds, \$254,647.51, were initially deposited in a County fund and transferred to the County's Low and Moderate Income Housing Fund on April 9, 2014.

APN 048-371-15, 218 Pajaro Circle, Freedom, CA 95019, valued at \$286,857, was sold to a 3<sup>rd</sup> party private purchaser on April 3, 2012, after the dissolution of the former RDA, and the sale proceeds, \$198,150.56, were deposited in the County's Low and Moderate Income Housing Fund on April 11, 2012. The mobile home at 560 30<sup>th</sup> Avenue #55, Santa Cruz, CA 95062, valued at \$57,088, was sold to a 3<sup>rd</sup> party private purchaser on August 22, 2014, after the dissolution of the former RDA, and the sale proceeds, \$101,963.79, were deposited in the County's Low and Moderate Income Housing Fund on July 13, 2014, and August 29, 2014. (Attachment 2)

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Nov. 21, 2014  
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The remaining properties of Land held for resale and Buildings, 755 14<sup>th</sup> Avenue #108, Santa Cruz, CA 95062; 5313 Soquel Drive, Soquel, CA 95073; 111 Atherton Loop, Aptos, CA 95003, 119 Atherton Loop, Aptos, CA 95003, and 522 Capitola Rd. Ext., Santa Cruz, CA 95062, were transferred to the Successor Agency from the County per Resolution No. 276-14, approved by the Board of Supervisors on November 18, 2014. (Attachment 3) The grant deeds for the transfer of each property were recorded in the Santa Cruz County Recorder' Office on November 18, 2014. (Attachment 4)

Of the Construction in progress amount of \$1,940,207, all has since been removed from the category Construction in progress and the amounts added to the matching properties. The properties associated with the Construction in progress amounts: APN 029-071-38, 1965-1975-1985 Chanticleer Avenue, Santa Cruz, CA 95062; APN 026-261-13, 855 7<sup>th</sup> Avenue, Santa Cruz, CA 95062; APN 037-101-58, 5555 Soquel Drive, Soquel, CA 95073; APN 030-153-24, 4740-4744 Soquel Drive, Soquel, CA 95073; APN 028-302-04, 40 Moran Way, Santa Cruz, CA 95062, were all originally transferred from the RDA to the County in March 2011. Those properties were all transferred back to the Successor Agency on October 1, 2012, per Board of Supervisors Resolution No. 234-2012, dated September 25, 2012. (Attachment 5) At that time, the Construction in progress amounts were not officially transferred and remained with the County.

APN 029-071-38, 1965-1975-1985 Chanticleer Avenue, Santa Cruz, CA 95062, was transferred from the Successor Agency to the County on June 10, 2013, per Santa Cruz County Redevelopment Successor Agency Oversight Board Resolution No. 15-2012OB, dated October 2, 2012. APN 037-101-58, 5555 Soquel Drive, Soquel, CA 95073, was transferred from the Successor Agency to the County on June 10, 2013, per Santa Cruz County Redevelopment Successor Agency Oversight Board Resolution No. 20-2012OB, dated October 2, 2012. APN 030-153-24, 4740-4744 Soquel Drive, Soquel, CA 95073, was transferred from the Successor Agency to the County on June 10, 2013, per Santa Cruz County Redevelopment Successor Agency Oversight Board Resolution No. 17-2012OB, dated October 2, 2012. APN 028-302-04, 40 Moran Way, Santa Cruz, CA 95062, was transferred from the Successor Agency to the County on June 10, 2013, per Santa Cruz County Redevelopment Successor Agency Oversight Board Resolution No. 18-2012OB, dated October 2, 2012. (Attachment 6)

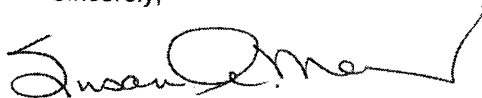
APN 026-261-13, 855 7<sup>th</sup> Avenue, Santa Cruz, CA 95062, remains Successor Agency owned. As of November 19, 2014, the Construction in Progress amounts have been added to the associated properties as part of the capital asset values of the properties, and thus become assets of the entity which currently owns the properties. \$15,961 was added to APN 026-261-13, 855 7<sup>th</sup> Avenue, Santa Cruz,

Audit Response  
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CA 95062, which is Successor Agency owned. \$1,924,246 was added to the other properties, which are County owned. (Attachment 7)

Thank you for the opportunity to respond to the revised draft report. Please contact Kim Namba, Administrative Services Manager at (831) 454-7913 or [Kim.Namba@santacruzcounty.us](mailto:Kim.Namba@santacruzcounty.us) if you have any questions or require further information regarding our response.

Sincerely,



Susan A. Mauriello  
County Administrative Officer

Attachments

cc: Dana McRae, County of Santa Cruz  
Carol Kelly, County of Santa Cruz  
Kim Namba, Santa Cruz County Redevelopment Successor Agency  
Kathy Previsich, County of Santa Cruz

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

**<http://www.sco.ca.gov>**



# County of Santa Cruz

032

## SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

August 14, 2015

Agenda: September 8, 2015

Oversight Board  
Santa Cruz County Redevelopment Successor Agency  
701 Ocean Street  
Santa Cruz, CA 95060

### APPROVAL OF THE ADMINISTRATIVE BUDGET FOR JANUARY 1, 2016 THROUGH JUNE 30, 2016

Dear Members of the Board:

California Health & Safety Code Section 34177(j) requires that the Administrative Budget be prepared for each six month period by the Successor Agency for approval by the Oversight Board.

The Board of Supervisors, acting as the Santa Cruz County Redevelopment Successor Agency, approved the Administrative Budget (Exhibit 1) on September 1, 2015. As detailed in Attachment 2, it includes appropriations for services and supplies, including services provided by other County departments. Services from other departments include the staff time to wind down the former Redevelopment Agency, and the administrative costs of the Oversight Board.

AB x1 26 provides for a minimum Administrative Cost Allowance of \$250,000, and maximum of up to 3% of the property tax allocated to the successor agency per fiscal year. At this point in time, the \$250,000 minimum Administrative Cost Allowance is sufficient for the anticipated 2015-16 cost of services, with \$125,000 budgeted for the second six month period.

It is therefore RECOMMENDED that your Board adopt the attached resolution approving the Administrative Budget for the period January 1, 2016 through June 30, 2016.

Very truly yours,

  
Betsey Lynberg  
Director of Capital Projects

RECOMMENDED:



\_\_\_\_\_  
Susan A. Mauriello  
County Administrative Officer

BL:kn

Attachments

cc: CAO, Auditor-Controller, County Counsel, Successor Agency, DOF



BEFORE THE OVERSIGHT BOARD OF THE SANTA CRUZ COUNTY  
REDEVELOPMENT SUCCESSOR AGENCY  
RESOLUTION NO. \_\_\_\_\_

On the motion of Oversight Board Member \_\_\_\_\_ duly seconded by Oversight Board Member \_\_\_\_\_ the following resolution is adopted:

RESOLUTION APPROVING THE ADMINISTRATIVE BUDGET OF  
THE SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR  
AGENCY FOR JANUARY 2016 THROUGH JUNE 2016

WHEREAS, the Oversight Board of the Santa Cruz County Redevelopment Successor Agency ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, Health and Safety Code Section 34177(j) requires the Oversight Board to approve the Administrative Budget of the Santa Cruz County Redevelopment Successor Agency for the period January 2016 through June 2016;

WHEREAS, the Administrative Budget of the Santa Cruz County Redevelopment Successor Agency for the period January 2016 through June 2016 is attached as Exhibit 1; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The Administrative Budget of the Santa Cruz County Redevelopment Successor Agency for the period January 2016 through June 2016 is approved.

PASSED, APPROVED and ADOPTED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency, this \_\_\_ day of \_\_\_\_\_, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
Chairperson of the Oversight Board of the Santa Cruz  
County Redevelopment Successor Agency

ATTEST:

\_\_\_\_\_  
Clerk of the Oversight Board

Approved as to form:

  
\_\_\_\_\_  
County Counsel

Distribution:  
County Counsel  
Successor Agency  
CAO  
State Department of Finance  
Auditor-Controller

Santa Cruz County Redevelopment Successor Agency  
 Administrative Budget for the period January 1, 2016 - June 30, 2016

Account #	Account Title	RSA 2014-15 Budget	RSA 2014-15 Estimated Actual Expenditures	RSA 2015-16 Proposed Budget	RSA Admin. Budget July-Dec 2015	RSA Admin. Budget Jan-Jun 2016
<b>REVENUES</b>						
	Revenue (Interest & Operating Transfers In)	592,763	494,629	250,000	125,000	125,000
	<b>TOTAL REVENUES</b>	<b>592,763</b>	<b>494,629</b>	<b>250,000</b>	<b>125,000</b>	<b>125,000</b>
<b>EXPENDITURES</b>						
	Salaries and Employee Benefits	0	0	0	0	0
	Total	0	0	0	0	0
	Services and Supplies	642,202	276,391	230,000	115,000	115,000
	Total	642,202	276,391	230,000	115,000	115,000
	Other Charges	0	0	0	0	0
	County Overhead A87/CP EFF 0809	(26,391)	(26,391) *	20,000	10,000	10,000
	Total	(26,391)	(26,391)	20,000	10,000	10,000
	<b>TOTAL EXPENDITURES</b>	<b>615,811</b>	<b>250,000</b>	<b>250,000</b>	<b>125,000</b>	<b>125,000</b>

Narrative:

Revenues are funded by Property Taxes, as approved on the ROPS, and interest. The administrative budget includes costs for administrative expenses from other County departments, including Parks, Auditor-Controller, Clerk of the Board, Planning, Public Works, County Administrative Office, and County Counsel. Other indirect County costs related to activities of the Successor Agency are paid through County overhead charges. Costs for the Oversight Board, such as notices and meetings, are included in the administrative budget.

\* Note: Successor Agency Overhead charges are offset by Overhead credit from the former Redevelopment Agency for fiscal years 2011-12 and 2012-13.

**Budget Worksheet**

Index Code	Sub-Object	Sub-Object Title	Actual	Allow	YTD Adj Bdgt	YTD Actual	Est-Act	Request	Recommend	Change from	1st 6 months	2nd 6 months	50%
			2013-14	2014-15	2014-15	2014-15	2014-15	2015-16	2015-16	Allow	July-Dec	Jan-Jun	
BEGINNING FUND BALANCE			75,199.43	60,322.43	60,322.43	60,322.43	60,322.43	315,732.41	315,732.41		315,732	315,732	
Fund 010 -- RDA ADMIN-LO/SOQ CAPITAL PROJECTS													
Expenditures													
Character 30 -- SALARIES AND EMPLOYEE BENEF (3100-3199)													
610110	3100	REGULAR PAY-PERMANENT	94,733	0	0	0	0	0	0	0	0	0	0
610110	3150	OASDI-SOCIAL SECURITY	7,016	0	0	0	0	0	0	0	0	0	0
610110	3155	PERS	13,842	0	0	0	0	0	0	0	0	0	0
610110	3160	EMPLOYEE INSURANCE AND BENEFIT	22,002	0	0	0	0	0	0	0	0	0	0
Total SALARIES AND EMPLOYEE BENEF (3100-3199)			137,593	0	0	0	0	0	0	0	0	0	0
Character 40 -- SERVICES AND SUPPLIES (3200-4349)													
610110	3240	TELECOM SERVICES	549	600	600	285	285	400	400	(200)	200	200	
610110	3484	DUPLICATING SERVICES	0	500	500	0	0	0	0	(500)	-	0	
610110	3489	PC SOFTWARE PURCHASES	917	0	0	790	790	0	0	0	-	0	
610110	3491	POSTAGE	20	500	500	0	0	0	0	(500)	-	0	
610110	3493	SUPPLIES	318	1,000	1,000	80	80	0	0	(1,000)	-	0	
610110	3496	INVENTORIAL ITEMS <5000 0809	1,070	0	0	0	0	0	0	0	-	0	
610110	3575	DATA PROCESSING SERVICES	2,068	3,000	3,000	1,075	1,075	0	0	(3,000)	-	0	
610110	3590	DPW SERVICES-GENERAL MONEY	16	0	0	0	0	0	0	0	-	0	
610110	3630	LEGAL SERVICES	2,050	70,000	70,000	1,600	1,600	5,000	5,000	(65,000)	2,500	2,500	
610110	3665	PROF & SPECIAL SERV-OTHER	247,952	564,602	564,602	261,250	261,250	191,006	191,006	(373,596)	95,503	95,503	
610110	3790	LEGAL NOTICES	0	1,000	1,000	0	0	1,000	1,000	0	500	500	
610110	3810	RENTS & LEASES-STRUC IMP & GRND	1,427	1,000	1,000	1,071	1,071	1,500	1,500	500	750	750	
Total SERVICES AND SUPPLIES (3200-4349)			256,387	642,202	642,202	266,152	266,152	198,906	198,906	(443,296)	99,453	99,453	
Character 50 -- OTHER CHARGES (4350-6000)													
610110	5980	COUNTY OVERHEAD A87/CP EFF 0809	(143,981)	(26,391)	(26,391)	(26,391)	(26,391)	51,094	51,094	77,485	25,547	25,547	
Total OTHER CHARGES (4350-6000)			(143,981)	(26,391)	(26,391)	(26,391)	(26,391)	51,094	51,094	77,485	25,547	25,547	
Total Expenditures			249,999	615,811	615,811	239,761	239,761	250,000	250,000	(365,811)	125,000	125,000	
Revenues													
Character 01 -- TAXES													
610110	0100	PROPERTY TAX-CURRENT SEC-GEN	0	592,763	592,763	493,962	493,962	250,000	250,000	(342,763)	125,000	125,000	
Total TAXES			0	592,763	592,763	493,962	493,962	250,000	250,000	(342,763)	125,000	125,000	
Character 10 -- REVENUE FROM USE OF MONEY & PROPERTY													
610110	0430	INTEREST	1,030	0	0	1,209	1,209	0	0	0	0	0	
Total REVENUE FROM USE OF MONEY & PROPERTY			1,030	0	0	1,209	1,209	0	0	0	0	0	
Character 25 -- OTHER FINANCING SOURCES													
610110	2462	OPERATING TRANSFER IN	234,092	0	0	0	0	0	0	0	0	0	
Total OTHER FINANCING SOURCES			234,092	0	0	0	0	0	0	0	0	0	
Total Revenues			235,122	592,763	592,763	495,171	495,171	250,000	250,000	(342,763)	125,000	125,000	
Total RDA ADMIN-LO/SOQ CAPITAL PROJECTS			14,877	23,048	23,048	(255,410)	(255,410)	0	0	(23,048)	0	0	
Total Expenditures less Revenues			14,877	23,048	23,048	(255,410)	(255,410)	0	0	(23,048)	0	0	
ENDING FUND BALANCE			60,322	37,274	37,274	315,732	315,732	315,732	315,732		315,732	315,732	



# County of Santa Cruz

## SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

August 14, 2015

Agenda: September 8, 2015

Oversight Board  
Santa Cruz County Redevelopment Successor Agency  
701 Ocean Street  
Santa Cruz, CA 95060

### APPROVAL OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY 1, 2016 THROUGH JUNE 30, 2016 (ROPS 15-16B)

Dear Members of the Board:

California Health & Safety Code Sections 34177(l) & (m) and 34180(g) require that the establishment of a Recognized Obligation Payment Schedule (ROPS) be approved by the Oversight Board. AB 1484, which became effective June 28, 2012, modifies Section 34177(l) & (m), requiring earlier deadlines for the ROPS and a \$10,000/day penalty for each day it is late. The next ROPS, covering the period January 1, 2016 through June 30, 2016 (ROPS 15-16B), is due to the Department of Finance by October 5, 2015. This ROPS has been prepared using the form issued by the Department of Finance. The Board of Supervisors, acting as the Santa Cruz County Redevelopment Successor Agency, approved the ROPS (Exhibit 1 to the resolution) on September 1, 2015. The Department of Finance letter approving the previous ROPS covering the period July 1, 2015 through December 31, 2015 (ROPS 15-16A) is attached (Attachment 2).

It is therefore RECOMMENDED that your Board adopt the attached resolution approving the Recognized Obligation Payment Schedule 15-16B for the period January 1, 2016 through June 30, 2016.

Very truly yours,

  
Betsey Lynberg  
Director of Capital Projects

RECOMMENDED:

  
Susan A. Mauriello  
County Administrative Officer

BL:kn

Attachment

cc: CAO, Auditor-Controller, County Counsel, Successor Agency, DOF, SCO

BEFORE THE OVERSIGHT BOARD OF THE SANTA CRUZ COUNTY  
REDEVELOPMENT SUCCESSOR AGENCY  
RESOLUTION NO. \_\_\_\_\_

On the motion of Oversight Board Member \_\_\_\_\_ duly seconded by Oversight Board Member \_\_\_\_\_ the following resolution is adopted:

RESOLUTION APPROVING THE RECOGNIZED OBLIGATION  
PAYMENT SCHEDULE OF THE SANTA CRUZ COUNTY  
REDEVELOPMENT SUCCESSOR AGENCY FOR JANUARY  
2016 THROUGH JUNE 2016 (ROPS 15-16B)

WHEREAS, the Oversight Board of the Santa Cruz County Redevelopment Successor Agency ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, Health and Safety Code Section 34177(l) & (m) and 34180(g) requires the Oversight Board to approve the Recognized Obligation Payment Schedule of the Santa Cruz County Redevelopment Successor Agency for the period January 2016 through June 2016 (ROPS 15-16B);

WHEREAS, the Recognized Obligation Payment Schedule of the Santa Cruz County Redevelopment Successor Agency for the period January 2016 through June 2016 (ROPS 15-16B) is attached as Exhibit 1; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The Recognized Obligation Payment Schedule of the Santa Cruz County Redevelopment Successor Agency for the period January 2016 through June 2016 (ROPS 15-16B) is approved.

PASSED, APPROVED and ADOPTED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency, this \_\_\_ day of \_\_\_\_\_, 2015 by the following vote, to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chairperson of the Oversight Board of the Santa Cruz  
County Redevelopment Successor Agency

ATTEST:

\_\_\_\_\_  
Clerk of the Oversight Board

Approved as to form:

  
\_\_\_\_\_  
County Counsel

Distribution:

Auditor-Controller  
CAO  
County Counsel  
Successor Agency  
State Department of Finance  
State Controller's Office

**Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary**

Filed for the January 1, 2016 through June 30, 2016 Period

**Name of Successor Agency:** Santa Cruz County  
**Name of County:** Santa Cruz

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>	<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>	
<b>A Sources (B+C+D):</b>	<b>\$ 344,009</b>
B Bond Proceeds Funding (ROPS Detail)	12,442
C Reserve Balance Funding (ROPS Detail)	188,199
D Other Funding (ROPS Detail)	143,368
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 13,669,777</b>
F Non-Administrative Costs (ROPS Detail)	13,544,777
G Administrative Costs (ROPS Detail)	125,000
<b>H Total Current Period Enforceable Obligations (A+E):</b>	<b>\$ 14,013,786</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
I Enforceable Obligations funded with RPTTF (E):	13,669,777
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(259,602)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 13,410,175</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
L Enforceable Obligations funded with RPTTF (E):	13,669,777
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>13,669,777</b>

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

Name	Title
/s/	Date
Signature	Date



Santa Cruz County Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail  
 January 1, 2016 through June 30, 2016  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)		RPTTF			
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
								\$ 639,407,829		\$ 12,442	\$ 188,199	\$ 143,368	\$ 13,544,777	\$ 125,000	\$ 14,013,786
3	2000 TAB, Series A / Bonds	Bonds Issued On or Before 12/31/10	12/5/2000	9/1/2030	BNY Mellon Trust Co	Bonds for non-housing projects	Live Oak/Soquel	-	Y						\$ -
6	2005 TAB, Series A / Bonds	Bonds Issued On or Before 12/31/10	11/17/2005	9/1/2035	BNY Mellon Trust Co	Bonds for non-housing projects	Live Oak/Soquel	-	Y						\$ -
7	2005 TAB, Series B / Bonds	Bonds Issued On or Before 12/31/10	11/17/2005	9/1/2035	BNY Mellon Trust Co	Bonds for housing projects	Live Oak/Soquel	-	Y						\$ -
8	2007 Taxable Housing Ref TAB / Bonds	Bonds Issued On or Before 12/31/10	5/8/2007	9/1/2030	BNY Mellon Trust Co	Refunding bonds for housing projects	Live Oak/Soquel	15,766,311	N		67,199		204,481		\$ 271,680
9	2007 Refunding TAB, Series A / Bonds	Bonds Issued On or Before 12/31/10	11/7/2007	9/1/2022	BNY Mellon Trust Co	Refunding Bonds - Housing portion	Live Oak/Soquel	1,226,158	N				22,599		\$ 22,599
10	2007 Refunding TAB, Series A / Bonds	Bonds Issued On or Before 12/31/10	11/7/2007	9/1/2022	BNY Mellon Trust Co	Refunding Bonds - Non-housing portion	Live Oak/Soquel	3,442,430	N				63,445		\$ 63,445
11	2009 TAB, Series A / Bonds	Bonds Issued On or Before 12/31/10	2/12/2009	9/1/2036	BNY Mellon Trust Co	Bonds for non-housing projects	Live Oak/Soquel	113,239,982	N			100,000	1,728,797		\$ 1,828,797
12	2010 Taxable Housing TAB / Bonds	Bonds Issued On or Before 12/31/10	7/22/2010	9/1/2036	BNY Mellon Trust Co	Bonds for housing projects	Live Oak/Soquel	39,157,110	N				646,674		\$ 646,674
13	2011 Taxable TAB, Series A / Bonds	Bonds Issued After 12/31/10	3/9/2011	9/1/2027	BNY Mellon Trust Co	Bonds for non-housing projects	Live Oak/Soquel	15,690,225	N				398,788		\$ 398,788
14	2011 Taxable Hsg TAB, Series B / Bonds	Bonds Issued After 12/31/10	3/9/2011	9/1/2036	BNY Mellon Trust Co	Bonds for housing projects	Live Oak/Soquel	11,871,625	N				232,813		\$ 232,813
17	2000 TAB, Series A / Bonds	Reserves	12/5/2000	9/1/2030	BNY Mellon Trust Co	Bonds for non-housing projects	Live Oak/Soquel	-	Y						\$ -
20	2005 TAB, Series A / Bonds	Reserves	11/17/2005	9/1/2035	BNY Mellon Trust Co	Bonds for non-housing projects	Live Oak/Soquel	-	Y						\$ -
21	2005 TAB, Series B / Bonds	Reserves	11/17/2005	9/1/2035	BNY Mellon Trust Co	Bonds for housing projects	Live Oak/Soquel	-	Y						\$ -
22	2007 Taxable Hsg Ref TAB / Bonds	Reserves	5/8/2007	9/1/2030	BNY Mellon Trust Co	Refunding bonds for housing projects	Live Oak/Soquel	15,766,311	N				381,680		\$ 381,680
23	2007 Ref TAB, Series A / Bonds	Reserves	11/7/2007	9/1/2022	BNY Mellon Trust Co	Refunding Bonds - Housing portion	Live Oak/Soquel	1,226,158	N				152,805		\$ 152,805
24	2007 Ref TAB, Series A / Bonds	Reserves	11/7/2007	9/1/2022	BNY Mellon Trust Co	Refunding Bonds - Non-housing portion	Live Oak/Soquel	3,442,430	N				428,439		\$ 428,439
25	2009 TAB, Series A / Bonds	Reserves	2/12/2009	9/1/2036	BNY Mellon Trust Co	Bonds for non-housing projects	Live Oak/Soquel	113,239,982	N				2,313,797		\$ 2,313,797
26	2010 Taxable Hsg TAB / Bonds	Reserves	7/22/2010	9/1/2036	BNY Mellon Trust Co	Bonds for housing projects	Live Oak/Soquel	39,157,110	N				816,674		\$ 816,674
27	2011 Taxable TAB, Series A / Bonds	Reserves	3/9/2011	9/1/2027	BNY Mellon Trust Co	Bonds for non-housing projects	Live Oak/Soquel	15,690,225	N				908,788		\$ 908,788
28	2011 Taxable Hsg TAB, Series B / Bonds	Reserves	3/9/2011	9/1/2036	BNY Mellon Trust Co	Bonds for housing projects	Live Oak/Soquel	11,871,625	N				332,813		\$ 332,813
29	Fiscal agent fees / Bonds	Fees	8/29/2000	9/1/2036	BNY Mellon Trust Co	Annual bond account administration fees	Live Oak/Soquel	408,500	N		16,000				\$ 16,000
30	Annual Continuing Disclosure / Bonds	Fees	8/29/2000	4/1/2037	Harrell and Company	Continuing Disclosure fees	Live Oak/Soquel	110,000	N		5,000				\$ 5,000
31	Annual Audit / Bonds	Fees	8/29/2000	12/1/2037	Caponico & Larson, Inc.	audit services	Live Oak/Soquel	147,000	N						\$ -
32	Periodic Arbitrage Services / Bonds	Fees	8/29/2000	1/1/2036	BLX Group, LLC	Arbitrage services	Live Oak/Soquel	64,000	N						\$ -
37	Farm Park Project / Contract	Professional Services	3/18/2008	6/30/2016	Davis Langdon, an AECOM Company	Contract for professional services	Live Oak/Soquel	6,388	N	6,388					\$ 6,388
40	East Cliff Bluff Stabilization Project / Contract	Professional Services	5/3/2011	6/30/2016	ESA PWA	Contract for professional services	Live Oak/Soquel	6,054	N	6,054					\$ 6,054
44	Contract for the Provision of Property Management and Disposition Services	Property Dispositions	7/1/2013	6/30/2016	County of Santa Cruz	Property Management Maintenance and Disposition services	Live Oak/Soquel	5,375,000	N		100,000	43,368			\$ 143,368
45	Administrative Budget / Contracts for operation	Admin Costs	1/1/2015	6/30/2016	Various (County, Employees, Vendors)	Salaries/Benefits and Services/Supplies	Live Oak/Soquel	5,375,000	N					125,000	\$ 125,000
70	2010-11 SERAF Loan	SERAF/ERAF	3/8/2011	6/30/2018	County of Santa Cruz	Loan for 2010-11 SERAF Payment from the LMIH Fund	Live Oak/Soquel	1,042,333	N						\$ -
72	2000 TAB, Series A / Bonds Reserve	Bonds Issued On or Before 12/31/10	12/5/2000	9/1/2035	BNY Mellon Trust Co	Fully fund reserve requirement for the bond issue	Live Oak/Soquel	-	Y						\$ -
73	Heart of Soquel, Upper Porter Street, and Twin Lakes Beachfront Projects	Improvement/Infrastructure	3/5/2013	6/30/2016	County of Santa Cruz	Contract for capital improvements services	Live Oak/Soquel	-	N						\$ -
74	2014 Refunding TAB / Bonds	Bonds Issued After 12/31/10	1/28/2014	9/1/2024	BNY Mellon Trust Co	Refunding Bonds - Housing portion	Live Oak/Soquel	8,089,773	N				144,301		\$ 144,301
75	2014 Refunding TAB / Bonds	Bonds Issued After 12/31/10	1/28/2014	9/1/2024	BNY Mellon Trust Co	Refunding Bonds - Non-housing portion	Live Oak/Soquel	37,079,252	N				661,399		\$ 661,399
76	Homeless Action Partnership program	Professional Services	9/16/2014	6/30/2016	County of Santa Cruz	Contract for housing services	Live Oak/Soquel	-	Y						\$ -
77	2015A Refunding TAB / Bonds	Bonds Issued After 12/31/10	5/12/2015	9/1/2035	BNY Mellon Trust Co	Refunding Bonds - Non-housing portion	Live Oak/Soquel	104,900,700	N				1,469,175		\$ 1,469,175
78	2015B Refunding TAB / Bonds	Bonds Issued After 12/31/10	5/12/2015	9/1/2035	BNY Mellon Trust Co	Refunding Bonds - Housing portion	Live Oak/Soquel	30,847,122	N				361,190		\$ 361,190
79	2014 Refunding TAB / Bonds	Reserves	1/28/2014	9/1/2024	BNY Mellon Trust Co	Refunding Bonds - Housing portion	Live Oak/Soquel	8,089,773	N				407,689		\$ 407,689
80	2014 Refunding TAB / Bonds	Reserves	1/28/2014	9/1/2024	BNY Mellon Trust Co	Refunding Bonds - Non-housing portion	Live Oak/Soquel	37,079,252	N				1,868,630		\$ 1,868,630
81									N						\$ -
82									N						\$ -

**Santa Cruz County Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [ INSERT URL LINK TO CASH BALANCE TIPS SHEET ]

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information by ROPS Period</b>	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	<b>Comments</b>	
<b>ROPS 14-15B Actuals (01/01/15 - 06/30/15)</b>									
1	<b>Beginning Available Cash Balance (Actual 01/01/15)</b>	309,026			658,856	64,572	(96,161)	Transferred \$257,418 PPA from ROPS 14-15A from column H to column F.	
2	<b>Revenue/Income (Actual 06/30/15)</b> RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015	96,970			-	138,280	12,528,728		
3	<b>Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15)</b> RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	335,641			25,530	2,529	6,762,886		
4	<b>Retention of Available Cash Balance (Actual 06/30/15)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	62,559			99,347	65,466	5,534,699		
5	<b>ROPS 14-15B RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S	No entry required						259,602	
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 7,796	\$ -	\$ -	\$ 533,979	\$ 134,857	\$ (124,620)		
<b>ROPS 15-16A Estimate (07/01/15 - 12/31/15)</b>									
7	<b>Beginning Available Cash Balance (Actual 07/01/15)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 70,355	\$ -	\$ -	\$ 6,168,025	\$ 200,323	\$ 134,982		
8	<b>Revenue/Income (Estimate 12/31/15)</b> RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	176			-	16,258	6,725,049		
9	<b>Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15)</b>	62,560			5,883,648	73,284	6,725,049		
10	<b>Retention of Available Cash Balance (Estimate 12/31/15)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)</b>	\$ 7,971	\$ -	\$ -	\$ 284,377	\$ 143,297	\$ 134,982		

Santa Cruz County Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments  
 Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)  
 (Report Amounts in Whole Dollars)

ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C						D						E						T
		Non-RPTTF Expenditures						RPTTF Expenditures						Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF)						
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin			Admin									
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized		Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)	
Item #	Project Name / Debt Obligation																	SA Comments		
		\$ 355,911	\$ 335,641	\$ 175,502	\$ 25,530	\$ 32,050	\$ 2,529	\$ 12,164,320	\$ 12,164,320	\$ 12,164,320	\$ 12,162,228	\$ 2,092	\$ 364,425	\$ 364,425	\$ 364,425	\$ 106,915	\$ 257,510	\$ 259,602		
3	2000 TAB, Series A / Bonds							553,925	553,925	553,925	553,924	\$ 1						\$ 1		
6	2005 TAB, Series A / Bonds							1,173,329	1,173,329	1,173,329	1,173,328	\$ 1						\$ 1		
7	2005 TAB, Series B / Bonds							522,923	522,923	522,923	522,923	\$						\$		
8	2007 Taxable Housing Ref TAB / Bonds							274,284	274,284	274,284	274,283	\$ 1						\$ 1		
9	2007 Refunding TAB, Series A / Bonds							25,094	25,094	25,094	25,094	\$						\$		
10	2007 Refunding TAB, Series A / Bonds							70,451	70,451	70,451	70,450	\$ 1						\$ 1		
11	2009 TAB, Series A / Bonds							1,840,132	1,840,132	1,840,132	1,840,131	\$ 1						\$ 1		
12	2010 Taxable Housing TAB / Bonds							650,725	650,725	650,725	650,724	\$ 1						\$ 1		
13	2011 Taxable TAB, Series A / Bonds							412,588	412,588	412,588	412,587	\$ 1						\$ 1		
14	2011 Taxable Hsg TAB, Series B / Bonds							235,544	235,544	235,544	235,543	\$ 1						\$ 1		
17	2000 TAB, Series A / Bonds							553,925	553,925	553,925	553,925	\$						\$		
20	2005 TAB, Series A / Bonds							1,173,329	1,173,329	1,173,329	1,173,329	\$						\$		
21	2005 TAB, Series B / Bonds							827,923	827,923	827,923	827,923	\$						\$		
22	2007 Taxable Hsg Ref TAB / Bonds							374,284	374,284	374,284	374,284	\$						\$		
23	2007 Ref TAB, Series A / Bonds							149,848	149,848	149,848	149,848	\$						\$		
24	2007 Ref TAB, Series A / Bonds							420,697	420,697	420,697	420,697	\$						\$		
25	2009 TAB, Series A / Bonds							2,034,693	2,034,693	2,034,693	2,034,693	\$						\$		
26	2010 Taxable Hsg TAB / Bonds											\$						\$		
27	2011 Taxable TAB, Series A / Bonds											\$						\$		
28	2011 Taxable Hsg TAB, Series B / Bonds											\$						\$		
29	Fiscal agent fees / Bonds							12,000	12,000	12,000	10,927	\$ 1,073						\$ 1,073		
30	Annual Continuing Disclosure / Bonds							5,000	5,000	5,000	3,990	\$ 1,010						\$ 1,010		
31	Annual Audit / Bonds				2,591							\$						\$		
32	Periodic Arbitrage Services / Bonds											\$						\$		
37	Farm Park Project / Contract	9,458										\$						\$		
38	East Cliff Parkway Project / Contract											\$						\$		
40	East Cliff Bluff Stabilization Project / Contract	10,812										\$						\$		
44	Contract for the Provision of Property Management and Disposition Services			174,998	22,435	32,050	2,529					\$						\$		
45	Administrative Budget / Contracts for operation			504	504							\$	364,425	364,425		106,915		\$		





DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

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

March 25, 2015

Ms. Kim Namba, Administrative Services Manager  
Santa Cruz County  
979 17th Avenue  
Santa Cruz, CA 95062

Dear Ms. Namba:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Santa Cruz County Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 18, 2015 for the period of July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

Item Nos. 3 and 6 through 11 – Various debt service obligations have been reclassified from Redevelopment Property Tax Trust Fund (RPTTF) funding to Reserve Balances funding totaling \$5,534,699. In ROPS 14-15B, the Agency requested and received RPTTF totaling \$5,534,699 to retain for use on certain September 2015 debt service obligations. As such, the Agency must use \$5,534,699 of Reserve Balances, derived from ROPS 14-15B RPTTF, on ROPS 15-16A debt service obligations prior to requesting RPTTF. Therefore, with the Agency's concurrence, the funding source for the following ROPS 15-16A debt service obligations have been reclassified from RPTTF to Reserve Balances in the amounts specified below:

Item No.	Debt Service Obligation	Requested RPTTF	Amount Reclassified to Reserve Balances
3	2000 Tax Allocation Bond (TAB), Series A	\$ 553,925	\$ 553,925
6	2005 TAB, Series A	1,173,328	1,173,328
7	2005 TAB, Series B	827,923	827,923
8	2007 Taxable Housing Refunding TAB	374,284	374,284
9	2007 Refunding TAB, Series A – Housing	149,848	149,848
10	2007 Refunding TAB, Series A – Non-housing	420,696	420,696
11	2009 TAB, Series A	2,305,131	2,034,695
	<b>Total</b>	<b>\$ 5,805,135</b>	<b>\$ 5,534,699</b>

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Pursuant to HSC section 34177 (I) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency provided financial records that displayed available Reserve Balances totaling \$99,347.

Therefore, with the Agency's concurrence, the funding source for the following item has been partially reclassified from RPTTF to Reserve Balances in the amount specified below:

Item No. 70 – 2010-11 Supplemental Educational Revenue Augmentation Fund Loan in the amount of \$99,347. The Agency requests RPTTF in the amount of \$445,596 for Item No. 70 and it was determined to be an enforceable obligation for the ROPS 15-16A period. However, the Agency has available Reserve Balances and the obligation does not require payment from RPTTF. Therefore, Item No. 70 is partially reclassified from RPTTF to Reserve Balances in the amount of \$99,347.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

Except for the items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16A. If you disagree with the determination with respect to any items on your ROPS 15-16A, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,725,049 as summarized in the Approved RPTTF Distribution table on the next page:

<b>Approved RPTTF Distribution</b>	
<b>For the period of July through December 2015</b>	
Total RPTTF requested for non-administrative obligations	12,491,513
Total RPTTF requested for administrative obligations	125,000
<b>Total RPTTF requested for obligations on ROPS</b>	<b>\$ 12,616,513</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>12,491,513</b>
<b>Reclassified Items</b>	
Item No. 3	(553,925)
Item No. 6	(1,173,328)
Item No. 7	(827,923)
Item No. 8	(374,284)
Item No. 9	(149,848)
Item No. 10	(420,696)
Item No. 11	(2,034,695)
	<u>(5,534,699)</u>
<b>Cash Balances - Item reclassified to Reserve Balances</b>	
Item No. 70	(99,347)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 6,857,467</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>125,000</b>
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 125,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 6,982,467</b>
ROPS 14-15A prior period adjustment	(257,418)
<b>Total RPTTF approved for distribution</b>	<b>\$ 6,725,049</b>

Please refer to the ROPS 15-16A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2015. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

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

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Wendy Griffe, Supervisor or Erika Santiago, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Carlos Palacios, Deputy CAO, Santa Cruz County  
Ms. Mary Jo Walker, Auditor-Controller, Santa Cruz County  
California State Controller's Office