



# Successor Agency Oversight Board Meeting

(Dissolution of the City of Shasta Lake Redevelopment Agency)

## AGENDA

Shasta Lake City Council Chambers  
(located in Shasta Lake Law Enforcement Center)  
4488 Red Bluff Street  
Shasta Lake, CA 96019

Monday, June 11, 2012 at 2:00 P.M.

Agenda packets are available for public review at City Hall, 1650 Stanton Drive, Shasta Lake, CA during normal business hours of 7:00 a.m. to 4:00 p.m. weekdays, excluding holidays.

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call (530) 275-7407. Notification 48 hours prior to the meeting is requested to enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

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*The City of Shasta Lake is the Successor Agency to the Shasta Lake Redevelopment Agency*

### 1.0 CALL TO ORDER 2:00 PM

Call to order (please place cell phones and pagers on silent)  
While it is not required, we request that members of the public fill out a speaker request form on the table at the back of the room and hand it to the Secretary.  
Statement for the record of Board members present

### 2.0 COMMUNICATIONS

#### **Public Comment Period:**

- 2.1 This time is set aside for citizens to address the Board on matters listed on the Consent Agenda as well as other items not included on the Regular Agenda. If your comments concern an item noted on the regular agenda, please address the Board after that item is open for public comment. Each speaker is allocated three (3) minutes to speak. Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the Board. While it is not required, persons wishing to address the Board should fill out a Speaker Request Form prior to the beginning of the meeting and submit it to the City Clerk. Forms are available from the City Clerk, 1650 Stanton Drive, Shasta Lake, on the City's website, or at the back of the meeting hall. If you have documents to present to members of the Board to review, please provide a minimum of seven copies.

### **3.0 REGULAR AGENDA (Business Session)**

- 3.1 Approval of the minutes of the May 14, 2012 meeting. **Page 1**
- 3.2 Discussion and possible action on Resolution adopting Property Disposition Procedures related to land assets transferred to the successor agency of the former Shasta Lake Redevelopment Agency. **Page 3**
- 3.3 Discussion and possible action on Resolution approving the transfer of Housing assets and functions to the Shasta Lake Housing Authority. **Page 19**
- 3.4 Discussion and possible action on Resolution approving an Administrative and Operational Cost Reimbursement Agreement between the City of Shasta Lake and the Shasta Lake Successor Agency. **Page 23**

### **4.0 REPORTS AND INFORMATIONAL ITEMS**

- 4.1 Staff Comments/Reports
- 4.2 Board Comments/Reports

### **7.0 ADJOURN TO CLOSED SESSION PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**

- a) Property: Parcel No. 007-380-051. Agency Negotiator: Fred Castagna, Project Manager. Negotiating parties: City of Shasta Lake, Successor Agency to the Shasta Lake Redevelopment Agency and Embree Asset Group. Under negotiation: price, terms of payment.
- b) Properties: Parcel No. 007-380-037, 051, 052, ad 053. Agency Negotiator: Fred Castagna, Project Manager. Discussion and possible direction regarding alternative marketing methods.

### **8.0 RECONVENE**

Announcement regarding Closed Session

### **ADJOURNMENT**

This meeting is open to the public.



## 3.1

### SUCCESSOR AGENCY OVERSIGHT BOARD FOR FORMER CITY OF SHASTA LAKE REDEVELOPMENT AGENCY MEETING MINUTES

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MINUTES OF THE SUCCESSOR AGENCY OVERSIGHT BOARD MEETING  
HELD MONDAY, MAY 14, AT 2:00 PM AT THE CITY COUNCIL CHAMBERS  
4488 RED BLUFF ST, SHASTA LAKE, CALIFORNIA

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#### 1.0 **CALL TO ORDER – 2:00 P.M.**

Chairman Farr called the meeting to order at 2:01 pm.  
Board Members present: Farr, Lugo, Hillman, Morgan, Rodrigue  
Board Members absent: Hartman, Lawson

#### 2.0 **COMMUNICATIONS:**

**PUBLIC COMMENT:** None

#### 3.0 **REGULAR AGENDA:**

3.1 Approval of the minutes of the April 9, 2012 meeting.

##### **Motion/Vote**

By motion made/seconded (Morgan/Lugo), and carried, the minutes were approved.

3.2 Designation of contact person for the Department of Finance inquiries.

##### **Motion/Vote**

By motion made/seconded (Lugo/Morgan), and carried, the Oversight Board Rules of Procedure were approved as amended.

3.3 Discussion and possible approval of an Amended Recognized Obligation Payment Schedule (ROPS) for the period ending June 30, 2012.

##### **Motion/Vote**

By motion made/seconded (Morgan/Rodrigue), and carried, the amended ROPS was approved.

**4.0 BOARD/STAFF REPORTS AND COMMENTS:**

Assistant City Manager John Duckett reported on status of County distribution. He also reported that the State would be taking the Low and Moderate Housing funds.

**5.0 ADJOURNMENT**

With no further business to come before the Board, Chairman Farr adjourned the meeting at 2.17 pm.

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**TONI M. COATES, CMC**  
**City Clerk/Oversight Board Secretary**



**AGENDA ITEM 3.2  
REDEVELOPMENT OVERSIGHT BOARD**

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**TO:** Oversight Board of the Redevelopment Successor Agency

**FROM:** Carol Martin, City Manager

**DATE:** May 1, 2012

**SUBJECT:** Consideration of a Resolution Adopting Property Disposition Procedures Related to Land Assets Transferred to the Successor Agency of the Shasta Lake Redevelopment Agency

**FILE:**

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**RECOMMENDATION:**

Staff recommends that the Oversight Board adopt a resolution approving Property Disposition Procedures.

**BACKGROUND:**

At their first meeting on April 9, 2012, the Oversight Board reviewed Property Disposition Procedures which were submitted by the City Council of the City of Shasta Lake. The purpose of these Procedures is to effectively manage how the Successor Agency and Oversight Board would comply with provisions of Assembly Bill x1 26 ("ABx1 26") which in part requires that successor agencies and oversight boards "...dispose of assets and properties of the former redevelopment agency...expeditiously and in a manner aimed at maximizing value..." In the absence of further legal clarification by the courts or Legislature, the vague language in ABx1 26 leaves open to wide interpretation exactly how these objectives are to be accomplished by such disposition. Because a significant amount of taxpayer resources have already been invested in these properties of the former Shasta Lake Redevelopment Agency, it is prudent to consider not only the immediate but long term financial impact of sales on the taxing agencies in order to maximize value and avoid land-banking or fire sales.

With this purpose in mind, the City Council approved an original version of the Procedures for consideration by the Oversight Board on March 20, 2012. At their first meeting, the Oversight Board reviewed the Procedures and requested several modifications to the document to further clarify the actions of the Oversight Board and Successor Agency. Specifically, the Board requested modifications in the following areas:

1. Using consistent language for the title of the Procedures
2. Clarifying that the Oversight Board views its role as creating the Procedures and approving transactions, and directing the Successor Agency staff to carryout these Procedures on its behalf.
3. Making minor non-substantive edits to clarify the policies and procedures.

**DISCUSSION:**

Adoption of the proposed amended Property Disposition Procedures provides the Successor Agency staff clear direction regarding how such transactions may be pursued and approved. The former Redevelopment Agency held a total of 17 parcels as of its dissolution on February 1, 2012. The table below summarizes these land assets.

<b>Parcel</b>	<b>Situs Address</b>	<b>Use</b>	<b>Former Owner</b>	<b>Current Owner</b>	
1	007-380-037	1429 Hillcrest	Commercial Site	Redevelopment Agency	Successor Agency
2	007-380-051	None	Commercial Site	Redevelopment Agency	Successor Agency
3	007-380-052	None	Site	Redevelopment Agency	Successor Agency
4	007-380-053	None	Commercial Site	Redevelopment Agency	Successor Agency
5	005-250-063	4657 Shasta Dam	Brownsfield	Redevelopment Agency	Successor Agency
6	006-250-064	None	Brownsfield	Redevelopment Agency	Successor Agency
7	007-120-020	1684 Cascade	Gateway/Entry Monument	Redevelopment Agency	Successor Agency
8	064-150-068	None	Industrial Park	Redevelopment Agency	Successor Agency
9	064-160-007	None	Industrial Park	Redevelopment Agency	Successor Agency
10	064-440-010	None	Industrial Park	Redevelopment Agency	Successor Agency
11	064-440-015	None	Industrial Park	Redevelopment Agency	Successor Agency

Parcel	Situs Address	Use	Former Owner	Current Owner	
12	005-680-035	1141 Black Canyon	Affordable Housing	Redevelopment Agency	City Housing Authority
13	007-280-002	1964 Morningstar	Affordable Housing	Redevelopment Agency	City Housing Authority
14	005-060-025	None	Meade Street Project	Redevelopment Agency	City Housing Authority
15	005-060-053	4243 Meade	Meade Street Project	Redevelopment Agency	City Housing Authority
16	005-060-058	None	Meade Street Project	Redevelopment Agency	City Housing Authority
17	005-060-059	None	Meade Street Project	Redevelopment Agency	City Housing Authority

*Note: The former City of Shasta Lake Redevelopment Agency has not transferred any property to the City or any other agency since January 1, 2011.*

A brief summary of these properties is presented below. In general, the 17 former Redevelopment Agency properties fall into three disposition categories following the dissolution of the Agency on February 1:

- Parcels 1-4 (Likely to be sold to a commercial developer). These four parcels lie at the intersection of Cascade and Shasta Dam Boulevards and were assembled by the former Redevelopment Agency for the purposes of creating a relatively significant commercial development to support the needs of residents and visitors.
- Parcels 5-11 (Likely to be retained by the City for continued public use). The next seven parcels are located throughout the City and are existing government uses such as parking lots, a gateway sign, or other public uses.
- Parcels 12-17 (Former housing assets transferred under Health and Safety Code Section 34176(b) to City of Shasta Lake Housing Authority). These five parcels were transferred to the City of Shasta Lake Housing Authority on February 1, 2012.

The focus of the Procedures are to guide how the Successor Agency would conduct the sale of properties that it would sell to third parties as part of the wind-down of redevelopment. A major emphasis is to discourage land banking – wherein the properties are sold with no intention of development. By finding bidders who not only

can pay market value for the property but also develop a use that is compatible with the General Plan, it enhances the ongoing revenue stream to the taxing agencies.

As such, the purpose of the Procedures is to create an orderly process for property disposal, one that both maximizes the value of the assets and upholds the intent of the General Plan and other City goals. In general terms, the Procedures require:

1. The Successor Agency will issue a Request for Proposals for properties to be sold.
2. Interested parties may submit a proposal for development within 60 days. The Procedures outline several key components that must be contained in a proposal, including an explanation of the economic benefits associated with the proposed project. Land banking will not be considered a maximization of value.
3. The Successor Agency will evaluate proposals to determine the best candidates. Costs, including staff time, consultants, and other real estate professionals associated with the disposal process shall be considered enforceable obligations for inclusion on the ROPS.
4. With Oversight Board approval, the Successor Agency may enter into a negotiating agreement with a selected project proponent, followed by a sales contract if negotiations are successful.

The Procedures offer room for discretion and flexibility, while preserving the intent of the law as well as the goals of the former redevelopment agency. Staff believes this is a framework that facilitates the best possible outcome for all involved parties, by ensuring implementation of ABx1 26 will not result in a “fire sale” of assets, but the thoughtful disposition of properties in a manner that benefits the community.

**FISCAL IMPLICATIONS:**

None with this action.

**Attachments:**

Proposed Disposition Procedures of the Oversight Board

## RESOLUTION SAOB 12-

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### **A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SHASTA LAKE REDEVELOPMENT AGENCY ADOPTING PROPERTY DISPOSITION PROCEDURES RELATED TO LAND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY OF THE FORMER SHASTA LAKE REDEVELOPMENT AGENCY**

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**WHEREAS**, the Oversight Board of the Successor Agency to the Shasta Lake Redevelopment Agency (“Oversight Board”) has been established to direct the Successor Agency to the Shasta Lake Redevelopment Agency to take certain actions to wind down the affairs of the former redevelopment agency in accordance with the California Health and Safety Code; and

**WHEREAS**, the Successor Agency, by operation of law, receives all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Redevelopment Agency, with the notable exception of housing-related assets and properties, which transfer to the Shasta Lake Housing Authority as the selected successor housing entity ; and

**WHEREAS**, as the recipient of land assets of the former Redevelopment Agency, the Successor Agency must dispose of all non-housing properties with two notable exceptions: those that are encumbered or otherwise obligated to a third party, and those that serve a governmental purpose. Where the land asset serves a governmental purpose, such as a park or a public building, the Oversight Board may direct the transfer of ownership to an appropriate public jurisdiction; and

**WHEREAS**, the Successor Agency now holds several properties, some of which are commercial properties which are subject to disposal and others which are intended as public uses, including the gateway monument site; and

**WHEREAS**, the City Council of the City of Shasta Lake, as the governing body of the Successor Agency, adopted the Procedures in the form attached herewith as Exhibit “A” and directed staff to present these procedures to the Oversight Board for review and adoption in the implementation of applicable provisions of ABx1 26.

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

**SECTION 1.** The above recitals are true and correct and are adopted as the findings of the Oversight Board.

**SECTION 2.** The Disposition Procedures are hereby adopted in the form attached herewith as Attachment “A”..

**PASSED, APPROVED and ADOPTED** at a regular meeting of the Oversight Board of the Successor Agency to the Shasta Lake Redevelopment Agency held on this \_\_\_ day of \_\_\_\_\_ 2012, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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LARRY FARR, Chairperson  
Oversight Board of the Successor  
Agency to the Shasta Lake  
Redevelopment Agency

**ATTEST:**

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TONI M. COATES, Secretary of the Oversight Board

**ATTACHMENT "A"**

**PROPERTY DISPOSITION PROCEDURES OF  
THE OVERSIGHT BOARD OF THE  
SUCCESSOR AGENCY TO THE  
SHASTA LAKE REDEVELOPMENT AGENCY**

ATTACHMENT A

~~REDEVELOPMENT~~ PROPERTY DISPOSITION PROCEDURES

Oversight Board

for the Former Redevelopment Agency of the City of Shasta Lake and the City of Shasta Lake Solely in Its Capacity of and Serving, and Acting as Successor Agency of the Redevelopment Agency of the City of Shasta Lake

~~March 20~~As Amended May 14, 2012

(100) PURPOSE AND INTENT

On and as of February 1, 2012, pursuant to the Assembly Bill 1x 26 (Blumenfield), Division 24, Parts 1.8 and 1.85 of the California Health & Safety Code (“Dissolution Act”), the Redevelopment Agency of the City of Shasta Lake (“Former Redevelopment Agency”) was dissolved. In connection with the implementation of the Dissolution Act, the City of Shasta Lake (“City”) determined, consistent with the Dissolution Act, that the City would serve and act as the successor agency (“Successor Agency”) to the Former Redevelopment Agency; in that capacity, the Successor Agency, as part of the wind-down of former redevelopment activities, will deal with the ongoing maintenance, marketing, and disposition of assets, including real and personal property, of the Former Redevelopment Agency other than housing assets (see Section 34177(e) of the Dissolution Act). Assets, including properties, which were, as of February 1, 2012, housing assets of the Former Redevelopment Agency, are treated separately under the Dissolution Act. The City Council of the City acting pursuant to the Dissolution Act, selected the Shasta Lake Housing Authority (“Housing Authority”) to assume ~~to assume~~ and receive all housing assets of the Former Redevelopment Agency.

According to Successor Agency records, the Former Redevelopment Agency held a total of nine non-housing properties (“Non-Housing Properties”), as enumerated on Exhibit A, attached hereto and incorporated by this reference, including without limitation properties that were held for private reuse (together, “Total Reuse Properties”). Of the Total Reuse Properties, none are the subject of agreements entered into between the Former Redevelopment Agency and a private party that obligated the Former Redevelopment Agency to convey one or more of such properties. Because of such prior obligations, these excluded Reuse Properties (“Excluded Reuse Properties”) are not subject to these ~~Redevelopment~~ Property Disposition Procedures (“Disposition Procedures”), except as otherwise provided in Section 300 hereof. The Total Reuse Properties, other than the Excluded Reuse Properties, are referred to collectively herein as the “Reuse Properties” and each a “Reuse Property”.

Under Section 34177(e) of the Dissolution Act, the Successor Agency is to dispose of assets and properties “expeditiously and in a manner aimed at maximizing value” as approved by the oversight board (“Oversight Board”). The Dissolution Act does not define or otherwise include procedures or policies as to how this maximization is to be achieved. The Oversight Board has determined that the interests common to affected taxing agencies (“Taxing Agencies”) that received property taxes from the

project area or project areas subject to the redevelopment plan or redevelopment plans previously adopted by the City Council ("Project Areas") will be best served by adopting these ~~Property Disposition Procedures~~Disposition Procedures. Purposes and objectives of these ~~Property Disposition Procedures~~Disposition Procedures include:

- i. Establishing a process that shall generally be applicable to the solicitation and submittal of offers and for the disposition of Reuse Properties that will promote the orderly planning, marketing, and disposition of such Reuse Properties;
- ii. Establishing such a process will tend to promote efficiency and avoid duplicative efforts;
- iii. Establishing a process will promote the establishment of standards of the Oversight Board with respect to remarketing of, and solicitation and receiving offers relating to, the Reuse Properties; and
- iv. Establishing a process to address Non-Housing Properties other than Reuse Properties ("Governmental Use Properties") will promote the orderly and rational deployment of such Governmental Use Properties for the delivery and/or continued delivery of governmental services.

The Oversight Board intends that these ~~Property Disposition Procedures~~Disposition Procedures will provide an orderly process for disposition, and provide interested parties an opportunity to review and identify their interests, if any, in acquiring all or a part of the Former Redevelopment Agency property(ies), to submit development proposals, to receive good faith evaluation and consideration by the Successor Agency and Oversight Board of complete development proposals, and, if selected by the Successor Agency and Oversight Board, to acquire Reuse Properties previously held by the Former Redevelopment Agency. These ~~Property Disposition Procedures~~Disposition Procedures also contain provisions concerning the disposition of Governmental Use Properties.

Pursuant to Section 34176(b) of the Dissolution Act, properties associated with the housing activities of the Former Redevelopment Agency were transferred by operation of law to the Housing Authority on February 1, 2012 for affordable housing purposes and are not subject to these ~~Property Disposition Procedures~~Disposition Procedures. Because the administration, management, and disposition of housing assets are treated differently under the Dissolution Act and such housing assets are not within the purview of the Oversight Board, housing assets are excluded from the applicability of these ~~Property Disposition Procedures~~Disposition Procedures.

## **(200) DISPOSITION PROCEDURES FOR REUSE PROPERTIES**

A primary objective of these ~~Property Disposition Procedures~~Disposition Procedures is that the Successor Agency and Oversight Board obtain clear information on the capability of bidders for Reuse Properties not only to acquire, but to develop expeditiously, for development(s) that maximize(s) the value of the property(ies) and benefits affected taxing agencies. The Successor Agency acknowledges an express policy hereunder is that land banking (acquisition with no plan for development in the foreseeable future) generally will not result in the maximization of value under the Dissolution Act. Therefore, interested parties who desired to acquire one or more Reuse Properties must follow the procedures that are set forth in this Section II.

**(201) Request for Proposals**

A) Working cooperatively with the Oversight Board, the Successor Agency will identify or confirm those Former Redevelopment Agency assets that must be disposed of in accordance with Section 34181(a) of the Dissolution Act; it is anticipated that such assets will consist of the Reuse Properties.

B) For the Reuse Properties that are made available for remarketing and under the direction of the Oversight Board, a Request for Proposals ("RFP") may be prepared by the Successor Agency ~~(or by the Oversight Board)~~ and posted to the Successor Agency's website, mailed via first class mail to developers or parties that have requested such proposal in writing prior to the date of issuance, and other developers or parties at the Successor Agency's discretion. For marketing purposes and in an effort to achieve an orderly process and avoid concurrent exposure of a number of Reuse Properties that may confuse the marketplace or degrade marketability, the number of Reuse Properties as to which an RFP is requested is subject to the sound discretion of the Successor Agency ~~(or the Oversight Board if it prepares the RFP.)~~. Each RFP shall include the following information:

i. A description of the property(ies), consisting of a map, references to applicable land use policies and development standards, and a description of the intended redevelopment purpose of the property(ies);

ii. Contact information for questions pertaining to the property(ies) and underlying land use policies and development standards;

iii. The terms and conditions of sale or other disposition;

iv. A description of the form and content of complete responses to the RFP, including but not limited to:

a. The proposed total consideration for the property(ies) and information supporting the offer price and terms therefor;

b. Any proposed alterations to the terms and conditions of sale, including the timeframe for closing;

c. A development program of sufficient detail to assure the Successor Agency and Oversight Board as to how and when the bidder intends to fulfill the intended use of the property(ies) pursuant to Section 201(B)(i) above and the time line for completion of the project. See Section 202 for more information;

d. A fiscal impact analysis that, at a minimum, demonstrates the total value of the acquisition and subsequent development and the fiscal benefits of such value to the

City, local education entities, County, special districts and other affected taxing agencies over five-year and ten-year periods beginning from the date of purchase;

e. A delineation of experience and plans by a proponent related to special features of property(ies), such as presence of hazardous materials, proximity to sensitive uses, or environmental concerns that will require a substantial level of environmental review and/or mitigation or remediation;

f. Either (i) A statement that no financial assistance is being requested from any governmental agency in connection with the proposal; or (ii) A statement that financial assistance is being requested from a governmental agency in connection with the proposal, indicating with particularity the amount that will be requested, the anticipated timing for consideration of such request, and a description of any discretionary process required by the governmental agency from which assistance will be requested, together with an acknowledgment that conditioning a proposal upon receipt of assistance from a governmental agency may result in rejection of such a proposal.

v. Other information as determined by the Successor Agency ~~(or, as applicable, the Oversight Board).~~

**(202) Submitting a Proposal**

A. Parties interested in acquiring an identified asset or assets may submit a development proposal within sixty (60) days after the Successor Agency issues an RFP.

B. Proposals shall include the following:

i. The proposed total consideration for the property(ies) and information supporting the offer price;

ii. Any proposed alterations to the terms and conditions of sale, including the timeframe for closing;

iii. Construction and development pro forma, a detailed site plan, a business/operating plan, developer qualifications, experience and references, a narrative description of the market support for the proposed project, an operating pro forma, as applicable, and an explanation of the economic benefits of the proposed project to the City, other affected taxing agencies and the community.

iv. The proposed uses must conform to the requirements, intent, goals, and objectives of the City General Plan, zoning, other

applicable development standards, and other applicable federal, state and local laws, codes and regulations.

C. Interested parties shall provide such additional information as may be reasonably requested by the City Staff or, the Successor Agency, ~~or the Oversight Board~~.

D. Efforts to remarket Reuse Properties shall be conducted through the Successor Agency, as provided in these ~~Property Disposition Procedures~~ Disposition Procedures. In the event one or more affected taxing agencies has a potential prospect to submit a proposal for one or more of the Reuse Properties, any such proposal shall be subject to the submittal and other components of these ~~Property Disposition Procedures~~ Disposition Procedures.

E. Costs incurred by the Successor Agency in the implementation of these ~~Property Disposition Procedures~~ Disposition Procedures shall be treated as project costs (not part of the administrative cost allowance) for purposes of the Recognized Obligation Payments Schedule ("ROPS") of the Successor Agency; the ROPS may be amended from time to time to incorporate such costs. Includable as costs are such items as: staff time in the performance of such duties; costs and fees of consultants, attorneys, appraisers, title insurers and escrow; costs and fees in connection with the Disposition of property(ies), such as unpaid and outstanding tax liens or judgments. Where such costs are incurred but the incidence of such costs is borne by the buyer of property(ies), such amounts will be allocable to the Successor Agency (subject to the obligations to third party service providers as alluded to in the preceding portion of this paragraph E). A reasonable itemization of such costs will be presented by the Successor Agency to the Oversight Board from time to time and will be subject to concurrence by the Oversight Board. In addition, costs so incurred by the Successor Agency may be paid from either the Redevelopment Property Tax Trust Fund (Section 34170.5(b) of the Dissolution Act) or the first proceeds from the remarketing of property(ies) as an above-the-line item before proceeds are spread among affected taxing agencies.

F. The Successor Agency, through its staff, consultant(s) and counsel(s), will review proposals upon receipt thereof, and shall notify applicants whether the development proposals submitted comply with the requirements of these ~~Property Disposition Procedures~~ Disposition Procedures and have been determined to be complete or incomplete. In the event the Successor Agency staff notifies an applicant submitting a proposal that the proposal is incomplete or that additional information is required, such applicant may be allowed fifteen (15) days from such notification to complete and resubmit its proposal, or such greater period as the Successor Agency ~~(or Oversight Board, as applicable)~~ may determine in its reasonable discretion as may be appropriate for the gathering of necessary information. The failure to provide such additional information and resubmit the revised proposal in a timely manner shall automatically disqualify such proposal from any further consideration and

shall be deemed a rejection by the Successor Agency of such proposal ~~(or Oversight Board, as applicable)~~. Notwithstanding the foregoing, initial proposal submissions that do not include or address all of the required items may, in the discretion of the Successor Agency staff ~~(or Oversight Board, as applicable)~~, be rejected without an opportunity for resubmission.

**(203) Successor Agency Evaluation of Proposals**

**A.** The Successor Agency shall consider in good faith all proposals timely submitted by interested parties, and determined by Successor Agency staff to be complete not later than sixty (60) days after the conclusion of the proposal submission period described in Section (202)(i) above. After consideration of the proposals, the Successor Agency may, in the exercise of its discretion pursuant to the Dissolution Act, accept, conditionally accept, or reject any or all proposals submitted, and/or may select, if at all, a proposal in accordance with this Section 203 and these ~~Property Disposition Procedures~~ Disposition Procedures; provided that actions concerning the disposition of any of the Reuse Properties shall be subject to the prior review and approval by the Oversight Board.

**B.** In the exercise of its discretion, the Successor Agency acknowledges that its role is overseeing, subject to the Oversight Board, the wind down of all Former Redevelopment Agency activities and disposition of assets and properties.

**C.** Proposals shall be evaluated by the Successor Agency with consideration of factors determined by the Successor Agency to maximize the value of the asset in question as well as furthering the objectives of the City General Plan, which may include, but are not limited to, some or all of the following factors (the following factors are not listed in any particular order of ranking):

**i.** Conformity of the proposal, including proposed uses, with the requirements, intent, goals, and objectives of the City General Plan, any specific plans, applicable redevelopment criteria specified by the Successor Agency in the RFP as provided in Section 201, zoning, other development standards, and other applicable federal, state and local laws, codes and regulations;

**ii.** Quality of design and project concept;

**iii.** The employment opportunities and economic benefits to the City that can be reasonably expected to result from the implementation of the proposal;

**iv.** The qualifications, experience and references of the applicant or its developer entity team proposed to develop the project described in the proposal, including financial capacity to undertake the project, specific prior experience with similar development, quality of prior development projects, degree of site control, ability

to obtain financing both construction and permanent, ability to abide by City design and development standards and controls, and readiness to proceed;

v. The estimated cost, if any, of City financial involvement, including the provision of City public services, subsidies, or public improvements required if the proposal is accepted, and the availability of sufficient City funds to pay such costs;

vi. The economic benefits to the City and the community, as determined by a cost/benefit analysis, if the proposal were to be approved and the proposed project is implemented;

vii. The probability of successful implementation of the proposal;

viii. The probability of realization of a substantial portion of the economic benefits attributable to a proposed project;

xi. The time schedule for completion of the proposed project;

x. The environmental benefits or impacts of the proposed development, and evaluation of the cost and method of mitigation of such impacts, if any;

xi. Likelihood of closing the sale of the subject property(ies), including without limitation the scope of environmental review required, the cost to process such environmental review, the willingness (or not) of the proponent to pay for processing, and whether there are any further contingencies to closing contained in the proposal;

xii. The impact of the proposal on existing buildings and improvements; and

xiii. The merits of the proposal relative to the merits of other proposals for the same proposed development property(ies) or for other sites within the City.

D. The Successor Agency shall review proposals and its selected proposal, if any, with the Oversight Board prior to entering into any sales contract or negotiating agreement. The Oversight Board will act in good faith in connection with such task, as well as its other activities in connection with these ~~Property Disposition Procedures~~ Disposition Procedures.

E. In connection with a proposal in which certain benefits are associated with particular uses or achievement of employment thresholds, purchase and sale documentation will typically include covenants running with the land, enforceable by the City.

F. Nothing in the ~~Property Disposition Procedures~~ Disposition Procedures shall obligate the Successor Agency to select any proposal. All costs

associated with submitting a proposal shall be borne solely by the applicant submitting such document(s).

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#### **(204) Negotiating Agreements**

The Successor Agency shall use good faith efforts, subject to approval of the Oversight Board, to ~~1) enter into an agreement to~~ negotiate with a project proponent, ~~which may at the reasonable discretion of Successor Agency be an agreement to~~ ~~2) negotiate exclusively with a particular proponent~~ at the discretion of the Oversight Board, and ~~3) or, if applicable, develop a sales contract,~~ with ~~the a~~ selected applicant whose proposal has been selected or conditionally selected by the Successor Agency. The purpose of the any such Negotiating Agreement is to establish a time period during which the chosen applicant shall have the right to negotiate with the Successor Agency the terms and conditions of a sales contract.

#### **(300) SPECIAL CONSIDERATIONS CONCERNING EXCLUDED REUSE PROPERTIES**

Excluded Reuse Properties are, pursuant to the Dissolution Act and due to matters of contract, governed by the corresponding contracts and are not subject to these ~~Property Disposition Procedures~~ Disposition Procedures. However, in the event an agreement that provides for the disposition of property(ies) that consist of Excluded Reuse Property (or Properties) is terminated, as of such termination, the corresponding property(ies) will become subject to these Property Dissolution Procedures and the corresponding property(ies) will thereupon be treated as Reuse Property.

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#### **(400) DISPOSITION PROCEDURES FOR GOVERNMENTAL USE PROPERTIES**

The Oversight Board is of the view that Governmental Use Properties are fundamentally different from Reuse Properties by virtue of their use in the ongoing provision of governmental services by the City or another governmental entity. A different process is appropriate to deal with the Disposition of the Governmental Use Properties, which recognizes such factors as: (i) the importance of the ongoing, uninterrupted provision of governmental services; (ii) the high cost of acquiring, constructing or replacing governmental facilities; (iii) the circumstance that Governmental Use Properties may be subject to encumbrances, including without limitation covenants in connection with public financings, which would significantly reduce the value of the Governmental Use Properties for other uses; and (iv) the circumstance that many facilities devoted to public use are special purpose facilities that would not, if remarketed to private investors, generate proceeds commensurate with the cost of such facilities. Accordingly, the disposition of Governmental Use Properties will be determined by vote, property by property, by the Oversight Board. The Successor Agency is expected to bring before the Oversight Board a reasonable number of Governmental Use Properties for consideration as to disposition without presenting an excessive number of such properties at any one time to assist the Oversight Board in having a reasonable time to review specific Governmental Use Properties, their use, the encumbrances upon such Governmental Use Properties, and whether the most appropriate manner and terms with which to deal with each of the Governmental Use Properties. The Oversight Board will consider whether the Governmental Use Properties in question have ceased be used for governmental purposes (and not for the private reuse of land).

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(500) **VOTES TO OVERRIDE THE ~~PROPERTY DISPOSITION PROCEDURES~~DISPOSITION PROCEDURES**

Provisions of these ~~Property Disposition Procedures~~Disposition Procedures can only be overridden by a 2/3 vote of the entire seven (7) member Oversight Board.

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(600) **PROCEDURE FOR AMENDING ~~PROPERTY DISPOSITION PROCEDURES~~DISPOSITION PROCEDURES**

The Oversight Board may amend these ~~Property Disposition Procedures~~Disposition Procedures at a regular or special meeting upon the giving of at least thirty (30) days prior notice to all of the members of the Oversight Board.



**AGENDA ITEM 3.3  
REDEVELOPMENT OVERSIGHT BOARD**

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**TO: Oversight Board of the Redevelopment Successor Agency**  
**FROM: Carol Martin, City Manager**  
**DATE: June 11, 2012**  
**SUBJECT: Approval of Housing Asset Transfers**

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**RECOMMENDATION:**

Staff recommends the Oversight Board of the Successor Agency adopt a Resolution approving the transfer of housing assets and functions to the Shasta Lake Housing Authority pursuant to Health and Safety Code Sections 34176, 34177, and 34181.

**BACKGROUND:**

Pursuant to ABx1 26, redevelopment agencies in California were dissolved effective February 1, 2012. The legislation, as amended by the California Supreme Court in *California Redevelopment Association v. Matosantos*, provided that all assets, properties, contracts, leases, books, records, buildings and equipment were transferred to a Successor Agency on February 1, 2012. However, ABx1 26 also provided that either the City could elect to retain, or a local housing authority could be designated to receive, the housing assets and functions previously performed by the former redevelopment agency.

On January 31, 2012, the City Council of the City of Shasta Lake adopted Resolution No. CC 12-06, providing that upon dissolution of the Redevelopment Agency of the City of Shasta Lake ("Former Agency"), the Shasta Lake Housing Authority ("Authority") would assume the housing rights, powers, assets, liabilities, duties, and obligations held by the Former Agency in connection with the production and preservation of low and moderate income housing (collectively, the "housing assets") pursuant to California Community Redevelopment Law ("CRL") Section 34176.

**DISCUSSION:**

Despite the many ambiguities in ABx1 26, it is clear that Housing Assets are to be transferred to the Housing Authority. Not only does CRL Section 34177(g) require the Successor Agency to the Redevelopment Agency of the City of Shasta Lake ("Successor Agency") to effectuate the transfer of housing functions and assets to the Housing Authority, but CRL Section 34181(c) requires the Oversight Board of the

Successor Agency (“Oversight Board”) to direct the Successor Agency to transfer housing responsibilities and all rights, powers, duties, and obligations to the Authority.

ABX1 26 allows the Authority to receive the housing functions and assets of the Former Agency. However, the legislation does not specifically define "housing assets". ABX1 26 also contains conflicting language regarding unencumbered Low and Moderate Income Housing Fund (“LMIHF”) balances. CRL Section 34177(d) directs the Successor Agency to remit these funds to the County Auditor Controller, while 34181(c) directs the Oversight Board to transfer these funds to the Housing Authority. Given the ambiguities in ABx1 26, but recognizing the legal requirements under the CRL that the LMIHF be used solely for affordable housing purposes, the term "housing assets" at this time is assumed to include, at a minimum, property and other interests (i.e. notes receivables or affordability restrictions) acquired with funds from the LMIHF.

At this time, the Successor Agency is seeking Oversight Board approval of the following asset transfers to the Authority.

	<b>Parcel No.</b>	<b>Address</b>	<b>Use</b>	<b>Former Owner</b>	<b>Current Owner</b>
1	005-680-035	1141 Black Canyon	Affordable Housing	Redevelopment Agency	City Housing Authority
2	007-280-002	1964 Morningstar	Affordable Housing	Redevelopment Agency	City Housing Authority
3	005-060-025	None	Meade Street Project	Redevelopment Agency	City Housing Authority
4	005-060-053	4243 Meade	Meade Street Project	Redevelopment Agency	City Housing Authority
5	005-060-058	None	Meade Street Project	Redevelopment Agency	City Housing Authority
6	005-060-059	None	Meade Street Project	Redevelopment Agency	City Housing Authority

The City of Shasta Lake Housing Authority holds notes receivable on the following properties:

	<b>Parcel No.</b>	<b>Address</b>	<b>Loan Type</b>	<b>Loan Amount</b>
1	007-130-023	2128 Grand Coulee	Rehab	12,165
2	006-870-022	3913 El Cajon	DAP	54,000
3	006-470-013	13710 Hill Blvd	DAP	28,500
4	075-190-013	5312 Pine Grove Ave	DAP	42,000
5	006-210-046	3559 Altus Street	DAP	56,000
6	005-070-044	4437 La Mesa	Rehab	13,714
7	006-890-021	13774 Buckeye	Rehab	20,743
8	075-110-033	3172 West Street	DAP	47,400
9	005-090-060	4101 Meade Street	DAP	60,800
10	006-870-030	1949 Montana	Rehab	23,123
11	005-670-024	4187 Johnson	Rehab	27,772
12	006-830-026	3701 Coeur D'Alene	DAP	60,000
13	005-220-051	4248 Chico Street	DAP	80,000
14	005-090-045	1712 Ashby Road	DAP	80,000
15	007-490-008	4737 Parker Street	DAP	80,000
16	005-220-023	4185 Chico Street	DAP	80,000
			TOTAL:	766,217

Rehab = Rehabilitation  
DAP = Down Payment Assistance

**FISCAL IMPLICATIONS:** No fiscal impacts are associated with the transfer of these assets.

**ATTACHMENTS:** Resolution

**RESOLUTION SAOB 12-**

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**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SHASTA LAKE REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF HOUSING ASSETS AND FUNCTIONS TO THE SHASTA LAKE HOUSING AUTHORITY**

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**WHEREAS**, ABx1 26 calls for the dissolution of all Redevelopment Agencies in the State of California and transfer of all assets to successor agencies; and

**WHEREAS**, the Shasta Lake Housing Authority has elected to serve as the Housing Successor Agency to the Shasta Lake Redevelopment Agency (“Housing Successor Agency”); and

**WHEREAS**, by operation of law, the Housing Successor Agency receives all housing-related assets and properties.

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

**SECTION 1.** The above recitals are true and correct and are adopted as the findings of the Oversight Board.

**SECTION 2.** The City hereby transfers all housing assets and properties of the former Redevelopment Agency to the Shasta Lake Housing Authority.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the Oversight Board of the Successor Agency to the Shasta Lake Redevelopment Agency held on this 11th day of June 2012, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

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LARRY FARR, Chairperson  
Oversight Board of the Successor  
Agency to the Shasta Lake  
Redevelopment Agency

**ATTEST:**

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TONI COATES, Secretary of the Oversight Board



**AGENDA ITEM 3.4  
REDEVELOPMENT OVERSIGHT BOARD**

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**TO: Oversight Board of the Redevelopment Successor Agency**

**FROM: Carol Martin, City Manager**

**DATE: June 11, 2012**

**SUBJECT: Request for Authorization from the Oversight Board for the Successor Agency to enter into a Reimbursement Agreement with the City; and Approval of an Accompanying Resolution**

**FILE:**

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**RECOMMENDATION:**

Staff recommends the Oversight Board of the Successor Agency allow the Shasta Lake Successor Agency to enter into a Reimbursement Agreement with the City to provide administrative and operational services to the Successor Agency.

Staff recommends the Oversight Board approve Resolution No. \_\_\_\_, memorializing their approval of the abovementioned Reimbursement Agreement.

**BACKGROUND:**

On January 9, 2012, the City of Shasta Lake ("City") resolved to become the Successor Agency to the former Redevelopment Agency of the City of Shasta Lake ("Successor Agency"), which was dissolved with all redevelopment agencies on February 1, 2012 pursuant to the California Health and Safety Code as amended by Assembly Bill x1 26 ("ABx1 26"). Pursuant to Health and Safety Code Section 34171(b), the Successor Agency will receive a specified amount of property tax revenue to cover administrative costs associated with winding down the Redevelopment Agency. Much of this administrative and operational work will be done by City employees using City facilities.

**DISCUSSION:**

In the process of winding down the affairs of the Redevelopment Agency, the Successor Agency must utilize City staff and facilities in carrying out its day-to-day activities. As such, it is necessary that the City and the Successor Agency enter into an agreement for reimbursement of costs incurred by City to support Successor Agency operations and obligations. Any such request by the Successor Agency to enter into an agreement

is subject to Oversight Board approval, pursuant to Health and Safety Code Section 34180(h).

The Successor Agency requests that the Oversight Board authorize the Successor Agency to enter into the Reimbursement Agreement with the City of Shasta Lake pursuant to Health and Safety Code Sections 34171(d)(1)(F) and 34178(a) of the Dissolution Act for reimbursement of costs incurred by the City to support Successor Agency operations and obligations consistent with the Administrative Budgets prepared by the Successor Agency and approved by the Oversight Board.

**FISCAL IMPLICATIONS:**

None with this action.

**Attachments:**

Reimbursement Agreement

Resolution No. \_\_\_\_\_

**RESOLUTION SAOB 12-**

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**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SHASTA LAKE REDEVELOPMENT AGENCY APPROVING AN ADMINISTRATIVE AND OPERATIONAL COST REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF SHASTA LAKE AND THE SHASTA LAKE SUCCESSOR AGENCY**

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**WHEREAS**, the Oversight Board of the Successor Agency of the Shasta Lake Redevelopment Agency ("Oversight Board") has been appointed pursuant to the provision of Health and Safety Code Section 34179; and

**WHEREAS**, Health and Safety Code Section 34180(h) requires Oversight Board approval for any request by the Successor Agency to enter into an agreement with the City; and

**WHEREAS**, the Successor Agency desires to enter into a Reimbursement Agreement, which will authorize the reimbursement of costs incurred by the City to support Successor Agency operations and obligations; and

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

**SECTION 1.** The above recitals are true and correct and are adopted as the findings of the Oversight Board.

**SECTION 2.** Pursuant to the Dissolution Act, the Oversight Board authorizes the Successor Agency to enter into the Reimbursement Agreement as set forth in Exhibit "A" attached hereto and incorporated by this reference.

**SECTION 3.** This Resolution shall take effect from and after the date of its passage and adoption.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the Oversight Board of the Successor Agency to the Shasta Lake Redevelopment Agency held on this 11th day of June, 2012, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

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LARRY FARR, Chairperson  
Oversight Board of the Successor Agency to  
the Shasta Lake Redevelopment Agency

**ATTEST:**

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TONI M. COATES, Secretary of the Oversight Board

**REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF SHASTA LAKE AND THE  
SHASTA LAKE SUCCESSOR AGENCY FOR ADMINISTRATIVE AND OPERATIONAL  
SERVICES**

This REIMBURSEMENT AGREEMENT (“Agreement”) is made and entered into on this \_\_\_\_\_ day of June, 2012 by and between the CITY OF SHASTA LAKE, a California municipal corporation (“City”), and the CITY OF SHASTA LAKE ACTING AS SUCCESSOR AGENCY TO THE SHASTA LAKE REDEVELOPMENT AGENCY pursuant to Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code (“Successor Agency”).

**RECITALS**

- A. Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies in the State of California (“Dissolution Act”).
- B. Pursuant to the provisions of the Dissolution Act, the City of Shasta Lake elected to serve as Successor Agency to the dissolved Redevelopment Agency on.
- C. The Successor Agency is tasked with winding down the affairs of the former Shasta Lake Redevelopment Agency (“Agency”) pursuant to Health and Safety Code Section 34177(h).
- D. In accordance with Health and Safety Code Section 34171, the Successor Agency is entitled to an Administrative Cost Allowance that is payable from property tax revenues allocated to the Redevelopment Property Tax Trust Fund (“RPTTF”) by the county Auditor-Controller.
- E. On April 9, 2012, the Successor Agency and its Oversight Board approved an Administrative Cost Budget. From time to time hereafter, the Successor Agency and its Oversight Board are expected to approve additional Administrative Cost Budgets in six month increments for the operation of the Successor Agency.
- F. In connection with the administration and operations of the Successor Agency, the Successor Agency will be utilizing the staff, facilities, and other resources of the City including but not limited to providing administrative, accounting, auditing, planning, engineering, legal, risk management, financial, clerical, record-keeping, and other services necessary for the Successor Agency to carry out its responsibilities.
- G. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), with the approval of the oversight board, the Successor Agency may enter into agreements with the City.
- H. The City and the Successor Agency wish to enter into this Agreement whereby the City agrees to provide administrative and operational services and the Successor Agency agrees to reimburse the City for the costs to provide such services.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and conditions herein contained, the City and Successor Agency agree as follows:

**Section 1.** The City shall make available to the Successor Agency its staff, facilities, services, and other resources, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency. The Successor Agency shall have access to the foregoing staff, facilities, services, and other resources of the City. City shall maintain an accounting of the costs of providing such services to the Successor Agency.

**Section 2.** The Successor Agency shall reimburse the City for administrative and operational services as set forth in this Agreement and as adopted as part of each Administrative Cost Budget prepared and approved by the Successor Agency, and as approved by the Oversight Board, should the Administrative Cost Budget be amended or revised. The amount of the reimbursement shall be paid to the City within a reasonable time following the end of each six month fiscal period, beginning with the fiscal period commencing on January 1, 2012 and ending on June 30, 2012. In the event that insufficient funds are available to the Successor Agency, any unpaid amounts shall be carried over to the next six-month fiscal period.

These Administrative Expenses shall be in addition to any direct program or project expenses incurred and noted in each Recognized Obligation Payment Schedule ("ROPS"), including salary and benefits of employees funded by the Successor Agency for Program Expenses. The Successor Agency shall also be liable to the City for payment of these Program Expenses where they are adopted as part of the ROPS.

**Section 3.** The parties hereto agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

**Section 4.** This Agreement will be become effective upon approval of the Oversight Board to the Successor Agency.

**Section 5.** This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement and approved by the Oversight Board to the Successor Agency.

**IN WITNESS WHEREOF**, the parties have caused this *Reimbursement Agreement* to be executed by their officers thereunto duly authorized on the date first above written.

**CITY OF SHASTA LAKE**, a California municipal corporation

By: \_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM**

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City Attorney

[Signatures continue on next page]

[Signatures continued from previous page]

**CITY OF SHASTA LAKE ACTING AND SERVING  
AS THE SUCCESSOR AGENCY TO THE  
SHASTA LAKE REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Mayor on behalf of Successor Agency

**ATTEST:**

\_\_\_\_\_  
City Clerk  
on behalf of the Successor Agency

**APPROVED AS TO FORM**

\_\_\_\_\_  
City Attorney