

**AGENDA**  
**SPECIAL MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY**  
**TO THE DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY**  
**THURSDAY, JUNE 23, 2016, 8:00 A.M.**  
**MESQUITE ROOM, YUCCA VALLEY COMMUNITY CENTER**

*The Town of Yucca Valley complies with the Americans with Disabilities Act of 1990. If you require special assistance to attend or participate in this meeting, please call the Town Clerk's Office at 369-7209 at least 48 hours prior to the meeting.*

*If you wish to comment on any subject on the agenda, or any subject not on the agenda during public comments, please fill out a card and give it to the Town Clerk. The Chair will recognize you at the appropriate time. Comment time is limited to 3 minutes.*

*Where appropriate or deemed necessary, action may be taken on any item listed in the agenda.*

**OPENING CEREMONIES**

**CALL TO ORDER**

**OATH OF OFFICE -** Tom Marshall- San Bernardino County Fire

**ROLL CALL:** Board Members Cooper, Dunn, Flores, Marshall, Rogers, Stueckle and Chair Rowe.

**PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

Action: Move \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

**CONSENT AGENDA**

1. Approval of Meeting Minutes- January 25, 2016

**Recommendation:**

**Approve the Meeting Minutes of January 25, 2016 as presented.**

2. Approval of Meeting Minutes- February 1, 2016

**Recommendation:**

**Approve the Meeting Minutes of February 1, 2016 as presented.**

Action: Move \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

**DEPARTMENT REPORTS**

- 3. Resolution Approving a Bond Expenditure Agreement Between the Successor Agency to the Dissolved Yucca Valley Redevelopment Agency and the Town of Yucca Valley

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE TOWN OF YUCCA VALLEY, CALIFORNIA APPROVING AN AGREEMENT REGARDING EXPENDITURE OF EXCESS BOND PROCEEDS BETWEEN THE SUCCESSOR AGENCY TO THE DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY AND THE TOWN OF YUCCA VALLEY**

Staff Report

**Recommendation:**

**Adopt the Resolution approving the Bond Expenditure Agreement between the Successor Agency to the Dissolved Yucca Valley Redevelopment Agency and the Town of Yucca Valley**

Action: Move \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

- 4. Dissolution Update and FY 2016-18 Budget Authorization

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR FISCAL YEARS 2016-18**

Staff Report

**Recommendation:**

**Receive the verbal update from staff and approve the resolution approving the administrative budget for the Successor Agency for the 2016-18 Fiscal Years**

Action: Move \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

**FUTURE AGENDA ITEMS**

## **PUBLIC COMMENTS**

*In order to assist in the orderly and timely conduct of the meeting, the Oversight Board takes this time to consider your comments on items of concern which are on the Closed Session or not on the agenda. When you are called to speak, please state your name and community of residence. Please limit your comments to three (3) minutes or less. Inappropriate behavior which disrupts, disturbs or otherwise impedes the orderly conduct of the meeting will result in forfeiture of your public comment privileges. The Oversight Board is prohibited by State law from taking action or discussing items not included on the printed agenda.*

## **STAFF REPORTS AND COMMENTS**

### **BOARD MEMBER REPORTS AND COMMENTS**

- Board Member Cooper
- Board Member Dunn
- Board Member Flores
- Board Member Marshall
- Board Member Rogers
- Board Member Rowe
- Board Member Stueckle

## **ANNOUNCEMENTS**

## **ADJOURNMENT**

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE  
DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY  
MEETING MINUTES -JANUARY 25, 2016**

Chair Rowe called the meeting to order at 8:05 a.m.

**ROLL CALL**

Board Members present: Chamberlin, Dunn, Stueckle, and Rowe.

Board Members absent: Flores, Cooper, and Rogers

Staff members present: Town Manager Yakimow, Finance Manager Cisneros, and Town Clerk Copeland

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Town Manager Yakimow

**APPROVAL OF AGENDA**

Board Member Dunn moved to approve the meeting agenda of January 25, 2016. Board Member Chamberlin seconded. Motion carried 4-0-0-3 on a roll call vote.

<b>AYES:</b>	Board Members Chamberlin, Stueckle and Chair Rowe
<b>NOES:</b>	None
<b>ABSTAIN:</b>	None
<b>ABSENT:</b>	Board Members Flores, Cooper, and Rogers

**APPROVAL OF MINUTES**

1. Board Member Chamberlin moved to approve the minutes of the Oversight Board Meeting of September 17, 2015 as presented. Board Member Dunn seconded. Motion carried 5-0-0-3 on a roll call vote.

<b>AYES:</b>	Board Members Chamberlin, Stueckle and Chair Rowe
<b>NOES:</b>	None
<b>ABSTAIN:</b>	None
<b>ABSENT:</b>	Board Members Flores, Cooper, and Rogers

**DEPARTMENT REPORTS**

**2. Recognized Obligation Payment Schedule (“ROPS”)**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF YUCCA VALLEY, CALIFORNIA APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (“ROPS”) PURSUANT TO HEALTH AND SAFETY CODE § 34176 AND TRANSMITTING THE ROPS TO THE NECESSARY AGENCIES**

Finance Manager Cisneros presented the staff report for the Recognized Obligation Payment Schedule for the period of July 1, 2016 thru June 30, 2017. Cisneros noted the provisions of SB 107 require administrative funds are set at a minimum of \$250,000. The schedule for filing future ROPS was also presented.

Town Manager Yakimow explained potential reconstruction costs of the former Pomona First Federal Building, of \$1.1 million, with the County of San Bernardino dedicating another \$1 million to add to the project.

Chair Rowe opened public comment. With no members of the public wishing to speak, public comments were closed.

Chair Rowe Questions what a \$2 million project would entail.

Board Member Dunn requested to be excused from the discussion, since he is a nearby property owner.

Board Member Stueckle moved to continue to the item for further discussion to February 1, 2016 at 8:00 a.m. Board Member Chamberlin seconded. Motion carried 4-0-0-3

<b>AYES:</b>	Board Members Chamberlin, Stueckle and Chair Rowe
<b>NOES:</b>	None
<b>ABSTAIN:</b>	None
<b>ABSENT:</b>	Board Members Flores, Cooper, and Rogers

**PUBLIC COMMENT**

Chair Rowe opened public comments. With no members of the public wishing to speak, public comments were closed.

**ADJOURNMENT**

There being no further business, Chair Rowe adjourned the meeting at 8:40 a.m.

Respectfully submitted,

Lesley R. Copeland, CMC

Town Clerk

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE  
DISSOLVED YUCCA VALLY REDEVELOPMENT AGENCY  
MEETING MINUTES - FEBRUARY 1, 2016**

Chair Rowe called the meeting to order at 8:00 a.m.

**ROLL CALL**

Board Members present: Chamberlin, Cooper, Flores, Rogers, Stueckle, and Rowe.

Board Members absent: Dunn

Staff members present: Town Manager Yakimow, Finance Manager Cisneros, and Town Clerk Copeland

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Chair Rowe

**APPROVAL OF AGENDA**

A motion to approve the February 1, 2016 meeting agenda was not made.

**DEPARTMENT REPORTS**

2. **Recognized Obligation Payment Schedule ("ROPS")** – *Item continued from 01/25/16 meeting*

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF YUCCA VALLEY, CALIFORNIA APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") PURSUANT TO HEALTH AND SAFETY CODE § 34176 AND TRANSMITTING THE ROPS TO THE NECESSARY AGENCIES**

Finance Manager Cisneros presented the staff report for the Recognized Obligation Payment Schedule for the period of July 1, 2016 thru June 30, 2017.

Chair Rowe opened public comments, with no members of the public wishing to speak, public comments were closed.

Board Member Cooper inquired on the process of the bond fund determination.

Discussion was held on the provisions of SB107 which clarified that administrative fees are set at minimum of \$250,000 or 3 % of the ROPS total, whichever is less.

Flores inquired on the sewer connection fees, for clarification that the amount stated was for the connection of Town properties.

Board Member Cooper moved to:

1. Approve the Resolution adopting the Recognized Obligation Payment Schedule ("ROPS") for the period from July 1, 2016 through June 30, 2017.
2. Direct staff to post the schedule on the Town's website and to deliver the ROPS to the San Bernardino County Auditor-Controller, State Controller and to the State Department of Finance.

Board Member Chamberlin seconded. Motion carried 6-0-0-1 on a roll call vote.

**AYES:** Board Members Chamberlin, Cooper, Flores, Rogers, Stueckle and Chair Rowe  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** Board Members Dunn

#### **PUBLIC COMMENT**

Chair Rowe opened public comments. With no members of the public wishing to speak, public comments were closed.

#### **ADJOURNMENT**

There being no further business, Chair Rowe adjourned the meeting at 8:40 a.m.

Respectfully submitted,

Lesley R. Copeland, CMC

Town Clerk



**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE  
DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY  
STAFF REPORT**

**To:** Honorable Chair & Board Members  
**From:** Curtis Yakimow, Executive Director

**Date:** June 14, 2016

**For Board Meeting:** June 23, 2016

**Subject:** Resolution Approving a Bond Expenditure Agreement between the Successor Agency to the Dissolved Yucca Valley Redevelopment Agency and the Town of Yucca Valley

**Recommendation:** That the Board:

1. Adopt the Resolution approving the Bond Expenditure Agreement between the Successor Agency to the Dissolved Yucca Valley Redevelopment Agency and the Town of Yucca Valley.

**Order of Procedure:**

Staff Report  
Public Comment  
Questions of Staff  
Board Discussion  
Board Action

**Discussion:** In July of 2011, the Governor signed, AB1x 26 and AB1x 27, and in December 2011, the California Supreme Court upheld the legislation. The result of this decision is all redevelopment agencies were dissolved effective February 1, 2012. As a matter of law, the Town of Yucca Valley is now the Successor Agency to the Dissolved Yucca Valley Redevelopment Agency ("Successor Agency").

Excess Bond Proceeds

In 2008, the former Yucca Valley Redevelopment Agency issued tax allocation bonds to fund a variety of projects. Approximately \$2.41 million of such funds were unexpended and unapproved for expenditure as of today. The Successor Agency may spend such funds for the purpose for which the bonds were issued.

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Reviewed By:

  
Town Manager

\_\_\_\_\_  
Town Attorney

\_\_\_\_\_  
Finance Manager

\_\_\_\_\_  
Department

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Department Report

Ordinance Action

Resolution Action

Public Hearing

Consent

Minute Action

Receive and File

Study Session

This action provides approval of the Successor Agency's approval to enter into an agreement with the Town to administer the expenditure of the remaining 2008 bond proceeds on projects consistent with the purpose for which the bonds were issued.

The Redevelopment Dissolution Act provides that after the Successor Agency has received a Finding of Completion from the Department of Finance, the Successor Agency may enter into an agreement to list obligations to expend excess bond proceeds, so long as the expenditures are consistent with the bond covenants. The Successor Agency received its Finding of Completion from the Department of Finance on March 14, 2013.

The proposed Agreement would authorize the Successor Agency to transfer excess bond proceeds from the Yucca Valley Redevelopment Agency's Project Area No. 1 Tax Allocation Bonds, 2008 Series, to the Town, to be used in accordance with the bond covenants. Agency staff has provided a draft of the agreement to the Department of Finance for preliminary approval, and has received such feedback and tentative concurrence with the form agreement pending Board, Agency and Town approvals.

The Town and Successor Agency will consider the Agreement at their meeting of June 21, 2016. If the Agreement is approved by the Town and Successor Agency, as well as by the Oversight Board, the Successor Agency may list the Agreement as an enforceable obligation on its July - June 2017-18 Recognized Obligation Payment Schedule, currently calendared for action in January 2017.

**Alternatives:** None recommended.

**Fiscal impact:** The proposed Agreement would permit all excess bond proceeds totaling \$2,407,885.13 to be transferred from the Successor Agency to the Town to be used in accordance with bond covenants once approved on the July – June 2017-18 Recognized Obligation Payment Schedule.

**Attachments:** Resolution with Exhibit A – Agreement Regarding Excess Bond Proceeds

**RESOLUTION NO. OB-**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE TOWN OF YUCCA VALLEY, CALIFORNIA APPROVING AN AGREEMENT REGARDING EXPENDITURE OF EXCESS BOND PROCEEDS BETWEEN THE SUCCESSOR AGENCY TO THE DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY AND THE TOWN OF YUCCA VALLEY**

WHEREAS, the Yucca Valley Redevelopment Agency (“Redevelopment Agency”) is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code §§ 33000 *et seq.*); and

WHEREAS, the Town of Yucca Valley is a municipal corporation and a general law city organized and existing under the Constitution of the State of California (“City”); and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill 1x26 (“AB1x26”) and invalidated Assembly Bill 1x27; and

WHEREAS, the Court’s decision results in the implementation of AB1x26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, the Town is, by operation of law, the Successor Agency to the dissolved Yucca Valley Redevelopment Agency (“Successor Agency”) for purposes of winding-down the Redevelopment Agency under AB1x26; and

WHEREAS, the Oversight Board to the Successor Agency was established to direct and oversee the Successor Agency’s actions in winding down the affairs of the Redevelopment Agency and to perform other related functions; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4 (c), after a successor agency has received a finding of completion from the state Department of Finance, a successor agency, with the approval of its oversight board, may list enforceable obligations to expend excess bond proceeds on its Recognized Obligation Payment Schedule, so long as such expenditures are consistent with the bond covenants; and

WHEREAS, the Successor Agency received a Finding of Completion from the Department of Finance on March 14, 2013; and

WHEREAS, the Successor Agency has excess bond proceeds from the Yucca Valley Redevelopment Agency’s Project Area No. 1, 2008 Series; and

WHEREAS, the Successor Agency and Town desire to have all the excess bond proceeds held by the Successor Agency transferred to the Town, to be expended in a manner consistent with the applicable bond covenants; and

WHEREAS, the proposed Agreement Regarding Expenditure of Excess Bond Proceeds has been submitted to the Oversight Board for its approval, and is included as Exhibit A to the Resolution; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW, THEREFORE**, the Oversight Board to the Successor Agency to the Dissolved Yucca Valley Redevelopment Agency, resolves as follows:

Section 1. The foregoing Recitals are true and correct and are incorporated herein.

Section 2. The Agreement Regarding Expenditure of Excess Bond Proceeds, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and the Successor Agency is hereby authorized to execute said agreement.

Section 3. The Town Manager/Executive Director of the Successor Agency is hereby authorized to take such actions as are necessary and appropriate to implement this decision of the Oversight Board, including, but not limited to, listing the Agreement Regarding Expenditure of Excess Bond Proceeds on the Successor Agency's Recognized Obligation Payment Schedule as an enforceable obligation.

Section 4. This Resolution shall become effective in accordance with Health and Safety Code section 34179(h), which authorizes the Department of Finance to review all actions taken by the Oversight Boards. It is the intent of both the Town and Successor Agency to record all such related actions in fiscal year 2016-17.

PASSED, APPROVED, AND ADOPTED this 23<sup>rd</sup> day of June, 2016.

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CHAIR, OVERSIGHT BOARD

ATTEST:

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SECRETARY, OVERSIGHT BOARD

**EXHIBIT A**

**AGREEMENT REGARDING EXPENDITURE  
OF EXCESS BOND PROCEEDS**

**[Attached behind this page]**

**AGREEMENT REGARDING  
EXPENDITURE OF EXCESS BOND PROCEEDS**

This Agreement Regarding Expenditure of Excess Bond Proceeds ("Agreement") is entered into as of July 1, 2016 by and between the Successor Agency to the Dissolved Yucca Valley Redevelopment Agency ("Successor Agency") and the Town of Yucca Valley, a municipal corporation ("Town"). The Successor Agency and the Town are hereinafter collectively referred to as the "Parties."

**RECITALS**

A. Pursuant to the Community Redevelopment Law (Health & Safety Code §33000 et al.) ("CRL"), the former Yucca Valley Redevelopment Agency ("Redevelopment Agency") had responsibility to implement the Redevelopment Project of the Redevelopment Plan, originally adopted by Ordinance No. 37 enacted by the Town Council of the Town of Yucca Valley ("Town Council") which established Project Area No. 1, and as amended by Ordinance No. 152, adopted by the Council of the Town of Yucca Valley.

B. Pursuant to an Indenture of Trust, dated as of May 1, 2008, ("Indenture"), and executed by and between the Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A., as Trustee, the Agency issued Tax Allocation Bonds, Series 2008 (the "2008 Bonds"). The 2008 Bonds were to be used to finance and refinance redevelopment activities within and for the benefit of the Redevelopment Project.

C. Proceeds of the 2008 Bonds were to be used to aid in the financing of the Redevelopment Project, and particularly:

- i) Preliminary design, engineering and special studies
- ii) Street improvements
- iii) Public infrastructure construction
- iv) Flood control improvements
- v) Median islands and island landscaping
- vi) Sidewalk improvements
- vii) Park improvements

D. Pursuant to Resolution No. SA-12-01, adopted by the Town Council on January 17, 2012, the Town agreed to serve as the Successor Agency to the Redevelopment Agency commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill 1X 26.

E. Health and Safety Code section 34191.4(c) provides that once the Successor Agency has been issued a Finding of Completion by the California Department of Finance ("DOF") the Successor Agency is authorized to use bond proceeds for the purposes for which the bonds were sold. Further, the Successor Agency may designate the use of and commit indebtedness obligation proceeds that were derived from indebtedness issued for redevelopment purposes on or before January 1, 2011, and that remain available after the satisfaction of enforceable obligations that have been approved on a Recognized Obligation Payment Schedule ("ROPS") and that are consistent with the indebtedness obligation covenants (hereafter "Excess Bond Proceeds").

F. The DOF issued a Finding of Completion to the Successor Agency on March 14, 2013.

G. Health and Safety Code section 34191.4(c) further provides that the expenditure of Excess Bond Proceeds must be listed separately on the applicable ROPS.

H. The Parties desire to enter into this Agreement to use the Excess Bond Proceeds for the purposes identified in and consistent with the covenants contained in the Indenture and related documents (the "Bond Covenants") and the requirements of the CRL, and to provide for the Successor Agency to transfer the Excess Bond Proceeds to the Town to be used for such purposes.

I. As of June 30, 2015, the Successor Agency had \$3,822,885.13 of Excess Bond Proceeds available from the 2008 Bonds. Of this amount, \$1,415,000.00 has subsequently been allocated as approved for project use through the approved 2015-16 A&B Recognized Obligation Payment Schedule and the approved July – June 2016-17 Recognized Obligation Payment Schedule, leaving a residual amount of \$2,407,885.13 for expenditure pursuant to this agreement. Upon approval of this agreement, this remaining amount of \$2,407,885.13 will be included on the July – June 2017-18 Recognized Obligation Payment Schedule.

K. The execution of this Agreement was approved in a public meeting of the Town Council and the Successor Agency on June 21, 2016.

J. This Agreement was approved by the Oversight Board to the Successor Agency in a public meeting on June 23, 2016.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions and promises herein contained, the Parties hereby agree as follows:

1. Recitals. The Recitals above are true and correct and are incorporated herein by reference.

2. Effective Date. This Agreement shall become effective upon the date set forth pursuant to Health and Safety Code section 34179(h). It is the intent of the Town and Successor Agency that the effective date shall be no sooner than July 1, 2016, such that the recordation of the related transfers and transactions shall be in Fiscal Year 2016-17.

3. Term. The term of this Agreement shall commence on the Effective Date, and shall continue in effect until the date that all Excess Bond Proceeds are expended in accordance with the requirement of this Agreement.

4. Use of Excess Bond Proceeds. The Town agrees that it shall use the Excess Bond Proceeds solely for the purposes identified in Recital C above, or for other projects consistent with the 2008 Bond covenants and the provisions of the CRL that apply to the expenditure of redevelopment funds.

5. Transmittal of Excess Bond Proceeds. Upon the Effective Date as described more fully in Section 2, the Successor Agency shall transfer the Excess Bond Proceeds (including any interest accrued thereon by the Effective Date or received with respect thereto after the Effective Date) to the Town, and the Town shall deposit such funds into a separate Excess Bond Proceeds Capital Improvement Account for the Town's use in accordance with the terms, conditions and purposes set forth in this Agreement.

6. Project Approvals: Environmental Review. This Agreement is not intended to limit in any manner the discretion of the Town in connection with the issuance of approvals and entitlements for the projects described in this Agreement, nor to avoid legally required processes attendant to project approval, including, without limitation, the undertaking and completion of any required environmental review pursuant to the California Environmental Quality Act and the National Environmental Protection Act, as applicable, and the review and approval of plans and specifications.

7. Severability. If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void or unenforceable, the

remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant or condition can be accomplished to the maximum extent legally permissible.

8. No Third-Party Beneficiaries; Assignments. Nothing in this Agreement is intended to create any third-party beneficiaries to this Agreement, and no person or entity other than the Successor Agency and the Town, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

9. Further Assurances. Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of the transactions contemplated by this Agreement.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

12. Amendment. This Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed by the Parties.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date first written above.

*[Signatures on following page]*



**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date and year first-above written.

**TOWN OF YUCCA VALLEY:**

\_\_\_\_\_  
Robert Leone – Mayor

**SUCCESSOR AGENCY TO THE  
FORMER REDEVELOPMENT  
AGENCY OF THE TOWN OF YUCCA  
VALLEY:**

\_\_\_\_\_  
Curtis Yakimow – Executive Director

**ATTEST:**

\_\_\_\_\_  
, Town Clerk

**APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP**

\_\_\_\_\_  
, Town Attorney

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE  
DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY  
STAFF REPORT**

**To:** Honorable Chair & Board Members  
**From:** Curtis Yakimow, Executive Director  
 Sharon Cisneros, Finance Manager  
**Date:** June 20, 2016  
**For Board Meeting:** June 23, 2016

**Subject:** Dissolution Update and FY 2016-18 Budget Authorization

**Recommendation:** That the Oversight Board receives the verbal update from staff and approve the resolution approving the administrative budget for the Successor Agency for the 2016-18 fiscal years.

**Order of Procedure:**

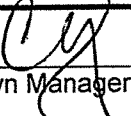



- Staff Report
- Public Comment
- Questions of Staff
- Board Discussion
- Board Action

**Background/Discussion:**

The Redevelopment Dissolution Act, ABx1 26, signed by the Governor in June 2011, was upheld by the California Supreme Court on December 29, 2011. The Court set the date of February 1, 2012, for dissolution of all California redevelopment agencies. The Town has elected to serve as the Successor Agency to the dissolved Yucca Valley Redevelopment Agency. The Dissolution Act requires that each successor agency have an Oversight Board. The Oversight Board to the Successor Agency to the former Yucca Valley Redevelopment Agency was convened on Friday April 13, 2012.

Subsequent to the passage of ABx1 26, the State legislature passed AB 1484. This clean-up legislation provides changes which are primarily technical in nature and are focused toward reconciling the various schedules of revenues and expenditures issued from the County Auditor/Controller/Recorder's office, the successor agencies, and the Department of Finance. Staff will provide a verbal update of these and other activities, what has taken place to date, and the impact to the Successor Agency and others.

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Reviewed By:	 Town Manager	 Town Attorney	 Finance	 Department
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<input checked="" type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input checked="" type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> Consent	<input type="checkbox"/> Minute Action	<input checked="" type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

Finally, as part of the requirements of ABx1 26, the Successor Agency is responsible for the preparation of an administrative budget for the fiscal year. While the Agency can identify any number of expenditures, the administrative budget is limited by ABx1 26 to \$250,000 annually. For the Agency, the direct labor budget is approximately \$200,000, with \$50,000 remaining for legal, accounting, and other miscellaneous administrative expenditures.

**Attachments:** Budget Resolution  
FY 2016-18 Adopted Budget Package

**RESOLUTION NO. OB 16-**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2016-18**

**WHEREAS**, the Oversight Board to the Successor Agency to the dissolved Yucca Valley Redevelopment Agency (the "Oversight Board") has been appointed pursuant to the provisions of Health & Safety Code Section 34179; and

**WHEREAS**, the Oversight Board is deemed a local entity for purposes of the Political Reform Act; and

**WHEREAS**, in accordance with Section 34177 of ABx1 26, the Successor Agency shall propose an administrative budget and submit it to the Oversight Board for approval, and

**WHEREAS**, in accordance with ABx1 26, the Successor Agency administrative budget shall be limited to no more than \$250,000 annually.

**THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, AS FOLLOWS:**

**SECTION 1.** The administrative budget, as adopted by the Successor Agency, and incorporated into the comprehensive fiscal year 2016-18 adopted budget, is hereby approved, in an amount not to exceed \$250,000 for the fiscal year 2016-17, subject to approval by the Department of Finance as part of the recurring ROPS approval.

APPROVED AND ADOPTED this 23<sup>rd</sup> day of June, 2016

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CHAIR, OVERSIGHT BOARD

ATTEST:

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SECRETARY, OVERSIGHT BOARD

**Town of Yucca Valley as Successor Agency  
FY 2016-18 Proposed Budget  
Summary**

Fund	Beginning Fund Balance 7/1/2016	Revenues	Expenditures	Transfers In/ Transfers Out	Ending Fund Balance 6/30/2017
630 - Successor Capital Projects Bond Funds	\$ 3,207,885	\$ -	\$ (3,207,885)	\$ -	\$ -
633 - Successor Agency RPTTF	(8,031,810)	1,095,180	(1,095,180)	316,028	(7,715,782)
<b>Total Successor Agency Funds</b>	<b>\$ (4,823,925)</b>	<b>\$ 1,095,180</b>	<b>\$ (4,303,065)</b>	<b>\$ 316,028</b>	<b>\$ (7,715,781)</b>

Fund	Beginning Fund Balance 7/1/2017	Revenues	Expenditures	Transfers In/ Transfers Out	Projected Fund Balance 6/30/2018
630 - Successor Capital Projects Bond Funds	\$ -	\$ -	\$ -	\$ -	\$ -
633 - Successor Agency RPTTF	(7,715,782)	1,161,498	(1,161,498)	393,596	(7,322,187)
<b>Total Successor Agency Funds</b>	<b>\$ (7,715,782)</b>	<b>\$ 1,161,498</b>	<b>\$ (1,161,498)</b>	<b>\$ 393,596</b>	<b>\$ (7,322,187)</b>

**Fund Descriptions**

**630 - Successor Capital Projects Bond Funds**

This fund accounts for the unspent bond proceeds associated with the former Yucca Valley Redevelopment Agency, which was dissolved through AB1x26 as of January 31, 2012. Upon the receipt of a Finding of Completion from the California Department of Finance, the Successor Agency may spend these proceeds in accordance with the purpose for which they were issued.

**633 - Successor Agency RPTTF**

The Successor Agency Redevelopment Property Tax Trust Fund is established to account for transactions and activity as authorized by the formal dissolution process per AB1x26 and AB1484. The activities in this fund are those that are authorized, or anticipated to be authorized, through the Recognized Obligation Payment Schedule (ROPS) and the accompanying tax increment received through the fund.

**Fund Notes**

1. Through the dissolution process, the accounting treatment of the Agency changed from Governmental Funds to a Private Purpose Trust Fund. The fund's primary purpose is to expedite the dissolution of the former Agency's net assets in accordance with the legislation. A number of reconciliation activities continue as the legislation is implemented and will affect the fund balance presentation of all Successor Agency funds. Accordingly, the reflected fund balances may change significantly upon full implementation.
2. The administration of all Successor Agency transactions, while performed by Town Staff, are under the direction and oversight of the Successor Agency Board, the Oversight Board, the California Department of Finance, and the California State Treasurer's Office. The Successor Agency acts as a fiduciary agent of the state in implementing the dissolution legislation passed.

**Town of Yucca Valley as Successor Agency**  
**FY 2016-18 Proposed Budget**

	2014-15	FY2015-16		FY2016-17	FY2017-18
	Year-end Actual	Amended Budget	Projected Actual	Proposed Budget	Proposed Budget
<b>630 - Successor Capital Projects Bond Funds</b>					
<b>RECEIPTS</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL RECEIPTS</b>	-	-	-	-	-
<b>EXPENDITURES</b>					
Operating Expenditures	-	-	-	-	-
Services	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-	-
<b>CAPITAL OUTLAY</b>					
Work in Progress	423,122	615,000	615,000	3,207,885	-
<b>TOTAL CAPITAL OUTLAY</b>	423,122	615,000	615,000	3,207,885	-
<b>OPERATING TRANSFERS IN (OUT)</b>					
Transfer	-	-	-	-	-
<b>TOTAL OPERATING TRANSFERS IN (OUT)</b>	-	-	-	-	-
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	(423,122)	(615,000)	(615,000)	(3,207,885)	-
<b>BEGINNING FUND BALANCE</b>	4,246,007	3,822,885	3,822,885	3,207,885	-
<b>ENDING FUND BALANCE</b>	\$ 3,822,885	\$ 3,207,885	\$ 3,207,885	\$ -	\$ -

<b>Work in Progress Detail</b>		2014-15	FY2015-16		FY2016-17	FY2017-18
<b>Project</b>	<b>Account</b>	Year-end Actual	Amended Budget	Projected Actual	Proposed Budget	Proposed Budget
Brehm 2 Sports Park	Fund 800	423,122			-	-
Wastewater Infrastructure Design	Fund 800		50,000	50,000	-	-
Facility Needs Assessment-PFF	Fund 800	-	65,000	65,000	-	-
Property Design -PFF	Fund 800	-	500,000	500,000	-	-
Sewer Connection Construction	Fund 800	-	-	-	200,000	-
Property Renovation-PFF	Fund 800	-	-	-	600,000	-
Transfer Agreement to Town	Fund 800	-	-	-	2,407,885	-
		423,122	615,000	615,000	3,207,885	-

**Town of Yucca Valley as Successor Agency**  
**FY 2016-18 Proposed Budget**

	2014-15	FY2015-16		FY2016-17	FY2017-18
	Year-end Actual	Amended Budget	Projected Actual	Proposed Budget	Proposed Budget
<b>631 - Successor Agency Debt Service</b>					
<b>RECEIPTS</b>					
	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	-	-	-	-	-
<b>EXPENDITURES</b>					
	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-	-
<b>CAPITAL OUTLAY</b>					
	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	-	-	-	-	-
<b>OPERATING TRANSFERS IN (OUT)</b>					
Transfer out - Fund 633      ROPS reserve	(389,020)	-	-	-	-
Transfer out - Final Properties to Town	(3,038,093)	-	-	-	-
<b>TOTAL OPERATING TRANSFERS IN (OUT)</b>	<b>(3,427,113)</b>	-	-	-	-
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>(3,427,113)</b>	-	-	-	-
<b>BEGINNING FUND BALANCE</b>	<b>3,427,113</b>	-	-	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Town of Yucca Valley as Successor Agency**  
**FY 2016-18 Proposed Budget**

	2014-15	FY2015-16		FY2016-17	FY2017-18
	Year-end Actual	Amended Budget	Projected Actual	Proposed Budget	Proposed Budget
<b>633 - Successor Agency - RPTTF</b>					
<b>RECEIPTS</b>					
Tax Increment ROPS XX-XXA 7/XX-12/XX	\$ 261,179	\$ 261,179	\$ 261,179	\$ 359,503	\$ 541,222
Tax Increment ROPS XX-XXB 1/XX-6/XX	433,200	761,860	836,560	485,677	370,276
Admin Fee-XX-XXA 7/XX-12/XX	125,000	125,000	125,000	125,000	125,000
Admin Fee-XX-XXB 1/XX-6/XX	125,000	75,000	75,000	125,000	125,000
Investment Income	29		-		
<b>TOTAL RECEIPTS</b>	<b>944,408</b>	<b>1,223,039</b>	<b>1,297,739</b>	<b>1,095,180</b>	<b>1,161,498</b>
<b>EXPENDITURES</b>					
<b>ROPS A Jul-Dec</b>					
Direct Labor/Admin	125,000	125,000	125,000	125,000	125,000
Dec Debt Service	265,791	261,179	261,177	256,126	250,502
<b>ROPS B Jan-Jun</b>					
Direct Labor/Admin	125,000	75,000	75,000	125,000	125,000
Jun Debt Service	470,791	476,179	476,179	481,127	485,501
Bond Admin/Disclosure Fees	4,550	4,550	4,550	4,550	4,550
SERAF Payment	90,707	281,131	281,131	103,377	170,945
<b>TOTAL EXPENDITURES</b>	<b>1,081,839</b>	<b>1,223,039</b>	<b>1,223,037</b>	<b>1,095,180</b>	<b>1,161,498</b>
<b>CAPITAL OUTLAY</b>					
Work in Progress	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPERATING TRANSFERS IN (OUT)</b>					
Transfer IN-From Fund 631	389,020	-	-	-	-
SERAF Balance sheet offset	90,707	-	281,131	103,377	170,945
Amortization Costs	(12,349)	-	(12,349)	(12,349)	(12,349)
Principle payment Balance Sheet offset	205,000	-	215,000	225,000	235,000
<b>TOTAL OPERATING TRANSFERS IN (OUT)</b>	<b>672,378</b>	<b>-</b>	<b>483,782</b>	<b>316,028</b>	<b>393,596</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>					
	<b>534,947</b>	<b>-</b>	<b>558,484</b>	<b>316,028</b>	<b>393,596</b>
<b>BEGINNING FUND BALANCE</b>	<b>(9,125,241)</b>	<b>(8,590,294)</b>	<b>(8,590,294)</b>	<b>(8,031,810)</b>	<b>(7,715,782)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ (8,590,294)</b>	<b>\$ (8,590,294)</b>	<b>\$ (8,031,810)</b>	<b>\$ (7,715,782)</b>	<b>\$ (7,322,187)</b>