

# MEETING AGENDA

The City Council/Successor Agency of the City of Firebaugh  
Vol. No.19/01-07

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**Location of Meeting:** Andrew Firebaugh Community Center  
1655 13<sup>th</sup> Street,  
Firebaugh, CA 93622

**Date/Time:** January 07, 2019/6:00 p.m.

## CALL TO ORDER

**ROLL CALL** Mayor Marcia Sablan  
Mayor Pro Tem Elsa Lopez  
Council Member Freddy Valdez  
Council Member Brady Jenkins  
Council Member Felipe Perez

In compliance with the Americans with Disabilities Act, if you need special assistance to access the Andrew Firebaugh Community Center to participate at this meeting, please contact the Deputy City Clerk at (559) 659-2043. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Andrew Firebaugh Community Center.

Any writing or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at City Hall, in the Deputy City Clerk's office, during normal business hours.

## PLEDGE OF ALLEGIANCE

## PUBLIC COMMENT

## PRESENTATION

## CONSENT CALENDAR

Items listed on the calendar are considered routine and are acted upon by one motion unless any Council member requests separate action. Typical items include minutes, claims, adoption of ordinances previously introduced and discussed, execution of agreements and other similar items.

1. **APPROVAL OF MINUTES – The City Council regular meeting on December 17, 2018.**

## PUBLIC HEARING

2. **RESOLUTION NO. 19-01 - A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2018 FUNDING YEAR OF THE STATE CDBG PROGRAM.**

**Recommended Action:** - Council receives public comment and approve Res. No. 19-01.

## NEW BUSINESS

3. **RESOLUTION NO.19-02 - RESOLUTION OF THE CITY OF FIREBAUGH ADOPTING POLICIES FOR THE ADMINISTRATION AND PROCUREMENT OF ARCHITECTURAL AND ENGINEERING (A&E) SERVICES FOR STATE AND FEDERAL FUNDED TRANSPORTATION PROJECTS.**

**Recommended Action:** - Council receives public comment and approve Res. No. 19-02.

4. **RESOLUTION NO. 19-03 - A RESOLUTION OF THE CITY COUNCIL OF FIREBAUGH APPROVING A PROPOSAL BY HdL COMPANIES FOR CANNABIS MANAGEMENT SERVICES.**

**Recommended Action:** Council receives public comment and approve Res. No. 19-03.

5. **DISCUSS OF NAMING THE LANDING RUNWAY AT THE FIREBAUGH AIRPORT STRIP.**

**Recommended Action:** Council discuss, receives public comment and give direction to City Manager.

**SUCCESSOR AGENCY MATTERS**

6. **RESOLUTION NO. 19-04 - A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING A CONTRACT WITH RSG, INC. TO PROVIDE CONSULTING SERVICES TO THE SUCCESSOR AGENCY IN FISCAL YEAR 2019-20.**

**Recommended Action:** Successor Agency receives public comment & approves Res. No. 19-04.

7. **RESOLUTION NO. 19-05 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2019 THROUGH JUNE 30, 2020 AND THE ADMINISTRATIVE BUDGET FOR JULY 1, 2019 THROUGH JUNE 30, 2020.**

**Recommended Action:** Successor Agency receives public comment & approves Res. No. 19-05.

8. **RESOLUTION NO. 19-06 – A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING A BOND PROCEEDS EXPENDITURE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY AND THE CITY OF FIREBAUGH.**

**Recommended Action:** Successor Agency receives public comment & approves Res. No. 19-06

9. **HOUSING SUCCESSOR AGENCY SENATE BILL 341 ANNUAL REPORTS FOR FISCAL YEARS 2016-17 AND 2017-18.**

**Recommended Action:** Receive and file the City of Firebaugh Housing Successor Agency Annual Reports for Fiscal years 2016-17 and 2017-18.

**STAFF REPORTS**

**PUBLIC COMMENT ON CLOSED SESSION ITEM ONLY**

**CLOSED SESSION**

**ANNOUNCEMENT AFTER CLOSED SESSION**

**Certification of posting the Agenda**

I declare under penalty of perjury that I am employed by the City of Firebaugh and that I posted this agenda on the bulletin boards at City Hall, January 07, 2019 at 5:00 p.m. by Rita Lozano Deputy City Clerk

**MEETING MINUTES**  
**The City Council/Successor Agency of the City of Firebaugh**  
**Vol. No. 18/12-17**

**Location of Meeting:** Andrew Firebaugh Community Center  
1655 13<sup>th</sup> Street, Firebaugh, CA 93622

**Date/Time:** December 18, 2018/6:00 pm

**CALL TO ORDER:** Meeting called to order by Mayor Felipe Perez

**ROLL CALL**

**PRESENT:** Mayor Felipe Perez  
Mayor Pro Tem Marcia Sablan 6:05 pm  
Council Member Elsa Lopez  
Council Member Freddy Valdez  
Council Member Brady Jenkins

**ABSENT:** None

**OTHERS:** City Attorney Meggin Boranian; City Manager/Acting Public Works Director, Ben Gallegos; Finance Director, Pio Martin; Police Chief, Sal Raygoza; Fire Chief, John Borboa, Olga Flores, Vanessa Linares & others.

**PLEDGE OF ALLEGIANCE:** Mayor Felipe Perez led Pledge of Allegiance

**PUBLIC COMMENT:**

New Life Church member Connie Ortiz thanked the community for their help in raising 100 coats for boxes of love. George Boyadjian CEO of 420 College spoke regarding a cannabis festival and handed out a pamphlet with festival information.

Pio Martin introduced 2 new staff members joining City Hall, Olga Flores and Vanessa Linares and announced Nancy Vaca will now be in the accounts payable/payroll position.

**PRESENTATION**

1. **RESOLUTION NO. 18-63 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH CANVASSING AND DECLARING THE RESULTS OF THE GENERAL ELECTION HELD ON NOVEMBER 6, 2018.**

*Motion to approve by Council Member Valdez, second by Council Member Lopez; motion pass by unanimous 5-0 vote.*

**REORGANIZATION**

**2. REORGANIZATION OF CITY COUNCIL**

- A. Mayor change from Felipe Perez to Marcia Sablan
- B. Mayor Pro Tem change from Marcia Sablan to Elsa Lopez

**CONSENT CALENDAR**

3. **APPROVAL OF MINUTES – The City Council regular meeting on December 3, 2018.**

*Motion to accept minutes by Council Member Valdez, second by Council Member Jenkins; motion pass by unanimous 5-0 vote.*

4. WARRANT REGISTER – Period starting November 1, and ending on November 30, 2018.

November 2018	General Warrants	#37546 - #37582	\$553,079.73
	Payroll Warrants	#70230 - #70330	<u>\$219,882.61</u>
			\$772,962.34

*Motion to accept by Council Member Valdez, second by Council Member Jenkins; motion pass by unanimous 5-0 vote.*

NEW BUSINESS

5. RESOLUTION NO. 18-61 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH CONSULTANT FOR THE PROVISION OF ELECTRICAL MANAGEMENT SERVICES.

*Motion to approve by Council Member Valdez, second by Council Member Sablan; motion pass by unanimous 5-0 vote.*

6. RESOLUTION NO. 18-62 – A RESOLUTION OF THE CITY OF COUNCIL OF THE CITY OF FIREBAUGH APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT FOR PROFESSIONAL LEGAL SERVICES AS CITY ATTORNEY.

*Motion to accept by Council Member Lopez, second by Council Member Valdez; motion pass by unanimous 5-0 vote.*

7. REVIEW AND DISCUSS SQUARE FOOTAGE RATE OF ORDINANCE NO. 18-02 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH (1) AMENDING MUNICIPAL CODE SECTION 25-29.2 TO CLARIFY COMMERCIAL CANNABIS ACTIVITIES IN THE M-2 ZONES; (2) REPEALING MUNICIPAL CODE SECTION 25-41.13 AND REPLACING IT WITH A NEW CHAPTER 25.5-1 TO ESTABLISH A NEW “CANNABIS CONTROL ORDINANCE,” INCLUDING A REGULATORY FRAMEWORK FOR COMMRCIAL CANNABIS OPERATIONS AND PERSONAL USE CULTIVATION (MEDICAL AND RECREATIONAL/ALDULT USE); AND (3) AMENDING MUNICIPAL CODE SECTION 25-67.3 “DEFINITIONS” TO DELETE AND MOVE CANNABIS RELATED DEFINITIONS TO MUNICIPAL CODE SECTION 25-41.13. SECOND READING.

Mr. Dotan proposed a reduction in rate. Council Member Valdez motioned to have staff reach out to other cities and acquire information on what they are doing.

*Motion to approve by Council Member Valdez, second by Council Member Lopez; motion pass by unanimous 5-0 vote.*

STAFF REPORTS

- Police Chief, Sal Raygoza: House checks for vacationers 2-3 times a day. Auto break in on the south side (burglars have been identified and arrest will be made).
- Fire Chief, John Borboa: Working with management at Toma Tek in regards to OSHA and safety classes for confined spaces.
- Finance Director, Pio Martin: Working with auditors, looking to have reports in January. Switching telephones over to new fiber line with AT & T. Training Nancy on payroll.
- City Manager, Ben Gallegos: Senior center building is done, just waiting on pavement work to be done. Working on housing and new businesses that are coming in. Promoting Firebaugh to bring in more businesses as well to be able to create jobs. Signing up to attend a city management convention.
- City Attorney, Meggin Boranian: No Report, council thanked her for her service

**PUBLIC COMMENT ON CLOSED SESSION ITEM ONLY**

**CLOSED SESSION**

**CLOSED SESSION ANNOUNCEMENT AFTER CLOSES SESSION**

**ADJOURNMENT**

*Motion to Adjourn by Council Member Valdez, second by Council Member Jenkins; Motion pass by unanimous 5-0 vote at 7:05 pm.*

**RESOLUTION NO. 19-01**

**A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF  
A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2018 FUNDING  
YEAR OF THE STATE CDBG PROGRAM**

BE IT RESOLVED by the City Council of the City of Firebaugh as follows:

**SECTION 1:**

The City Council has reviewed and hereby approves an application for up to \$3 Million for the following activities:

General Administration (GA)	\$ 209,302
Public Improvement Project – Waterline Replacements	\$ 2,790,698

**SECTION 2:**

The City has determined that state and federal citizen participation requirements were met during the development of this application.

**SECTION 3:**

The City hereby acknowledges it shall submit an application for one eligible CDBG activity, requesting a Waiver of the 50 percent Expenditure Rule.

The City further acknowledges that failure to comply with the waiver requirements may cause the disencumbrance of funds for the project approved and repayment of CDBG funds.

**SECTION 4:**

The City hereby authorizes and directs the City Manager or designee, to sign this application and act on the City's behalf in all matters pertaining to this application.

**SECTION 5:**

If the application is approved, the City Manager, or designee, is authorized to enter into and sign the grant agreement and any subsequent amendments with the State of California for the purposes of this grant.

**SECTION 6:**

If the application is approved, the City Manager, or designee, is authorized to sign Funds Requests and other required reporting forms.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Firebaugh held on January 7, 2019 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

**ATTEST:**

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Marcia Sablan, Mayor

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Rita Lozano, Deputy City Clerk

**STATE OF CALIFORNIA**

City of Firebaugh

I, Rita Lozano, Deputy City Clerk of the City of Firebaugh, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 7<sup>th</sup> day of January, 2019.

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Rita Lozano Deputy City Clerk of the City of Firebaugh,  
State of California

## STAFF REPORT

**TO:** Firebaugh City Council

**FROM:** Benjamin Gallegos, City Manager

**DATE:** January 7, 2019

**SUBJECT:** Resolution Adopting Policies for the Administration and Procurement of Architectural and Engineering (A&E) Services for State and Federal Funded Transportation Projects

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### BACKGROUND

The City of Firebaugh is responsible for constructing transportation projects that are state and federally funded. These Federal funds are provided by the Federal Highways Administration (FHWA). In order to comply with the Federal regulations and due to limited staffing and expertise, certain services including Architectural and Engineering (A&E) are contracted out to qualified firms. The Federal regulations set forth standards for procuring and administering A&E contracts.

The provisions of the Brooks Act (40 United States Code, Section 1104) requires local agencies to award federally funded engineering and design related contracts, otherwise known as A&E contracts, on the basis of fair and open competitive negotiations, demonstrated competence, and professional qualifications (23 CFR 31.201-3).

The State of California Department of Transportation (Caltrans) has developed a Consultant Procurement Manual (CPM), dated April, 2017, which sets forth policies and procedures to be utilized by local agencies in the procurement and management of A&E contracts on state and federal funded transportation projects to ensure the avoidance of fraud, waste and abuse in the performance of A&E services.

The City of Firebaugh has developed additional policies for procuring and administering A&E contracts to ensure avoidance of conflict of interests in the performance of A&E services for state and federal funded transportation projects.

### DISCUSSION

The City of Firebaugh's current contract for FHWA Engineering Services has expired. City staff requested proposals from qualified Consultants to continue these services for ongoing as well as any other future transportation projects funded strictly with Federal grants.

Recent Federal regulations require that Caltrans review and approve the local agencies' procurement of A&E contracts for federally funded transportation projects. Caltrans is primarily focusing on compliance with competitive procurement and conflict of interest guidelines for these contracts.

The City has followed the Caltrans' CPM guidelines for awarding and managing past A&E contracts for federally funded projects. It is the City's intent to formally adopt these procurement guidelines now so that Caltrans may approve the City's new FHWA services contract and to remain compliant with Federal regulations. The City is also adopting the attached written policies for avoiding conflict of interests which mirror current City practices for administering A&E contracts.

### FISCAL IMPACT

There is no fiscal impact associated with this item.

### RECOMMENDATION

Staff recommends that the Council adopt Resolution No. 19-01, establishing written policies for the procurement and administration of Architectural & Engineering (A&E) services for State and Federal Funded Transportation Projects.

### ATTACHMENTS

1. Resolution No. 19-02.
2. A&E Procurement and Administration Policies dated January, 2019



## **RESOLUTION NO. 19-02**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUH ADOPTING POLICIES FOR THE ADMINISTRATION AND PROCUREMENT OF ARCHITECTURAL AND ENGINEERING (A&E) SERVICES FOR STATE AND FEDERAL FUNDED TRANSPORTATION PROJECTS**

**WHEREAS**, the City of Firebaugh is responsible for constructing transportation projects that are state and federally funded; and

**WHEREAS**, in order to comply with the Federal regulations and due to limited staffing and expertise, certain services including Architectural and Engineering (A&E) are contracted out to qualified firms; and

**WHEREAS**, the Federal regulations set forth standards for procuring and administering A&E contracts; and

**WHEREAS**, the provisions of the Brooks Act (40 United States Code, Section 1104) requires local agencies to award federally funded engineering and design related contracts, otherwise known as A&E contracts, on the basis of fair and open competitive negotiations, demonstrated competence, and professional qualifications (23 CFR 31.201-3); and

**WHEREAS**, the State of California Department of Transportation (Caltrans) has developed a Consultant Procurement Manual (CPM), dated April, 2017, which sets forth policies and procedures to be utilized by local agencies in the procurement and management of A&E contracts on state and federal funded transportation projects to ensure the avoidance of fraud, waste and abuse in the performance of A&E services; and

**WHEREAS**, the City of Firebaugh has developed additional policies, dated January, 2019, for procuring and administering A&E contracts to ensure avoidance of conflict of interests in the performance of A&E services for state and federal funded transportation projects; and

**WHEREAS**, the City of Firebaugh desires to adopt the Caltrans' CPM guidelines and the City's conflict of interest policies for compliance with Federal regulations on the procurement and administration of A&E contracts.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FIREBAUGH RESOLVES** the following:

1. The City of Firebaugh hereby adopts the Consultant Procurement Manual prepared by Caltrans, dated April, 2017, or as amended.
2. The City of Firebaugh hereby adopts the City's A&E Services Administration and Procurement Policies for Federal and State Funded Projects dated January, 2019.
3. The City of Firebaugh hereby authorizes the City Manager to approve amendments to the City's adopted A&E Services administration and procurement policies in consultation with the Federal Highways Administration.

The foregoing resolution was adopted at a regular meeting of the City Council of the City of Firebaugh the 7<sup>th</sup> day of January, 2019, and passed at said meeting by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

**ATTEST:**

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Marcia Sablan, Mayor

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Rita Lozano, Deputy City Clerk

**STATE OF CALIFORNIA**

City of Firebaugh

I, Rita Lozano, Deputy City Clerk of the City of Firebaugh, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 7<sup>th</sup> day of January, 2019.

\_\_\_\_\_  
Rita Lozano Deputy City Clerk of the City of Firebaugh,  
State of California

CITY OF FIREBAUGH  
A & E SERVICES ADMINISTRATION AND PROCUREMENT POLICIES  
FEDERAL AND STATE FUNDED TRANSPORTATION PROJECTS

INTRODUCTION

In an effort to ensure the avoidance of fraud, waste and abuse in the performance of Architectural and Engineering (A&E) services, the City of Firebaugh (City) has established the following consultant selection and procurement procedures to be implemented on all federal and state funded transportation projects. The intent of these policies are to facilitate compliance with federal regulations and the State of California Department of Transportation (Caltrans) Local Assistance Procedures Manual. Deviation from these policies should only be considered in special cases and in consultation with Caltrans Local Assistance personnel.

I. Consultant Procurement Manual (CSPM)

The City shall adopt and follow the procedures contained within Caltrans' Consultant Procurement Manual relating to the procurement and management of A&E contracts on federally and state funded transportation projects.

II. Contract Administrator

The City Manager shall serve as the Contract Administrator and have authority over advertisement, selection, and management of consultant contracts. City Manager shall also have primary responsibility for ensuring compliance with the CSPM and associated federal and state regulations related to the procurement and management of consultant services contracts.

III. Contract City Engineer

If City has secured the services of a Contract City Engineer, that person or firm shall not serve in a management role related to federal and/or state funded transportation projects. Specifically, the Contract City Engineer shall not perform any of the following management duties related to federally and state funded transportation projects:

- a. Hire, manage or supervise any City employee.
- b. Procure the services of any private person or firm to provide the City with contracted services.
- c. Approve any payments to City employees or contracted persons and/or firms.
- d. Approve any changes in the scope of work of a project.
- e. Approve any changes in the costs associated with a project
- f. Approve any change orders on a project.

The Contract City Engineer may perform the following duties under the supervision of the Contract Administrator:

- a. Perform design services
- b. Prepare and submit to Caltrans Local Assistance on the City's behalf the following documents subject to the prior review and approval of the Contract Administrator:

CITY OF FIREBAUGH A & E SERVICES ADMINISTRATION AND  
PROCUREMENT POLICIES

- i. Authorizations to Proceed
  - ii. Progress Invoices for Reimbursements
  - iii. DBE Goals Documentation
  - iv. Contract Award Documentation
  - v. Final Report of Expenditures
- c. Assist the City in responding to inquiries from Caltrans Local Assistance and/or Federal Highway Administration (FHWA) related to the project(s).
- d. Provide construction phase services

If the Contract City Engineer has been engaged to provide construction phase services for projects in which the Contract City Engineer also will or has provided design phase services, the following controls shall be followed:

- a. Contract City Engineer shall only prepare progress estimates based on field observations of in-place work and such estimates shall be subject to the review and approval by Contract Administrator and/or Public Works Director prior to submission to the City's finance department for payment.
- b. Contract City Engineer may respond to RFI's that are merely clarifications of the project plans and specifications or the design intent and which do not result in a change of scope and/or cost of the work. In the event a change in scope and/or cost of the work is necessary, the RFI shall be reviewed by the Public Works Director and approved by the Contract Administrator.
- c. All change orders shall be reviewed by the Public Works Director and approved by the Contract Administrator.
- d. Federal reimbursement requests may be prepared by the Contract City Engineer, however, must be reviewed and approved by the Contract Administrator prior to submission to Caltrans Local Assistance for processing.

IV. PUBLIC WORKS DIRECTOR

- a. During the course of the design and construction phases of a federally or state funded transportation project, the Public Works Director shall review and oversee proposed designs and related construction activities of public works projects to ensure compliance with City industry standards as well as to ensure the project conforms to the proposed scope of work and goals of the project. In the event of a conflict between the opinion of the Public Works Director and Contract City Engineer, the matter shall be referred to the Contract Administrator to resolve the conflict.

V. CONFLICT OF INTEREST

- a. In the event that a conflict of interest occurs resulting from changes in personnel, contract changes, or other unforeseen conditions, the Contract Administrator shall immediately take

CITY OF FIREBAUGH A & E SERVICES ADMINISTRATION AND  
PROCUREMENT POLICIES

steps to remedy the conflict including suspension of work and/or termination of contracts and shall notify Caltrans Local Assistance of the conflict of interest and steps to remedy and resume the work.

VI. FEDERAL AND STATE REGULATIONS

- a. It is the intent of these policies and procedures to ensure the absence of fraud, waste and abuse on federal and state funded transportation projects. As such, these policies will be updated if new regulations are developed not included in these policies or the CSPM. Revisions to these policies will be included in new contracts procured through these policies or will be included by amendment into existing contracts as determined appropriate by the Contract Administrator.

**RESOLUTION NO. 19-03**

**A RESOLUTION OF THE CITY COUNCIL OF FIREBAUGH APPROVING A PROPOSAL BY  
HdL COMPANIES FOR CANNABIS MANAGEMENT SERVICES**

**WHEREAS**, consistent with state law, the City of Firebaugh has adopted an ordinance authorizing and regulating certain cannabis cultivation and related activities; and

**WHEREAS**, the City of Firebaugh has an ongoing consultant relationship with HdL Companies for audit services and can benefit from their professional consultant experience in cannabis management services; and

**WHEREAS**, Firebaugh Municipal Code Section 2-12.6b,5 exempts contracts for professional or technical services like those provided by HdL Companies from formal bidding or open market procedures; and

**WHEREAS**, the City of Firebaugh is in need of an experienced consultant to provide cannabis subject matter expertise including; establishing cost recovery fees, developing an application process, and selection criteria for cannabis cultivation and related activities in Firebaugh.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF FIREBAUGH** that the City of Firebaugh hereby selects HdL Companies as the consultant to provide professional and technical cannabis management services consistent with its December 18, 2018 proposal referred to as Exhibit A, and incorporated by this reference.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Firebaugh held on January \_\_\_\_, 2019 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

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Marcia Sablan, Mayor

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Rita Lozano, Deputy City Clerk

# City of Firebaugh

## Cannabis Management Services

December 18, 2018

Submitted by:  
HdL Companies  
120 S. State College Blvd, Suite 200  
Brea, CA 92821  
[www.hdlcompanies.com](http://www.hdlcompanies.com)

Contact: David McPherson  
714.879.5000  
[dmcpherson@hdlcompanies.com](mailto:dmcpherson@hdlcompanies.com)



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## I. LETTER OF TRANSMITTAL

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December 18, 2018

Ben Gallegos, City Manager  
City of Firebaugh  
1133 "P" Street  
Firebaugh, CA 93662

**Re: Proposal - Provide Subject Matter Expertise, Establish Cost Recovery Fees, Develop Application Process and Selection Review for the City of Firebaugh**

Dear Mr. Gallegos,

Thank you for the opportunity to present this proposal to provide subject matter expertise, establish cost recovery fees, develop an application process and selection review for the City of Firebaugh. HdL was incorporated in 1983 and has over 30 years of experience providing revenue enhancement and consulting services to local governments in California. HdL is a consortium of three companies established to maximize local government revenues by providing audit, compliance, economic development, consulting services and software products. Its audit and consulting services include sales, use and transaction taxes, property taxes, transient occupancy taxes, and a Cannabis Management Program. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 500 agencies in six states. The firm currently serves 49 counties, 311 cities and 132 transactions tax districts in California.

Of interest to you and your team is our knowledgeable team of professionals who have direct experience in the establishment and implementation of cannabis regulatory programs including establishing land-use regulations, registration processes, operation regulations for cannabis facilities, staffing plans, cost recovery, structuring cannabis business taxes and conducting compliance and financial audits.

Enclosed please find our detailed scope of services for HdL's Cannabis Management Program. We agree to adhere to the deliverable requirements for a total cost not to exceed \$22,000. However, this will be subject to an agreed upon project schedule between Firebaugh and HdL.

We look forward to the opportunity to partner with the City of Firebaugh in developing a strategy which meets your program needs. If you have any questions or require additional information, please feel free to contact me by email at [anickerson@hdlcompanies.com](mailto:anickerson@hdlcompanies.com) or David McPherson at [dmcpherson@hdlcompanies.com](mailto:dmcpherson@hdlcompanies.com) or by phone at 714.879.5000.

Sincerely,



Andy Nickerson  
President, HdL Companies

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## **II. PROPOSED SCOPE OF SERVICES**

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The regulation, compliance and taxation of cannabis is complex and filled with challenging issues. Therefore, the objectives presented in this proposal are based on HdL's experience and the expectations and desired outcomes of the City. However, due to the ongoing evolution of the state's Medical Cannabis Regulation and Safety Act (MCRSA); Proposition 64, the Adult Use Marijuana Act (AUMA); and SB 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), HdL is agreeable to modifications to this scope of services as deemed necessary by both HdL and City staff. Amendments to this Scope of Services shall be made in writing and shall not constitute additional hours of work without proper compensation unless otherwise approved by the City and HdL.

The Scope of Services to be provided by HdL shall include:

- Kick off conference call meeting with City staff;
- Assist in the development of application process and review for cannabis businesses to create best practices that will ensure public safety and preserve the welfare and health of the City of Firebaugh;
- Identify issues which City staff needs to mitigate related to potential legal or other problems prior to issuing regulatory permits to the cannabis businesses;
- Provide City staff with technical and policy expertise related to the operations and understanding of the cannabis industry to ensure compliance with MCRSA, AUMA, MAUCRSA and all applicable local ordinances;
- Assist in the design of the procedures and application requirements for a permittee selection process that will be used to invite, review, score, and provide recommendations on applicants to operate cannabis businesses in the City;
- Develop cost recovery fees to recoup the City's cost for developing a regulatory program, reviewing all cannabis business applications and issuing cannabis business permits;
- Develop an annual cannabis business regulatory fee to recover costs associated with administrative oversight of permitted cannabis facilities, conduct code/fire inspections, compliance and financial audits as well as other regulatory functions deemed necessary by the City.

### **Objective 1: Provide Subject Matter Expertise & Technical Support**

Subject matter expertise and technical support will begin upon the execution of a contract with the Consultant which will include the following:

- Consultant shall work with City staff on issues related to cannabis regulatory policies;
- Ensure proposed city ordinance complies with all state and local laws and conforms to the best practices to regulate cannabis businesses in the City;
- Monitor MAUCRSA and state agency policy development and provide feedback to City staff to ensure that the City follows any changes which may impact the development of the cities strategy to regulate cannabis businesses which will be permitted in the City;

- Participate in conference calls, respond to staff inquiries via phone and email, review staff reports to city council and assist with responses to inquiries from the public on a limited basis as determined by the scope of this agreement;

### **Objective 2: Application Process Development**

HdL staff experienced with developing “best practice” cannabis application processes will work collaboratively with City staff to develop Firebaugh’s process. HdL will review the City’s ordinance requirements and the regulatory requirements established by MCRSA, AUMA, and MAUCRSA and ensure all information desired by the City is incorporated in the cannabis business application form and procedures. HdL will develop evaluation criteria in accordance with the Firebaugh Cannabis Ordinance and identify the steps necessary to screen and review applications to determine if they should move forward in the process. Descriptions of the process phases and evaluation criteria are found in Objectives 2 through 4.

Phase 1 will require each member of the applicant’s team to complete the application materials, which will include a Live Scan or alternate background check form, Release & Authorization form and Disclosure and Acknowledgement form. In addition to the documents and minimum standard requirements for the filing of the application, the Request for Permit Application (RFPA) will consider key components of the application, including but not limited to the following:

- Location of the proposed facility
- Articles of incorporation
- Live scan submissions
- Proof of capitalization
- Proof of insurance
- Business plan (includes building & construction, security plan and fire plan)
- Industry experience

The process will be designed to allow the City to review all applications to identify incomplete submissions for immediate disqualification, omissions of live scan submissions and background checks of all business partners, and applications which do not conform to zoning requirements for their prospective permit specifically authorized by the RFPA.

### **Objective 3: Application Review**

Phase 2 of the process will be an in-depth review of the application. The best submissions will be forward thinking and deploy solutions that identify the best green practices, while employing sustainable energy and waste solutions, and implement the best practices available in the cannabis industry. Consideration will be given to applications designed to reduce and address actual or potential concerns the City may have regarding nuisance behavior, environmental issues, or product safety.

Criteria which will be used in evaluating and rating the applications shall include the following:

- Overall quality of the proposal, including responsiveness and conformance to the RFPA requirements for content and format;
- Quality and appropriateness of proposed applicant team, professional experience and background of primary applicants and key sub leases;
- Key personnel, project location, and other management staff with required experience and skills relevant to the project;
- Primary applicant's experience and ability to manage operations of proposed facility, scheduling of work, cost estimating and budget management;
- Primary makeup of applicant's corporate board, and prior experience working with local government agencies;
- Patient tracking, product inventory management and recordkeeping;
- Quality and appropriateness of proposed site, business model, organization, and knowledge and experience working with specific legal codes and regulations;
- Transportation plan describing the procedures for safely and securely transporting cannabis products and currency;
- Applicant's use and implementation of solutions designed to reduce or address any actual or potential concerns of the City and its residents; and
- Any other additional information which the City would like to incorporate into the selection process which they deemed necessary.

#### **Preliminary Results and Recommendations**

Applications will be scored based on the criteria set out in the RFPA. Scores will be provided to the City on a spreadsheet, along with the reviewer's recommendations if the City has requested them. Those applicants who scored at least 80% in Phase 2 will move on to Phase 3.

#### **Objective 4: Interview Panel Preparation and Support**

Phase 3 will consist of interview with a Selection Committee, the members of which will be determined by the City. HdL recommends the Selection Committee interview panel consist of subject matter experts from departments such as the following: Community Development, Finance, and Police. The Consultant may also be used as an alternate, if necessary.

During the interviews, each of the final applicants will be reviewed and scored based on ten (10) categories. An applicant's score will be based on their ability to meet or exceed minimum requirements each category. During the interview, applicants must provide information on how they plan to meet these requirements. Such action will become a mandatory condition of their permit. Failure to meet or comply with these requirements will subject the applicants to penalties and/or revocation proceedings. The ten (10) categories are as follows:

1. Proposed Location
2. Business Plan
3. Community Benefits
4. Enhanced Product Safety
5. Environmental Benefits
6. Labor and Employee Practices
7. Local Enterprise
8. Neighborhood Compatibility Plan
9. Qualification of Principals
10. Safety and Security Plan

HdL will develop the interview questions to ensure that the Selection Committee has all the information it needs to select the most highly qualified businesses to operate in the City. At the City's request, HdL staff can assist in the facilitation of the interviews and provide the Selection Committee guidance and clarification on any technical questions they may have during the process.

After the interviews are complete, HdL will compile the Phase 3 scores and combine them with Phase 2 scores to establish a final ranking of the applicants.

#### **Final Selection and Presentation to Council**

Following the objective ranking of the application materials and the interview panels scoring, HdL will assist staff to bring forward for the City Council's consideration recommendations for issuing permits for applicants to operate commercial cannabis businesses in the City. HdL will be available to assist City staff with responses to questions or to provide other assistance in preparation for City Council meetings.

#### **Objective 5: Cost Recovery Fee Analysis**

HdL staff has experience developing cannabis regulatory fees and doing a "fit gap" analysis of staff responsibilities and time allotted to this program to establish appropriate fees for the City's level of oversight and enforcement of the regulatory process. HdL will analyze the costs of staff time, overhead, fringe benefits, consultants and other services associated with the regulatory process and develop cost recovery fees that comply with Proposition 26.

### III. COST

HdL's fee proposal is based on time, materials and travel expenses associated with the execution of the services. It is based on the current scope of services as outlined in Objectives 1 through 5 for a fee not to exceed \$22,000.

Scope of Service Objectives	Estimated Cost Budget
Objective 1 – Subject Matter Expertise, Technical Support, Travel	\$7,000
Objective 2– Application Process Development	\$1,500
Objective 3– Application Review (up to five applications @\$2,500 each)	\$12,500
Objective 4 – Interview Panel Preparation and Support	Included in Objective 3
Objective 5 – Cost Recovery Fee Analysis	\$1,000
Total	\$22,000*

\*The fees for the scope of services for this proposal shall only be charged to the City based on the actual cost recovery fees collected by the City by any prospective applicant. Failure to receive such fees resulting from a reduction in the number of applicants shall not subject the City of being in default of this contractual agreement.

#### **Cost Assumptions**

The above fee is based on the current requirements presented to HdL by City staff. The City will not be billed until the fees have been paid to the City by any prospective applicant. The above fee is based on the following assumptions:

#### **Objective 1: Provide Subject Matter Expertise and Technical Support**

- Travel cost shall be billed at \$600 for each day the Consultant is requested to attend a meeting onsite. Travel costs will be applied to Objective 1.

#### **Objective 2: Application Process Development**

- This objective does not include the Consultant evaluating supplemental reviews or responses to appeals. Should the City request this service to be conducted by the Consultant it shall be compensated at a flat rate of \$300 per hour to complete the request.

#### **Objective 3: Application Review**

- Should the City receive more than five (5) applications and request the Consultant to review them, HdL shall be compensated \$2,500 for each additional application.



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### **Optional Services**

#### **Optional Service #1: Background Checks**

HdL staff has prior law enforcement and cannabis regulatory experience and are trained to review background information on owners and employees of cannabis business. As a result, the Consultant provides background investigations to be utilized as a provisional background for agencies that need assistance in this process at a rate of \$300 per applicant (Owner), Manager, Supervisor and \$150 for line staff.

#### **Optional Service #2: Regulatory Compliance Reviews and Financial Audit**

The HdL Companies Cannabis Management Team combined has over 20 years of direct experience conducting approximately 11,000 cannabis compliance inspections, investigations and financial audits in Colorado, California and Nevada. HdL can provide annual compliance reviews and financial audits at the following rates per cannabis business permitted in the City.

- Option #A** Conduct one (1) financial audit annually for each permit at a rate of \$6,000.
- Option #B** Conduct one (1) compliance review and one (1) financial audit annually for each permit at a rate of \$7,250.
- Option #C** Conduct two (2) compliance reviews and one (1) financial audit annually for each permit at a rate of \$8,500.
- Option #D** Conduct three (3) compliance reviews and one (1) financial audit annually for each permit at a rate of \$9,750.
- Option #E** Conduct four (4) compliance reviews and one (1) financial audit annually for each permit at a rate of \$11,000.
- Option #F** Tax Analytical Remittance Report (TARR) Summary provided on a quarterly basis for each permit at a rate of \$2,500.

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## **IV. EXPERIENCE AND RESOURCES.**

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### **Company Profile**

Founded in 1983, HdL is a consortium of three companies established to maximize local government revenues by providing audit, compliance, economic development, consulting services and software products. Its audit and consulting services include sales, use and transaction taxes, property taxes, transient occupancy taxes, and a Cannabis Management Program. The firm also provides a variety of enterprise software processing tools for business licensing, code enforcement, animal control, building permits and tracking/billing of false alarms. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 500 agencies in six states. The firm currently serves 49 counties, 311 cities and 132 transactions tax districts in California.

HdL's key staff has extensive experience serving local government and many have previously held positions in city management, finance, planning, economic development or revenue collection. HdL is a Corporate Partner of the League of California Cities and California State Association of Counties and works extensively with the County Auditor's Association of California, California Society of Municipal Finance Officers (CSMFO) and California Municipal Revenue and Tax Association (CMRTA) on anticipation and planning of programs to strengthen local government revenues.

This close understanding of local government needs coupled with extensive databases and advanced methodology provides for the most relevant, productive and responsive revenue recovery; forecasting; and economic services available.

Our team of professionals has over 20 years of direct experience establishing and implementing cannabis regulatory and taxation programs, including establishing land-use regulations, permit processes, staffing plans, and cost recovery fees; structuring cannabis business tax fees; regulatory compliance; financial audits; and law enforcement training. Our team has conducted over 11,000 cannabis compliance inspections and investigations in Colorado, California and Nevada.

### **Key Personnel**

#### **David McPherson, Cannabis Compliance Director**

David McPherson works with local agencies to prepare them to mitigate regulatory issues surrounding Proposition 64 and SB 94. Prior to joining HdL, David served 28 years in local government for the County of Orange and the cities of Newport Beach, San Jose and Oakland. David's experience as a law enforcement officer, compliance auditor, and tax administrator has provided him a wealth of experience that makes him uniquely qualified to manage HdL's Cannabis Management Program. While working for the City of Oakland, he



became the first Tax Administrator in the country to successfully tax, regulate and audit medical marijuana businesses. David has over 8 years of experience working with cannabis regulatory programs.

David is one of the state's most recognized experts in cannabis regulatory policies, compliance implementation and tax policies. His unique knowledge in horticulture, processing and dispensary operations while working for the City of Oakland has made him one of the pioneers in creating a Cannabis Management Program. He uses his experience to assist local and state agencies in developing cannabis policies for regulation, compliance, auditing and economic development. He worked closely with the League of Cities and lobbyists on the development of the Medical Cannabis Regulation and Safety Act (MCRSA) and helped shape SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

David provides technical support on cannabis-related matters to the League of Cities, the Police Chief's Association, Rural County Representatives of California and the California State Association of Counties. In addition, David is working collaboratively with the Department of Consumers Affairs, Department of Food & Agriculture, Department of Health Services and the State Board of Equalization on the implementation of best practices for regulating the cannabis industry for local agencies.

David received his Bachelor's Degree in History from California State University, Fullerton and his Master's Degree in Public Administration from California State University, Long Beach. While at Long Beach, he was named "Future Urban Administrator of the Year".

### **Tim Cromartie, Senior Cannabis Advisor**

Tim Cromartie is a Senior Cannabis Advisor at HdL, in which his primary role is providing policy expertise related to cannabis regulatory and tax policies at the state and local level. Prior to joining HdL, Tim served as the legislative representative covering public safety issues for the League of California Cities since 2013, with a heavy emphasis on shaping legislation governing state and local regulation of marijuana. He has been actively involved in educating cities on changes in the law resulting from the Medical Cannabis Regulation and Safety Act, as well as Proposition 64, the Adult Use of Marijuana Act. When these two Acts were merged into a single regulatory structure in 2017, Tim successfully advocated for clarification of local government's regulatory and enforcement authority in the cannabis context, and for related environmental safeguards in cultivation operations, protections against over-concentration of businesses, regulation of testing labs, and the inclusion of fire safety standards and a definition of volatile solvents in state law governing cannabis manufacturing operations. Since then he has been engaged in educating local governments on the more recent Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), as well as advocating for a reduction in the cumulative state tax rate for cannabis, improvements in the state's track-and-trace program, and the restoration of a statewide cultivation cap.

Prior to the League, he held a variety of positions in the Legislature and state government, including legislative representative for CalPERS Governmental Affairs, legislative director and public safety consultant to former state Senator Gloria Romero, and field representative for Congresswoman Barbara Lee during her term in the state Senate. Mr. Cromartie holds degrees from the University of California at Berkeley (B.A. Political Science) and UC Hastings College of the Law. Tim is an ardent aviation buff and a member of the California Aerospace Museum at the site of the former McClellan Air Force Base in Sacramento.

### **Matt Eaton, Cannabis Compliance Manager**

Matt Eaton is the Cannabis Compliance Manager at HdL and plays a critical role in implementing the Cannabis Compliance Program for local agencies. Prior to joining the firm, he was a progressive law enforcement professional with 29 years' experience conducting criminal/regulatory investigations, and corporate/individual background investigations.

While working as a Supervisory Investigator at the Colorado Department of Revenue in the Marijuana Enforcement Division (MED), Matt managed criminal investigators and civilian staff in the Denver Metro and Longmont field offices. During his six-year tenure at the MED, he conducted approximately 10,000 criminal investigations and compliance reviews which included regulatory and financial investigations. In addition, he is a subject matter expert on track and trace systems. He understands the complexity of reviewing data to ensure businesses are in compliance with state and local regulations. Matt was responsible for planning, developing and implementing report and field inspection protocols for the agency. He also played an instrumental role in recommending changes to current regulations and identifying essential language for new legislation in Colorado. Matt is well known for his ability to maintain working relationships with cannabis industry leaders and external stakeholders in resolving issues.

Matt received his Bachelor of Science Degree from Biola University and currently maintains a Colorado Post Certificate. He has also served as an adjunct instructor teaching law enforcement principle related to criminology, correctional processes, procedural law, interviews, interrogations and criminal evidence at AIMS Community College in Greeley, Colorado.

### **Mark Lovelace, Cannabis Policy Advisor**

Mark Lovelace has 16 years of broad experience in public policy, community engagement and advocacy and is recognized as a leader in advancing the statewide discussion of medical and recreational cannabis as a policy issue in California.

Mark served on the Humboldt County Board of Supervisors from 2009 through 2016 where he was instrumental in developing a comprehensive approach to regulating cannabis, including a voter-approved tax on commercial cultivation and an innovative track and trace pilot program. Mark established and co-chaired the Medical Marijuana Working Group for the California State Association of Counties (CSAC) and helped draft CSAC's legislative platform for cannabis issues. Mark pioneered the first-ever six-County regional summit on

cannabis issues in 2015 which resulted in the North Coast Counties Marijuana Policy Statement. His work and input were pivotal in guiding the development of SB 643 and AB 243, two components of the Medical Cannabis Regulation and Safety Act (MCRSA).

Mark has worked extensively with public agencies and statewide associations on cannabis issues, including CSAC, Rural County Representatives of California, the Association of California Water Agencies, the North Coast Resource Partnership, California Department of Fish and Wildlife, the State Water Board, the North Coast Regional Water Board, the Bureau of Medical Cannabis Regulation, state legislators, the Department of Justice, members of Congress and others. He has led numerous presentations, workshops and panel discussions on cannabis issues and has been a sought-after speaker on the topic for government agencies, community organizations and cannabis industry groups.

Mark received his Bachelor of Science Degree in Industrial and Product Design from California State University, San Jose. Prior to his time on the Board, he worked for many years as a respected advocate on land use, planning, development and environmental issues.

#### **Kami Miller, Cannabis Senior Auditor**

Kami Miller is a Cannabis Senior Auditor at HdL whose primary role is to ensure cannabis compliance and identify the risk assessment in the supply chain process of each permitted business. Prior to joining the firm, she served three years as a Marijuana Compliance Manager for the Department of Public Behavior and Health (DPBH) for the State of Nevada. During this time Kami played a key role in Nevada's implementation of its Medical Marijuana Program in which she was responsible for statewide monitoring of medical marijuana facilities that included cultivation, production, testing labs and retail stores.

During her tenure at the DPBH, Kami managed compliance auditors and support staff in the Las Vegas office. She conducted approximately 1,000 compliance and financial inspections for which she developed the inspection protocols documentation to create comprehensive reports. In addition, her experience with various cannabis track and trace systems allowed her to develop industry supply chain practices for the Department of Taxation.

Kami received her Bachelor of Business Administration in E-Commerce and Supply Chain Management from Tennessee State University.

#### **Elizabeth Eumurian, Cannabis Senior Auditor**

Elizabeth Eumurian is a Cannabis Senior Auditor at HdL. Her primary role is to conduct financial audits, evaluate cannabis applications and conduct background checks. As part of the audit program, she will be conducting and preparing analytical information through the CATS™ program to prepare Tax Analytical Remittance Reports (TARR) summaries to evaluate under reporting or anomalies in the remittance of tax payments to local jurisdictions.

Elizabeth previously worked as a senior auditor in the entertainment industry. In this role, she

executed testing procedures for targeted audit programs, analyzed findings and prepared audit and compliance reports. She also has experience working for a large financial institution analyzing data for reporting anomalies and performing internal audits. Elizabeth has recently done work for Blythe, California City, Coachella, Cotati, Desert Hot Springs, Long Beach, Mammoth Lakes, Moreno Valley, Perris, San Bernardino, and Vallejo.

She earned her Bachelor of Arts degree in History from California State University, Fullerton. She has also received a certificate in CannaBusiness from Oaksterdam University.

### **Alfredo Marquez, Cannabis Senior Auditor**

Alfredo Marquez is a Cannabis Senior Auditor at HdL. His primary role is to conduct financial audits.

Alfredo previously worked for Teledyne Technologies analyzing risk assessments for acquiring new businesses and various units in the organization. In this role he worked with people at various levels in the organization and successfully conducted financial, Sarbanes Oxley and compliance audits across North America, Latin America, Europe, and Asia. Alfredo has recently done work for Cotati, Cloverdale, Desert Hot Springs, Mammoth, Perris, and Vallejo. He earned his Bachelor's Degree in Accounting from the University of La Verne.

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## V. REFERENCES

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**Patrick Hehir**

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Email: [Phehir@toaks.org](mailto:Phehir@toaks.org)

**Mark Evanoff**

Deputy City Manager  
City of Union City  
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Email: [marke@unioncity.org](mailto:marke@unioncity.org)

**Suzi Merriam**

Community Development Director  
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Email: [suzi.merriam@cityofwatsonville.org](mailto:suzi.merriam@cityofwatsonville.org)

**Darlene Mata**

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**Rob Butler**

City Manager  
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**FIREBAUGH SUCCESSOR AGENCY  
STAFF REPORT**

**Date:** January 07, 2019  
**To:** Successor Agency to the Firebaugh Redevelopment Agency  
**From:** Ben Gallegos, City Manager  
**Subject:** Redevelopment Dissolution Consulting Services

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**Summary/Recommendation**

Approve the attached Proposal for Consulting Services from RSG relating to Successor Agency matters and enter into the contract subject to Oversight Board approval.

**Discussion/Analysis**

**Background**

The dissolution of the Firebaugh Redevelopment Agency is complex and arduous. Staff requires financial, real estate, and management consulting services to help deal with the numerous deadlines and requirements of ABx1 26, AB 1484, SB 107 and any new legislation that may come into effect.

**Redevelopment Dissolution Consulting Services**

The City of Firebaugh and the Successor Agency to the Firebaugh Redevelopment Agency have been working with RSG, Inc. ("RSG") to provide consulting services related to the dissolution of the former Firebaugh Redevelopment Agency since 2011. To date, RSG has assisted with:

- Operational startup activities to create the Successor Agency, Housing Successor Entity, and Oversight Board
- Recognized Obligation Payment Schedules (ROPS) covering six-month periods from January 2012 to the present
- The Successor Agency's Administrative Budget for Fiscal Years 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19
- Cash Flow Analyses to aid preparation of the ROPS and inform other planning activities
- City Loan Agreements to cover shortfalls in prior ROPS periods
- Due Diligence Review advisory services
- Property and asset disposition services including the Long-Range Property Management Plan and the sale of all former redevelopment agency properties
- Review and analysis of contracts, agreements, and other documents
- Documents and presentations for City Council, Successor Agency, and Oversight Board Meetings
- Documents and presentations for meetings with State and County agencies
- Correspondence with State, County, and other agencies as needed
- General project advisory and management Services
- Legislative tracking, analysis, and advice
- Other services as needed

A new contract for administrative services is proposed in a not-to-exceed amount of \$25,000 to continue providing consulting services in FY 2019-20. RSG will consult on all activities required by the Dissolution Act, which may include but are not limited to:

- Maintenance of Budget and Cash Flow - RSG will maintain a working cash flow model for the Successor Agency to anticipate any future budget shortfalls.
- Preparation of the Annual ROPS and accompanying Administrative Budgets - RSG will assist the Successor Agency in completing the 2020-21 ROPS and the annual administrative budget for fiscal year 2020-21.
- Assistance with the PPA - RSG will assist the Successor Agency in estimating the differences between actual payments, past estimated, and approved obligations, and coordinate with Fresno County on submission and follow-up.
- Attendance of Meetings - RSG will make a staff member available to the Successor Agency should they need assistance at any Successor Agency, Oversight Board, or DOF meetings.
- Provision of Additional Administrative Services - RSG will assist the Successor Agency with any additional administrative tasks as they arise.

The fee stated in the proposal matches the amount approved by the Successor Agency and Oversight Board in the FY 2019-20 Administrative Budget. Costs for services will be paid on a monthly basis on a time and material basis by the Successor Agency.

#### **Fiscal Impact**

The \$25,000 cost associated with the FY 2019-20 RSG Contract for Consulting Services will be paid out of the Administrative Allowance of \$250,000.

#### **Attachments**

Consulting Services Proposal from RSG dated December 17, 2018.

**RESOLUTION NO. 19-04**

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING A CONTRACT WITH RSG, INC. TO PROVIDE CONSULTING SERVICES TO THE SUCCESSOR AGENCY IN FISCAL YEAR 2019-2020**

**WHEREAS**, the Successor Agency to the Firebaugh Redevelopment Agency ("Successor Agency") has been established to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and

**WHEREAS**, the Successor Agency desires to enter into a contract with RSG, Inc ("RSG") to provide consulting services related to the dissolution of the Former Firebaugh Redevelopment Agency through Fiscal Year 2019-20 as detailed in the proposal attached as Exhibit "A" ("RSG Contract"); and

**WHEREAS**, the RSG Contract is to be funded by the administrative cost allowance pursuant to Health & Safety Code Section 34171(b); and

**WHEREAS**, Health & Safety Code Section 34177(j)(3) requires proposals for arrangements for administrative and operations services provided by a city, county, or other entity to be submitted to the oversight board for its approval; and

**WHEREAS**, Health & Safety Code Section 34177.3(b) states that successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including acquiring necessary professional administrative services; and

**WHEREAS**, the Successor Agency desires to approve the RSG Contract.

**NOW, THEREFORE, THE SUCCESSOR AGENCY OF THE FIREBAUGH REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The RSG Contract is hereby approved.

**SECTION 2.** The Successor Agency hereby authorizes the City Manager to take such other and further action consistent with this resolution and sign and transmit any documents, as necessary, in order to implement this Resolution on behalf of the Successor Agency.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the Successor Agency, on the 7th day of January, 2019, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**APPROVED:**

**ATTEST:**

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CHAIRPERSON

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Rita Lozano, Deputy City Clerk



APPROVED AS TO FORM:

JENELL VAN BINDSBERGEN,  
SUCCESSOR AGENCY COUNSEL

STATE OF CALIFORNIA     )  
COUNTY OF FRESNO     ) ss.  
CITY OF FIREBAUGH     )

I, RITA LOZANO, hereby certify that I am the duly appointed City Clerk of the City of Firebaugh and that the foregoing resolution was duly adopted at a regular meeting of the Successor Agency held on the 7<sup>th</sup> day of January, 2019.

Rita Lozano  
Deputy City Clerk

**EXHIBIT "A"**

**RSG PROPOSAL FOR FY 2019-2020 SUCCESSOR AGENCY CONSULTING SERVICES**

**[Attached as a separate document]**



17872 GILLETTE AVE.  
SUITE 350  
IRVINE, CA 92614

714 541 4585  
INFO@WEBRSG.COM  
WEBRSG.COM

**Via Electronic Mail**

January 7, 2019

Mr. Ben Gallegos  
City Manager  
CITY OF FIREBAUGH  
1133 "P" St.  
Firebaugh, CA 93622

## **PROPOSAL FOR SUCCESSOR AGENCY ADMINISTRATIVE CONSULTING SERVICES**

Dear Mr. Gallegos:

RSG is pleased to present this proposed scope of work and budget to provide the Successor Agency to the Redevelopment Agency of the City of Firebaugh ("Successor Agency") administrative consulting services for the 2019-20 fiscal year. RSG has been working with the Successor Agency since the beginning of the dissolution of the Firebaugh Redevelopment Agency in 2011. With RSG's assistance, the Successor Agency has overcome many hurdles, fulfilled numerous state reporting requirements, and sold all of the former redevelopment Agency properties. RSG would like to continue to serve the Successor Agency in its capacity as Administrative Consultants and see the Successor Agency through to the end of this arduous process.

### **SCOPE OF SERVICES**

The proposed Scope of Services is based upon our experience with the Successor Agency and upcoming tasks that we have identified. RSG is happy to discuss modifications to the scope as needed to satisfy the Successor Agency's needs. RSG has identified the following tasks:

#### **Task 1: Budget and Cash Flow Work**

The Successor Agency has faced many challenges throughout the dissolution process, not the least of which has been budget shortfalls during Recognized Obligation Payment Schedule periods. RSG will continue to maintain a working cash flow model for the Successor Agency to anticipate any future budget shortfalls. In addition, RSG will assist the Successor Agency in working to close any budget gaps by employing the variety of methods.

#### **Task 2: Complete Annual ROPS and accompanying Administrative Budgets**

The Successor Agency must submit a Recognized Obligation Payment Schedule ("ROPS") to the Oversight Board and Department of Finance annually. RSG will assist the Successor Agency in completing the 2020-21 ROPS that will be addressed during the 2019-20 fiscal year. Should an

issue arise during the Department of Finance's review of the ROPS, RSG would assist the Successor Agency in drafting a Meet and Confer request and is available to attend the meeting. The Successor Agency must submit an annual administrative budget supporting the use of the \$250,000 annual administrative allowance allowed by law. RSG will assist the Successor Agency in preparing the annual administrative budget for fiscal year 2020-21, which will be submitted along with ROPS. The Successor Agency is allowed to amend the ROPS once during the period. RSG can assist the Successor Agency if this needed arises. RSG will attend the Fresno County-wide Oversight Board meetings for these items.

**Task 3: Assist with County PPA**

The differences between actual payments and past estimated and approved obligations on the ROPS shall be annually submitted by the Successor Agency to the Fresno County Auditor-Controller on October 1 each year for review and adjustment to future distributions. RSG will assist the Successor Agency with this process and coordinate with the County. This includes assisting the Successor Agency with payment verification documents as requested by the County.

**Task 4: Attend Meetings as Necessary**

RSG will make a staff member available to the Successor Agency should they need assistance at any Successor Agency, Oversight Board, of DOF meetings.

**Task 5: Additional Administrative Services as Needed**

RSG will assist the Successor Agency with any additional administrative tasks as they arise.

**TIMELINE**

RSG will begin this portion of its contract with the Successor Agency July 1, 2019 and will conclude June 30, 2020.

**PROJECT TEAM**

Ms. Tara Matthews, Partner will be the principal in charge of this engagement. Julia Cogan, Analyst, will be the assigned staff member, and will be assisted by additional staff as needed.

**FEE PROPOSAL**

We will provide FY 2019-20 services on a time-and-materials basis, with a not to exceed amount of \$25,000. RSG does not charge clients for mileage (except direct costs related to field surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

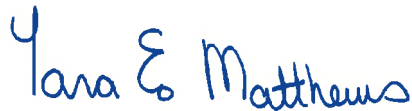
Mr. Ben Gallegos, City Manager  
CITY OF FIREBAUGH  
January 7, 2019  
Page 3

HOURLY BILLING RATES:

Principal/Director	\$ 275
Senior Associate	200
Associate	180
Senior Analyst	150
Analyst	135
Research Assistant	125
Technician	80
Clerical	60
Reimbursable Expenses	Cost plus 10%

We appreciate the opportunity to submit our proposal to the City and Successor Agency and look forward to working with you again. If you have any questions, please do not hesitate to contact me at 714.316.2111.

Sincerely,  
RSG, INC.



Tara Matthews  
Principal

# **FIREBAUGH SUCCESSOR AGENCY**

## **STAFF REPORT**

**Date:** January 07, 2019  
**To:** Successor Agency to the Firebaugh Redevelopment Agency  
**From:** Ben Gallegos, City Manager  
**Subject:** 2019-20 Recognized Obligation Payment Schedule and Administrative Budget

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### **Summary/Recommendation**

Adopt a resolution of the Successor Agency to the Firebaugh Redevelopment Agency approving the Recognized Obligation Payment Schedule ("ROPS") 2019-20 and Administrative Budget for the July 1, 2019 through June 30, 2020 period.

### **Discussion/Analysis**

#### **Background**

On December 29, 2011, the California Supreme Court issued its decision in *CRA v. Matosantos*, upholding AB 1X 26, which dissolves all redevelopment agencies in California, and overturning AB 1X 27, the "voluntary alternative redevelopment program." After the redevelopment program provided in AB 1X 27 was ruled unconstitutional by the Court, all California redevelopment agencies were required to dissolve. On February 1, 2012, redevelopment agencies throughout the State were eliminated and successor agencies assumed the responsibility of winding down the activities of their respective redevelopment agencies. The City of Firebaugh ("City") serves as the Successor Agency of the former Firebaugh Redevelopment Agency.

As Successor Agency, the City is responsible for all of the assets, properties, contracts, leases, obligations, and records of the former Redevelopment Agency. For the Successor Agency to continue paying obligations of the former Redevelopment Agency, ABx1 26 requires the Successor Agency to prepare an annual Recognized Payment Obligation Schedule ("ROPS") setting forth the Successor Agency's payment obligations for two six-month periods. The ROPS shall include any bonds, loans, payments required by the federal government, contracts, costs associated with Disposition and Development Agreements, and other similar obligations to third parties.

On September 22, 2015, Governor Brown signed Senate Bill ("SB") 107, which went into effect immediately. SB 107 made several key changes to the Health and Safety Code ("HSC") sections that establish the ROPS process. Since this time no other legislative changes have been made.

#### **County-Wide Oversight Board**

Local oversight boards were dissolved and succeeded by a single countywide oversight board on July 1, 2018 pursuant to HSC section 34179(j). The Countywide oversight board has broad authority to set administrative budgets, approve enforceable obligations, and otherwise direct the successor agency to perform activities to wind down the former redevelopment agencies. The Countywide oversight board has jurisdiction over fifteen successor agencies, including the Firebaugh Successor Agency. The 2019-20 ROPS and Administrative Budget prepared by the Firebaugh Successor Agency will go for approval by this new Fresno County Oversight Board at its meeting on January 24th, 2019, which will be held at 2:00 in the afternoon. Fresno Countywide Oversight Board meetings are scheduled for the 4<sup>th</sup> Thursday of the month, every three months, and going forward, any items the Successor Agency wishes to submit for the agenda are due three weeks in advance of each meeting.

### **Recognized Obligation Payment Schedule**

HSC Section 34177(l) requires the Successor Agency to prepare a ROPS showing all the obligations of the former Redevelopment Agency and the sources of funds for repaying obligations. The 13<sup>th</sup> ROPS, covering the period July 1, 2019 through June 30, 2020 ("19-20 period"), must be approved by the Fresno county-wide County Oversight Board ("Oversight Board") and sent to the California State Department of Finance ("DOF") and the County Auditor-Controller no later than February 1, 2019. The Successor Agency may face a fine of \$10,000 per day for ROPS submitted after this deadline. Distribution of redevelopment property tax revenue will occur on June 1, 2019 and January 2, 2020.

DOF annually provides the Successor Agency with a partially completed ROPS form for standardization and consistency with its automated tracking system. DOF continues to make minor annual changes to the ROPS forms and to the process for submitting the ROPS. The ROPS no longer contains a Prior Period Adjustment Tab, and instead, commencing October 1, 2018 and annually thereafter, the differences between actual payments and past estimated and approved obligations on the ROPS, shall be submitted by the Successor Agency to the Fresno County Auditor-Controller for review and adjustment to future distributions. The Successor Agency submitted its 2016-17 PPA to the Fresno County Auditor-Controller on time, reporting a difference between approved RPTTF and spend RPTTF of \$21,164. This amount will likely be credited by DOF against the RPTTF approved for 2019-20.

The items on the ROPS are substantially the same as those included on ROPS 18-19. The Successor Agency is requesting a total of \$583,768 in Redevelopment Property Tax Trust Fund money to fund ROPS obligations, \$410,438 for the first half of the fiscal year and \$173,330 for the second half of the fiscal year. The obligations listed on the ROPS include:

- 2014 Refunding Bond Debt Service
- Bond Disclosure Fees
- Successor Agency Administrative Costs

### **Last and Final ROPS**

Pursuant to HSC section 34191.6 (a), beginning January 1, 2016, agencies that have received a Finding of Completion may submit a Last and Final ROPS if all the following conditions are met:

- 1) The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts.
- 2) All remaining obligations have been previously listed on the ROPS and approved for payment by Finance pursuant to HSC section 34177 (m) or (o).
- 3) The agency is not a party to outstanding/unresolved litigation, except as specified in HSC section 34191.6 (a) (3).

A Last and Final ROPS will reduce the administrative burden on the Successor Agency and eliminate the need for Oversight Board meetings to approve the ROPS (the Oversight Board will still have to convene to approve property sales). The Firebaugh Successor Agency may consider submitting a Last and Final ROPS, however, it only has two opportunities to amend the Last and Final ROPS once it has been submitted. While the Successor Agency could consider this option because all Property Management Plan properties have been sold (the last Property Management Plan property was sold in December 2017), the administrative allowance may be significantly reduced if a Last and Final ROPS is approved. Although not defined in the law, DOF has, in

some cases, taken the position that each ROPS line item will be allocated a \$5,000 administrative allowance, though there have been other instances wherein they only allowed \$5,000 total for multiple obligations listed. A Last and Final ROPS can be approved at any time throughout the year, so the Successor Agency has time to consider these factors.

### **Administrative Budget**

HSC Section 34177(j) requires the Successor Agency to prepare an Administrative Budget and submit it to the Oversight Board for approval. The Administrative Budget comprises the proposed administrative expenditures. The maximum administrative cost allowance a successor agency can receive is 50 percent of the RPTTF distributed in the prior fiscal year for non-administrative obligations, which in this case is 50 percent of \$503,768, the total non-administrative obligations in ROPS 18-19.

The ROPS 19-20 requests an administrative allowance of \$80,000. Despite the fact that the agency is eligible to request a full \$250,000, in an effort to use RPTTF most efficiently, it is only requesting \$80,000 since this aligns with its actuals and is to the scale of its obligations. The administrative costs the agency expects to incur include salaries and wages, and benefits, for the staff associated with the Successor Agency, as well as attorneys' fees, consulting contract fees, and the annual audit fees.

### **Fiscal Impact**

Adoption and transmittal of the ROPS is necessary to receive revenue from the Redevelopment Property Tax Trust Fund to fund the Successor Agency's financial obligations from July 1, 2019 through June 30, 2020.

### **Attachments**

Attachment 1: Resolution approving the Recognized Obligation Payment Schedule 2019-20 and Administrative Budget for July 1, 2019 through June 30, 2020.



## RESOLUTION NO. 19-05

### A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2019 THROUGH JUNE 30, 2020 AND THE ADMINISTRATIVE BUDGET FOR JULY 1, 2019 THROUGH JUNE 30, 2020

**WHEREAS**, the City of Firebaugh has elected to serve as the Successor Agency to the former Firebaugh Redevelopment Agency ("Successor Agency") pursuant to Assembly Bill x1 26 ("AB x1 26" or the "Dissolution Act") as codified in the California Health & Safety Code ("H&SC"); and

**WHEREAS**, among the duties of successor agencies under the Dissolution Act is the preparation of a recognized obligation payment schedule ("ROPS") for the ensuing twelve-month period for consideration by a local oversight board and California State Department of Finance ("DOF") for purposes of administering the wind-down of financial obligations of the former Redevelopment Agency; and

**WHEREAS**, as amended by Assembly Bill 1484 ("AB 1484"), the Dissolution Act requires that the proposed ROPS be transmitted to the oversight board, county auditor-controller, county executive officer, and DOF, after which time the oversight board may approve and transmit the adopted ROPS to DOF and the county auditor-controller for their consideration; and

**WHEREAS**, the Fresno County Consolidated Oversight Board ("Oversight Board"), formed July 1, 2018, has jurisdiction over the Successor Agency of the Former Redevelopment Agency to the City of Firebaugh; and

**WHEREAS**, the proposed ROPS for the twelve-month period from July 1, 2019 through June 30, 2020 attached hereto as Exhibit "A" has been prepared by staff and consultants consistent with the provisions of the Dissolution Act and in the format made available by DOF; and

**WHEREAS**, Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare a proposed administrative budget and submit it to the Oversight Board for approval; and

**WHEREAS**, pursuant to Section 34177(j), the Successor Agency's "Administrative Budget" is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the up-coming twelve-month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and

**WHEREAS**, the Successor Agency desires to approve ROPS 2019-20 along with the administrative budget for the July 1, 2019 to June 30, 2020 and transmit it to various parties as required by the Dissolution Act and AB 1484.

### **NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.        Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

**Section 2.        Approval of ROPS and Administrative Budget.** The Successor Agency hereby approves and adopts the ROPS and Administrative Budget covering the period July 1, 2019 through June 30, 2020, in substantially the form attached hereto as Exhibit A, as required by the Dissolution Act and AB 1484.

**Section 3.        Posting; Transmittal to Appropriate Agencies.** The City Manager is hereby authorized and directed to post of copy of the ROPS and Administrative Budget on the City's website and transmit a copy of the ROPS and Administrative Budget to the Oversight Board for their approval and to the offices of the Fresno County Auditor-Controller, the Fresno County Executive Officer, and the State Controller's Office.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the Successor Agency, on the 7<sup>th</sup> day of January 2019, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
Rita Lozano, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
JENELL VAN BINDSBERGEN,  
SUCCESSOR AGENCY COUNSEL

STATE OF CALIFORNIA     )  
COUNTY OF FRESNO     ) ss.  
CITY OF FIREBAUGH     )

I, RITA LOZANO, hereby certify that I am the duly appointed City Clerk of the City of Firebaugh and that the foregoing resolution was duly adopted at a regular meeting of the Successor Agency held on the 7<sup>th</sup> day of January, 2019.

\_\_\_\_\_  
Rita Lozano  
Deputy City Clerk

**EXHIBIT A**

RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20

AND

ADMINISTRATIVE BUDGET

July 1, 2019 through June 30, 2020

**Recognized Obligation Payment Schedule (ROPS 19-20) - Summary**  
**Filed for the July 1, 2019 through June 30, 2020 Period**

**Successor Agency:** Firebaugh  
**County:** Fresno

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>		<b>19-20A Total (July - December)</b>	<b>19-20B Total (January - June)</b>	<b>ROPS 19-20 Total</b>
<b>A</b>	<b>Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ -</b>	<b>\$ 343,698</b>	<b>\$ 343,698</b>
B	Bond Proceeds	-	343,698	343,698
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
<b>E</b>	<b>Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 410,939</b>	<b>\$ 173,330</b>	<b>\$ 584,269</b>
F	RPTTF	370,939	133,330	504,269
G	Administrative RPTTF	40,000	40,000	80,000
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 410,939</b>	<b>\$ 517,028</b>	<b>\$ 927,967</b>

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name	Title
/s/	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS 19-20) - Summary**  
**Filed for the July 1, 2019 through June 30, 2020 Period**

**Successor Agency:** Firebaugh  
**County:** Fresno

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>		<b>19-20A Total (July - December)</b>	<b>19-20B Total (January - June)</b>	<b>ROPS 19-20 Total</b>
<b>A</b>	<b>Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ -</b>	<b>\$ 343,698</b>	<b>\$ 343,698</b>
B	Bond Proceeds	-	343,698	343,698
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
<b>E</b>	<b>Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 410,939</b>	<b>\$ 173,330</b>	<b>\$ 584,269</b>
F	RPTTF	370,939	133,330	504,269
G	Administrative RPTTF	40,000	40,000	80,000
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 410,939</b>	<b>\$ 517,028</b>	<b>\$ 927,967</b>

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

\_\_\_\_\_  
Name Title  
/s/ \_\_\_\_\_  
Signature Date

**Firebaugh Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances**  
**July 1, 2016 through June 30, 2017**  
**(Report Amounts in Whole Dollars)**

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

A	B	C	D	E	F	G	H
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)	Fund Sources				Non-Admin and Admin	Comments
		Bond Proceeds		Reserve Balance	Other Funds		
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.		
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount	343,698			574,055	124,806	Other funds: 202 CRPF fund, not previously been included on cash balances, and \$512,091 is from property sales.
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller				189,764	510,051	Other funds: \$1,200 deposited into fund 202, \$458.01 from 16-17A interest accrued, \$14,300 from Gateway project rents, \$576.92 LAIF interest accrued in 16-17B, \$173,229 in property sale proceeds from 16-17A.
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)	343,698				488,887	Bond proceeds expended via bond proceeds transfer agreement.
4	Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				685,320		Property proceeds to be transferred to Fresno County.
5	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required				21,164	16-17 PPA for use in 19-20
6	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 78,499	\$ 124,806	

**Firebaugh Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail**

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Grant Obligation	Obligation Title	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	19-20A (July - December)					19-20A Total	19-20B (January - June)					19-20B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balances	Other Funds	DOTIF	Admin DOTIF		Bond Proceeds	Reserve Balances	Other Funds	DOTIF	Admin DOTIF	
1	San Joaquin Agency Administration	Salmon Falls	5/1/2017	5/1/2034	Firebaugh of Escrow	Refunded in San Joaquin Agency	Firebaugh Project Area, Firebaugh Bldg Annex, Stony Avenue Project, Del Rio	\$ 12,125,437	N	\$ 322,947.5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 322,948	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 322,948
22	2014 Refunding Bonds Series A	Refunding bonds issued After 6/27/12	6/30/2018	12/1/2035	Western Alliance Bank	Refunding of 2005 TABs	Firebaugh Project Area, Firebaugh Bldg Annex, Stony Avenue Project, Del Rio	5,447,507	N	\$ 158,804						158,804						158,804
23	2014 Refunding Bonds Series B	Refunding Bonds Issued After 6/27/12	6/30/2018	12/1/2035	Western Alliance Bank	Refunding of 2005 TABs	Firebaugh Project Area, Firebaugh Bldg Annex, Stony Avenue Project, Del Rio	2,534,498	N	\$ 343,498						343,498						343,498
24	Continuing Disclosure Services	Professional Services	6/16/2014	12/1/2035	A.M. Pech & Associates LLC	Continuing disclosure services associated with the 2014 refunding bonds	Firebaugh Project Area, Firebaugh Bldg Annex, Stony Avenue Project, Del Rio	58,000	N	\$ 4,000						4,000						4,000
25	Bond Proceeds Expenditure Agreement	Bond Funded Project - 2011	1/24/2018	6/30/2018	City of Firebaugh	Bond proceeds transfer to City for expenditure on bond projects per approved agreement and other controlling documents from original bond equity	Bond Funded Projects - The 2011	408,002	N	\$ 343,698						343,698						343,698

**Firebaugh Successor Agency Administrative Budget (Fiscal Year 2019-20)**

<b>External Consultants</b>		
Attorney Costs	\$	4,000
Annual Audits		6,000
Consultant Costs		25,000
	\$	35,000
<b>Successor Agency Expenses</b>		
Salaries and Benefits		45,000
	\$	45,000
<b>Estimated Grand Total</b>	<b>\$</b>	<b>80,000</b>

**FY 2019-20 Administrative Activities**

County AC and OB Correspondence/Coordination	Successor Agency Staff, RSG, Legal Counsel
State DOF Correspondence/Coordination	Successor Agency Staff, RSG, Legal Counsel
Prepare ROPS	Successor Agency Staff, RSG, Legal Counsel
Prepare Admin Budget	Successor Agency Staff, RSG, Legal Counsel
Management of Dissolution Activities	Successor Agency Staff, RSG, Legal Counsel
Disclosure Services	A/M/ Peche
Annual Audit	Bryant Jolley
Manage/Monitor Finances	Successor Agency Staff, RSG
Agenda/Minutes/Brown Act Records Assistance	Successor Agency Staff



## **FIREBAUGH SUCCESSOR AGENCY**

### **STAFF REPORT**

**Date:** January 07, 2109  
**To:** Successor Agency to the Firebaugh Redevelopment Agency  
**From:** Ben Gallegos, City Manager  
**Subject:** Bond Proceeds Expenditure Agreement

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#### **Summary/Recommendation**

It is recommended the Successor Agency to the Firebaugh Redevelopment Agency ("Successor Agency") adopt a resolution approving the Bond Proceeds Expenditure Agreement between the Successor Agency and the City of Firebaugh ("City") for the transfer of up to \$343,698 in excess bond proceeds to the City for implementation of projects consistent with the original bond covenants.

#### **Discussion/Analysis**

##### **Background**

The former Firebaugh Redevelopment Agency ("RDA") issued Tax Allocation Bonds in 2005 ("Bonds"), which the Successor Agency refunded in 2014. As of the last accounting, approximately \$343,698 remains unspent as excess bond proceeds from these bonds. Pursuant to Health and Safety Code ("HSC") Section 34191.4(c), the Successor Agency is permitted to spend these excess bond proceeds in compliance with the original bond covenants.

The Successor Agency is proposing a Bond Proceeds Expenditure Agreement between the City and the Successor Agency that authorizes the transfer of all unspent bond proceeds associated with the Bonds from the Successor Agency to the City to complete projects and activities consistent with the bond covenants. Up to \$343,698 is authorized for transfer.

This transfer would be placed on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") for 2019-20. After that ROPS is approved by the California Department of Finance ("DOF") and the funds are transferred, the City would be able to spend the funds when they are needed without the Successor Agency needing to get further approval for bond proceed expenditure on a future ROPS.

The attached Bond Proceeds Expenditure Agreement is a master agreement authorizing the City to spend excess bond proceeds transferred from the Successor Agency on the projects and programs permitted by the original bond covenants. The agreement is submitted to the Successor Agency for its approval. As demonstrated in the attached resolution, this agreement will assist in the winding down of the former RDA, since it will assign the obligations associated with the excess bond proceeds to the City. Thus, the agreement complies with HSC Section 34177.3(b), and staff request the Successor Agency approve it.

In addition, allowing the City to implement these projects with the excess bond proceeds would advance the City's community development goals by revitalizing the former redevelopment project area and providing social and fiscal benefits to taxing entities and the community.

#### **Fiscal Impact**

Approval of the Bond Proceeds Expenditure Agreement would allow the Successor Agency to transfer and the City to receive excess bond funds to implement up to \$343,698 worth of projects consistent with the bond covenants and the original intent of the bonds.

#### **Attachments**

1. Resolution No. 2019-06 to approve the Bonds Proceeds Expenditure Agreement
2. Proposed Bond Proceeds Expenditure Agreement

## **RESOLUTION NO. 19-06**

### **A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING A BOND PROCEEDS EXPENDITURE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY AND THE CITY OF FIREBAUGH**

**WHEREAS**, the Firebaugh Redevelopment Agency (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

**WHEREAS**, on June 28, 2011, the California Legislature adopted Assembly Bill ("AB") x1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

**WHEREAS**, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the dissolution of the Prior Agency as of February 1, 2012; and

**WHEREAS**, the redevelopment powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency to the Firebaugh Redevelopment Agency (the "Successor Agency"); and

**WHEREAS**, the Successor Agency received its Finding of Completion under Health and Safety Code ("HSC") Section 34179.7 from the California Department of Finance on April, 26, 2013; and

**WHEREAS**, HSC Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to December 31, 2010 ("Bond Proceeds") for purposes for which the bonds were sold, provides that Bond Proceeds in excess of amounts needed to satisfy approved enforceable obligations as defined in HSC Section 34171(d) ("Excess Bond Proceeds") be expended in a manner consistent with the original bond covenants, and further provides that such expenditures constitute excess bond proceeds obligations within the meaning of HSC Section 34191.4(c)(2)(A) that must be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

**WHEREAS**, as of its last accounting, the Successor Agency has determined it is holding Excess Bond Proceeds in the amount of up to \$343,698 that are not otherwise obligated for a project or other enforceable obligations from the Tax Allocation Refunding Bonds, Series 2014, A and B, for the Firebaugh Redevelopment Project Area ("Bonds"); and

**WHEREAS**, the Successor Agency desires to transfer Excess Bond Proceeds to the City to enable the City to use such funds, in a manner consistent with the original bond covenants to undertake projects and programs that were not previously funded and obligated by the Successor Agency or the City; and

**WHEREAS**, the use of Excess Bond Proceeds to fund projects detailed in the Agreement is in accordance with HSC Sections 33445, 33445.1, and 33679, the original bond covenants, and other applicable laws; and

**WHEREAS**, the Successor Agency finds that the transfer of the excess bond proceeds effectuates the wind down of the former RDA, in accordance with HSC Section 34177.3(b), by transferring the on-

going obligations of oversight and administration of these bond proceeds from the Successor Agency to the City; and

**WHEREAS**, the Oversight Board will review the Successor Agency's approval of the Bond Proceeds Expenditure Agreement.

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.      Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

**Section 2.      Approval of the Exhibits.** Based on the foregoing findings, the Successor Agency approves the Agreement attached as Exhibit "A" to this Resolution.

**Section 3.      Authorization.** The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including providing documents associated with the Agreement to the California State Department of Finance.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the Successor Agency, on the 7<sup>th</sup> day of January, 2019, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
Rita Lozano, Deputy City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
JENELL VAN BINDSBERGEN,  
SUCCESSOR AGENCY COUNSEL

STATE OF CALIFORNIA     )  
COUNTY OF FRESNO       ) ss.  
CITY OF FIREBAUGH        )

I, RITA LOZANO, hereby certify that I am the duly appointed City Clerk of the City of Firebaugh and that the foregoing resolution was duly adopted at a regular meeting of the Successor Agency held on the 7<sup>th</sup> day of January, 2019.

\_\_\_\_\_  
Rita Lozano  
Deputy City Clerk

**EXHIBIT A**

**SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY BOND  
PROCEEDS EXPENDITURE AGREEMENT**

## **BOND PROCEEDS EXPENDITURE AGREEMENT**

This Bond Proceeds Expenditure Agreement ("Agreement") is entered into effective January 07, 2019 by and between the CITY OF FIREBAUGH, a California General Law City and municipal corporation ("City"), and the SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY ("Successor Agency"), a public body, corporate and politic, formed under Health and Safety Code ("HSC") Section 34173.

### **Recitals**

A. The former Firebaugh Redevelopment Agency ("former Agency") was a California public body, corporate and politic, duly formed by the City Council of the City ("City Council") and was organized, existed, and exercised the powers of a community redevelopment agency under the California Community Redevelopment Law, Health and Safety Code ("HSC") Section 33000, et seq. ("CRL").

B. Pursuant to authority granted under the CRL, the former Agency had responsibility to implement the Redevelopment Plan for the Firebaugh Redevelopment Project Area (the "Project Area"). The City Council adopted a redevelopment plan (the "Redevelopment Plan") for the original Firebaugh Redevelopment Project (the "Project Area") on June 21, 1983 by adoption of Ordinance No. 83-4, which at the time encompassed approximately 766 acres (the "Original Area"). The Redevelopment Plan was amended by Ordinance No. 84-6 on November 21, 1984, to include the 44-acre Rubi Gardens subdivision (the "Rubi Gardens Area"), and by Ordinance No. 89-3 on May 15, 1989, to include the 33-acre Storey Avenue area (the "Storey Avenue Area"). The Plan was amended once more on November 20, 2006 to include the Del Rio Amendment Area (the "Del Rio Area").

C. The former Agency issued Tax Allocation Bonds, Tax-exempt 2005 Series A and Taxable Series B, in the original total principal amount of \$7,220,000 pursuant to those certain Indentures of Trust dated as of August 1, 2005 and executed by and between the former Agency and Bank of New York Mellon as Successor Trustee (the "Indentures"). In 2014, the Successor Agency refunded the 2005 bonds with Tax Allocation Refunding Bonds 2014 Series A and Taxable Tax Allocation Refunding Bonds 2014 Series B, in the total principal amount of \$6,127,934 (the "Bonds").

D. Assembly Bill ("AB") x1 26, effective on June 28, 2011, added Parts 1.8 and 1.85 to Division 24 of the HSC and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("*Matosantos* Decision"), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies. Thereafter, such laws were amended further by AB 1484 that was effective on June 27, 2012, and further amended by Senate Bill ("SB") 107, which was effective September 22, 2015 (together AB x1 26, the *Matosantos* Decision, AB 1484, and SB 107 are referred to as the "Dissolution Act").

E. As of February 1, 2012, the former Agency was dissolved pursuant to the Dissolution Act.

F. As of February 1, 2012, the Successor Agency is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the former Agency and is engaged in activities necessary and appropriate to wind down the affairs of the former Agency, all subject to the review and approval by the local oversight board and now a county-wide consolidated "Oversight Board."

G. HSC Section 34191.4(c) provides that once a successor agency has received a finding of completion, the successor agency is authorized to use the proceeds from bonds issued on or before December 31, 2010, for the purposes for which the bonds were sold, and is further authorized to expend proceeds in excess of amounts needed to satisfy approved enforceable obligations ("Excess Bond Proceeds") in a manner consistent with the original bond covenants. Such expenditures constitute "excess bond proceeds obligations" that must be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS").

H. The Successor Agency received its Finding of Completion under HSC Section 34179.7 from the California Department of Finance on April 26, 2013.

I. The CRL provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. Under HSC Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. HSC Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. HSC Section 34178 allows a successor agency and its sponsoring city to enter into agreements subject to Oversight Board approval pursuant to HSC Section 34180(h).

J. The Successor Agency has Excess Bond Proceeds from the Bonds and wishes to use such proceeds for redevelopment purposes consistent with applicable bond covenants.

K. The Successor Agency desires to transfer its Excess Bond Proceeds to the City to enable the City to use such funds, in a manner consistent with the original bond covenants; to undertake projects and programs that were not previously funded and obligated by the Successor Agency or the City. The City Council and Successor Agency Board have determined that the use of Excess Bond Proceeds to fund projects is in accordance with HSC Sections 33445, 33445.1, and 33679, the bond covenants, and other applicable law.

L. On January 07, 2019, the Oversight Board determined that this Agreement will effectuate the wind down of the Successor Agency consistent with HSC 34177.3(b) and approved this Agreement by resolution pursuant to HSC 34178(c).

M. To facilitate the use of Excess Bond Proceeds consistent with the bond covenants, the Successor Agency and the City have negotiated this Agreement requiring the transfer of current Excess Bond Proceeds by the Successor Agency to the City, and the City's use of such proceeds consistent with applicable bond covenants. The parties intend that this Agreement constitutes an excess bond proceeds obligation within the meaning of HSC Section 34191.4(c)(2)(A) ("Excess Bond Proceeds Obligation") to be paid from Excess Bond Proceeds. Upon approval by the Oversight Board, the Successor Agency will list this Agreement, and the requirement to transfer Excess Bond Proceeds herein, on its ROPS for July 1, 2019 through June 30, 2020 ("ROPS 19-20") as an Excess Bond Proceeds Obligation.

NOW, THEREFORE, the parties mutually agree as follows:

**1. Incorporation of Recitals.** The recitals above are an integral part of this Agreement and set forth the intentions of the parties and are incorporated into this Agreement by this reference.

**2. Successor Agency Obligations.** The Successor Agency has the following obligations under this Agreement:

**2.1. Current Excess Bond Proceeds.** Once the transfer of Excess Bond Proceeds has been listed on ROPS 19-20, and such ROPS has been approved by the Department of Finance, the Successor

Agency will transfer to the City, no later than June 30, 2020, Excess Bond Proceeds held by the Successor Agency as of the date of transfer in an amount not to exceed the lesser of available, unobligated Bond Proceeds and **Three Hundred Forty-Three Thousands, Six Hundred and Ninety-Eight dollars (\$343,698)**.

**2.2. Future Excess Bond Proceeds.** The Successor Agency will transfer to the City all future Excess Bond Proceeds held or received by the Successor Agency. Such future Excess Bond Proceeds may include, without limitation, (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project or other Enforceable Obligation, and (3) any other funds held by the Successor Agency that qualify as Excess Bond Proceeds under this Agreement. For purposes of this Agreement, "Enforceable Obligation" has the meaning ascribed to such term in HSC Section 34171(d).

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond Proceeds become available. The transfer of future Excess Bond Proceeds will be made pursuant to an approved ROPS within 30 days of the commencement of the relevant ROPS period. The Successor Agency is responsible for ensuring that payments of future Excess Bond Proceeds, as such funds become available, are included on the next possible ROPS.

**2.3. Projects Funded by Excess Bond Proceeds.** The Successor Agency assigns to the City all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds. The Successor Agency assigns to the City all contracts entered into by the Successor Agency or the former Agency related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by the Successor Agency relating to Enforceable Obligations.

**3. City Obligations.** The City has the following obligations under this Agreement:

**3.1. Retention of Excess Bond Proceeds.** The City will accept, hold, and disburse Excess Bond Proceeds transferred to the City by the Successor Agency under this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City will retain any Excess Bond Proceeds that it receives, such as revenue generated from properties acquired or improved with Excess Bond Proceeds or payments on loans funded from Excess Bond Proceeds, without any obligation to return such funds to the Successor Agency and will use such funds for uses consistent with applicable bond covenants.

**3.2. Bond Spending Plan.** The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity consistent with the original bond covenants and applicable provisions of the CRL and must comply with all requirements of federal tax law as to the use of such funds. The City intends to spend the Excess Bond Proceeds on maintenance and upgrades, consistent with the language identified in the original bond covenants, which stated proceeds could be used to finance improvements within, or beneficial to, the Project Area.

**3.3.** The City is solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs, and activities, as long as the transfer is within a single project area if applicable bond covenants restrict such funds to a particular project area.

The City agrees to indemnify and defend the Successor Agency and its officers and agents against, and to hold the Successor Agency and its officers and agents harmless from, any claims, causes of action, or liabilities arising from the misuse of Excess Bond Proceeds by the City or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the CRL.

The City assumes all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds. The City assumes all contracts entered into by the Successor Agency or the former Agency related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by the Successor Agency relating to Enforceable Obligations. The City will perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and will timely complete the work required for each project.

**4. Entire Agreement.** This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

**5. No Third-Party Beneficiaries.** This Agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there are no third-party beneficiaries under this Agreement.

**6. Waivers and Amendments.** All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

**7. Severability.** If any term, provisions, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions will continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties will cooperate in good faith 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. Default.** If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform will be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and will not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

**9. Binding On Successors.** This Agreement is binding on and inures to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

**10. 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 this Agreement.

**11. Governing Law.** This Agreement is governed by and construed in accordance with the laws of the State of California.

[SIGNATURES ON NEXT PAGE]



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

**“CITY”**

**CITY OF FIREBAUGH,**  
a municipal corporation

By: \_\_\_\_\_  
Ben Gallegos, City Manager

ATTEST:

By: \_\_\_\_\_  
Rita Lozano, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James Sanchez, City Attorney

**“SUCCESSOR AGENCY”**

**SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY,** successor agency to the Firebaugh Redevelopment Agency under Health and Safety Code Section 34173

By: \_\_\_\_\_  
Ben Gallegos, Director

ATTEST:

By: \_\_\_\_\_  
Rita Lozano, Successor Agency Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Jenell Van Bindsbergen, Agency Counsel

## **FIREBAUGH HOUSING SUCCESSOR**

### **STAFF REPORT**

**Date:** January 7, 2019  
**To:** Housing Successor to the Firebaugh Redevelopment Agency  
**From:** Ben Gallegos, City Manager  
**Subject:** Housing Successor Agency Annual Reports for Fiscal Years 2016-17 & 2017-18

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#### **Summary/Recommendation**

Receive and File the City of Firebaugh Housing Successor Agency Annual Reports for Fiscal Years 2016-17 & 2017-18.

#### **Discussion/Analysis**

##### **Housing Successor Agency Annual Report**

Health and Safety Code ("HSC") Section 34176.1 (enacted by Senate Bill 341 and Assembly Bill 1793) requires successor housing entities to prepare an annual report documenting compliance with expenditure proportionality and other requirements pertaining to the housing asset fund. The report is due to the California Department of Housing and Community Development ("HCD") by April 1st.

The Annual Report includes the following information required by law:

- Amounts deposited into the Housing Asset Fund;
- Statement of the balance of the Housing Asset Fund;
- Description of expenditures by category;
- Statutory value of real property;
- Description of transfers from the former Firebaugh Redevelopment Agency;
- Description of projects that receive funding through the Successor Agency's Recognized Obligation Payment Schedule;
- Status of property disposition efforts;
- Update on inclusionary and replacement housing obligations;
- Compliance with five-year expenditure obligations;
- Percentage of senior deed-restricted units;
- Amount of excess surplus; and
- An inventory of homeownership units with affordability restrictions.

##### **Low- and Moderate-Income Housing Asset Fund**

The Housing Asset Fund includes all the assets that were transferred from the Firebaugh Redevelopment Agency ("Agency") to the City of Firebaugh ("City" or "Housing Successor") upon dissolution of the former Agency. The assets include:

- Real properties,
- Loan/grants receivable, and
- Rents/operations

A total of \$9,595 was deposited into the Housing Asset Fund during Fiscal Year 2016-17 and \$11,365 during Fiscal Year 2017-18. At the close of Fiscal Year 2016-17, the ending asset balance in the Housing Asset Fund was \$39,490, and \$50,855 at the close of Fiscal Year 2017-18.

There were no expenditures from the Housing Asset Fund in both Fiscal Years 2016-17 and 2017-18. The statutory value of the properties and loans transferred to the Housing Successor totaled \$318,057 and \$306,692 for Fiscal Years 2016-17 and 2017-18, respectively.

### **Property and Project Descriptions**

At the time of dissolution, the former Agency requested to transfer two real estate parcels and the rental income associated with them – 1238 P Street (APN 008-075-11) and 1264 P Street (APN 008-075-03) – to the Housing Successor. The California Department of Finance (“DOF”) objected to these four transfers and the former Agency subsequently sold the properties to the Fresno County Housing Authority. The parcels will be used to develop the Firebaugh Gateway Apartments, a 30-unit senior housing complex located at P Street and 13th Street in the City of Firebaugh. Construction broke ground in December 2015 and was completed in 2016.

### **Outstanding Inclusionary and Replacement Housing Obligations**

At the time of its dissolution, the former Agency met its inclusionary housing requirements. Therefore, the Housing Successor is no longer subject to obligations related to inclusionary housing or replacement housing.

### **Income & Age Proportionality**

If housing successors expend money on projects, SB 341 requires at least 30 percent to be spent on extremely low-income rental housing, among other restrictions. The Housing Successor did not have expenditures to report in either Fiscal Year 2016-17 or 2017-18. With no expenditures to report, the Housing Successor is by default compliant with the proportionality requirements for both fiscal years.

SB 341 also sets a limit on the portion of publicly assisted deed-restricted rental housing that may be restricted to seniors. Over the last decade, 40 affordable units were constructed. Of the total, 30 (75%) were completed at the end of 2016 as part of the Gateway project and are restricted to seniors. The Housing Successor is currently over the limit allowing no more than 50% of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. The Housing Successor should consider the development of an additional, non-senior restricted multifamily housing development.

### **Excess Surplus**

SB 341 reinstated a requirement to prevent housing successors from accumulating an excess surplus, which is generally defined as unencumbered cash that exceeds the greater of \$1 million or the aggregate amount deposited into the Housing Asset Fund in the preceding four years. Since the housing successor did not exist until 2012, the first year this calculation can be performed is Fiscal Year 2016-17.

No excess surplus was calculated for Fiscal Years 2016-17 and 2017-18. As the general purpose of the excess surplus calculation is to ensure that money is expended for affordable housing purposes, the best action for the Housing Successor is to encumber or expend money currently on deposit to ensure it does not accumulate over \$1 million of unencumbered funds.

### **Homeownership Unit Inventory**

SB 341 requires the annual reporting of any homeownership units owned by the Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies. The Housing Successor oversees 124 homeownership units with affordability restrictions.

### **Fiscal Impact**

The Housing Successor Agency Annual Reports provide information on Fiscal Years 2016-17 and 2017-18 activities and do not have any fiscal impact.

### **Attachments**

Attachment 1: City of Firebaugh Housing Successor Agency Annual Reports for Fiscal Year 2016-17

Attachment 2: City of Firebaugh Housing Successor Agency Annual Reports for Fiscal Year 2017-18

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SENATE BILL 341 ANNUAL REPORT  
Firebaugh Housing Successor

FY 2016-17

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## INTRODUCTION

The dissolution of California redevelopment agencies in 2012 resulted in a dramatic change to property tax finance. It eliminated the major source of local publicly generated dollars earmarked for affordable housing. Housing authorities have thus been left in a challenging position – the need for them is greater than ever, yet a key funding source no longer exists.

The City of Firebaugh named itself as the successor housing entity ("Housing Successor") on January 23, 2012 by the adoption of Resolution No. 12-02. The Housing Successor is the successor housing entity to the former Firebaugh Redevelopment Agency ("Agency"). The Housing Successor's assets were transferred from the former Agency when it dissolved pursuant to the Dissolution Act, which was enacted by Assembly Bills x1 26 and 1484. All rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency, excluding any amounts in the Low and Moderate-Income Housing Fund were transferred from the former Agency to the Housing Successor. Although the Housing Successor inherited the Agency's assets and functions, it does not have an ongoing financing mechanism to maintain them.

The Housing Successor prepared a Housing Asset Transfer Form ("HAT"), which provides an inventory of all assets received in the mandatory transfers of assets following the dissolution of redevelopment. Except for two properties and the rental income associated with the properties, the transfer of all items on the HAT were approved by the California Department of Finance ("DOF") on August 31, 2012. A Meet and Confer session was held on January 28, 2013 to discuss the items that were objected to by DOF. The final determination made by DOF on February 6, 2013 reaffirms their objection to the transfer of the two properties and the rental income associated with the Gateway Project.

## REPORTING REQUIREMENTS OF SENATE BILL 341

Senate Bill ("SB") 341, Assembly Bill ("AB") 1793, SB 107, and AB 346 amended certain sections of the Health & Safety Code ("HSC") that pertain largely to entities that accepted the housing assets and liabilities of former redevelopment agencies. SB 341 clarified that all former redevelopment agency housing assets, regardless of their originating redevelopment agency, must be maintained in a separate fund called the Low- and Moderate-Income Housing Asset Fund ("Housing Asset Fund"). SB 341, later amended by AB 1793 in 2014, SB 107 in 2015, and AB 346 in 2017, outlined a series of reporting requirements that must be adhered to in annual reports. This annual report is due to the California State Department of Housing and Community Development ("HCD") by April 1<sup>st</sup> of each year. The report must be accompanied by an independent financial audit, which is due December 31 of each year.

In accordance with HSC Section 34176.1(f), certain information about financial activities of the Housing Asset Fund must be reported. These requirements are presented in Figure 1.

**Figure 1. Reporting Requirements of HSC Section 34176.1(f)**

<b>Revenues &amp; Expenditures</b>	<b>Assets &amp; Active Projects</b>	<b>Obligations &amp; Proportionality</b>
Total amount deposited in the Housing Asset Fund for the fiscal year	Description of any projects still funded through the Recognized Obligation Payment Schedule ("ROPS")	Description of any outstanding production obligations of the former Agency that are inherited by the Housing Successor
Statement of balance at the close of the fiscal year	Update on property disposition for any property owned more than five years or plans for property owned less than five years	Compliance with proportionality requirements by income group, which must be upheld on a five-year cycle
Description of expenditures for the fiscal year, broken out as follows: <ul style="list-style-type: none"> <li>• Rapid rehousing for homelessness prevention (up to \$250,000 per year)</li> <li>• Administrative expenses (greater of \$200,000 adjusted for inflation or 5% of "portfolio" per year)</li> <li>• Monitoring expenses (included as an administrative expense)</li> <li>• All other expenditures must be reported as spent for each income group (extremely low-, very low-, and low-income)</li> </ul>	Other portfolio balances, including: <ul style="list-style-type: none"> <li>• Statutory value of any real property either transferred from the former Agency or purchased by the Housing Asset Fund (note that the Housing Successor may only hold property for five years)</li> <li>• Value of loans and grants receivable</li> </ul>	Percentage of deed-restricted rental housing restricted to seniors and assisted by the entity assuming housing functions, the former Agency, or the County within the past ten years compared to the total number of units assisted by any of those three agencies
Description of any transfers to another housing successor for a joint project	Inventory of homeownership units assisted by the former Agency or the Housing Successor that are subject to covenants or restrictions or to an adopted program that protects the former Agency's investment of monies from the Low and Moderate-Income Housing Fund	Amount of any excess surplus, and, if any, the plan for eliminating it
The amount the or city and county received in loan repayments		

## **ASSETS TRANSFERED TO THE HOUSING SUCCESSOR**

Per HSC Section 34176(e), housing assets may include the following:

- Real property,
- Restrictions on the use of property,
- Personal property in a residence,
- Housing-related files,
- Office supplies and software programs acquired for low-and moderate-income purposes,
- Funds encumbered by an enforceable obligation,
- Loan or grant receivables funded from the former Low and Moderate-Income Housing Fund ("LMIHF"),
- Funds derived from rents or operation of properties acquired for low-and moderate-income housing purposes,
- Rents or payments from housing tenants or operators of low-and moderate-income housing, and
- Repayment of Supplemental Educational Revenue Augmentation Fund loans.

The assets transferred from the former Agency to the Housing Successor included real property, loans and grants receivable, and rents.

## **EXPENDITURE REQUIREMENTS OF SENATE BILL 341**

In the months following redevelopment dissolution, the California legislature passed several legislative bills, including SB 341 to clarify issues concerning the activities and assets of former redevelopment agencies. SB 341 reinstated many affordable housing requirements formerly completed by redevelopment agencies. Specifically, SB 341 directs expenditures from the Housing Successor's Housing Asset Fund as follows:

- **Administrative Expenditures:** Administrative expenditures, which include housing monitoring, are capped at either \$200,000 adjusted for inflation or 5% of the Housing Asset Fund's annual portfolio, whichever is greater. The portfolio includes the statutory value of real property owned by the housing successor and of loans and grants receivable, including real property and loans and grants transferred to the housing successor pursuant to HSC 34176 and real property purchased and loans and grants made by the housing successor.
- **Homelessness Prevention:** A housing successor is authorized to spend up to \$250,000 each year on rapid rehousing solutions for homelessness prevention if all obligations pursuant to HSC Sections 33413 (inclusionary housing) and 33418 (replacement housing) have been fulfilled.



- **Income Proportionality Limits:** Remaining allowable expenditures must be spent to expand housing options for low-income households, defined as households earning 80% or less of the area median income ("AMI"). At least 30% of expenditures must be allocated to extremely-low rental households, or those households earning 30% or less of the AMI. A maximum of 20% may go towards households earning between 60% and 80% of the AMI. No funding may be spent on moderate-income households, defined as households earning 81% to 120% of the AMI.

Although housing successors must report expenditures by category each year, compliance with income proportionality limits is reported at the end of each five-year compliance period. The first five-year compliance period began in FY 2013-14 (on January 1, 2014) and will end in FY 2018-19 (on June 30, 2019). For example, a housing successor could spend any amount of its funds during FY 2013-14 on households earning between 60% and 80% AMI, as long as this amount is 20% or less of the total expenditures by the end of FY 2018-19.

#### LOW- AND MODERATE-INCOME HOUSING ASSET FUND

The Housing Asset Fund replaced the former Agency's Low- and Moderate-Income Housing Fund. The Housing Asset Fund includes all the assets that were transferred from the Agency to the Housing Successor via the HAT. The HAT included:

- 2 Real Properties;
- 127 Loans/Grants Receivable; and
- 2 Rents/Operations

DOF approved 127 of the 131 items on the HAT on February 6, 2013. At the time of dissolution, the Agency requested to transfer two real estate parcels and the rental income associated with them – 1238 P Street (APN 008-075-11) and 1264 P Street (APN 008-075-03) – to the Housing Successor. DOF objected to these four transfers and the former Agency subsequently sold the properties to the Fresno County Housing Authority. The parcels will be used to develop the Firebaugh Gateway Apartments, a 30-unit senior housing complex located at P street and 13<sup>th</sup> Street in the City of Firebaugh. Construction broke ground in December 2015 and was completed in 2016.

#### HOUSING ASSET FUND DEPOSITS, EXPENDITURES, AND ENDING BALANCE

HSC Section 34176.1 requires that the Housing Successor annually report the funds that were deposited into the Housing Asset Fund during the fiscal year. As shown in Table 1, during FY 2016-17, the Housing Asset Fund received residual revenue from the San Joaquin Vistas development totaling \$9,595. No expenditures were incurred. There were no deposits into the Housing Asset Fund related to the Recognized Obligation Payment Schedule.

**Table 1. Housing Asset Fund Deposits and Expenditures**  
**Firebaugh Housing Successor**

<b>Description</b>	<b>Amount</b>
Starting Balance	\$ 29,895
Deposits	9,595
Expenditures	-
End Balance	\$ 39,490

Source: City of Firebaugh

HSC Section 34176.1 requires housing successors to submit a statement showing the Housing Asset Fund's balance at the start and close of the fiscal year, distinguishing any amounts held for items listed on the ROPS. At the start of FY 2016-17, the Housing Asset Fund balance was \$29,895. At the close of FY 2016-17, the Housing Asset Fund balance was \$39,490. No funds were held for items listed on the ROPS.

Table 2 summarizes Housing Asset Fund expenditures by category. The Firebaugh Housing Successor had no expenditures in FY 2016-17.

**Table 2. Housing Asset Fund Expenditures**  
**Firebaugh Housing Successor**

<b>Description</b>	<b>Total Expenditures</b>
Monitoring and Preserving Affordability Covenants	\$ -
Administrative Costs	-
Rapid Rehousing/Homelessness Prevention	-
Affordable Housing for Low, Very Low, and Extremely Low Income Households	-
<b>Total</b>	<b>\$ -</b>

Source: City of Firebaugh

## **STATUTORY VALUE OF REAL PROPERTIES AND LOAN RECEIVABLES**

The Housing Successor must report the statutory value of real properties formerly owned by the Agency, the value of any loans and grant receivables listed on the HAT, and the sum of the two. The statutory values of real property interests, and the values of loans and grants receivable belonging to the Housing Successor as of June 30, 2017 are shown in Table 3.

**Table 3. Real Properties and Loan/Grant Receivables****Firebaugh Housing Successor**

<b>Loans Receivable</b>	<b>Value<sup>1</sup></b>	
Loan: San Joaquin Development Partnership	\$	150,000
Loan: Firebaugh San Joaquin Vista Associates		168,057
Subtotal	\$	318,057
<b>Total</b>	<b>\$</b>	<b>318,057</b>

<sup>1</sup> Value as of June 30, 2017.

Source: City of Firebaugh

The Housing Successor received 124 affordability covenants. These covenants, recorded with the Fresno County Recorder, assure their respective property meets affordability requirements and remains affordable for 30 years. The 124 grants affiliated with these covenants, which have a statutory value of \$7,500 each, were also acquired by the Housing Successor. The combined value of the grants equals \$930,000.

In addition, the Housing Successor inherited two loan agreements and one grant. A loan for \$150,000 and a \$240,000 grant were both issued on May 5, 2008 to the San Joaquin Development Partnership. Another loan for \$200,000 was issued to the Firebaugh San Joaquin Vista Associates to construct 47 affordable apartment units. The loans acquired by the Firebaugh Housing Successor have a value of \$318,057 as of June 30, 2017.

**CERCA DEL RIO III COVENANTS**

The Housing Successor acquired 39 30-year affordability covenants, each associated with a \$7,500 grant, for the development of a subdivision called Cerca Del Rio III. The properties are single-family homes identified as "Lots 1 through 39 of Tract no. 5202, per the map thereof recorded in Book 68, pages 70 and 71 of Maps, in the Fresno County records". The covenant agreements were executed by the former Agency and Lennar Fresno, Inc. on September 22, 2004 and recorded by the Fresno County Recorder on November 8, 2004. All 39 covenant agreements will expire after November 8, 2034.

**DODDERER STREET & KANTOR STREET COVENANTS**

The Agency transferred 36 30-year affordability covenants to the Housing Successor, each tied to a \$7,500 grant, for the development of a single-family subdivision tract on Dodderer street. An additional 5 affordability covenants for properties on Kantor street were similarly inherited by the Housing Successor. All 41 covenant agreements were executed by the former Agency on June 15, 2000 and will expire in 2030.

**TRACT 4850**

The Housing Successor acquired 44 30-year affordability covenants, each associated with a \$7,500 grant, for the development of a single-family subdivision. The parcels are identified as "Lots 1 through 44 of Tract no. 4850, per the map thereof recorded in Volume 63 pages 8 and 9 of Plays, Fresno County Records." The covenant agreements were executed by the former Agency and CJM Development on December 20, 1999 and recorded by the Fresno County Recorder on February 27, 2001. All 44 covenant agreements will expire after February 27, 2031.

**SAN JOAQUIN VISTA APARTMENTS**

A loan for \$200,000 was issued on November 16, 2000 to the Firebaugh San Joaquin Vista Associates for the construction of the San Joaquin Vista Apartments, an apartment complex of 47 affordable rental units. Located at 500 P Street in Firebaugh, the San Joaquin Vista Apartments contains 16 two-bedroom, 24 three-bedroom, and 8 four-bedroom apartments and is owned by Pacific Communities. As of June 30, 2017, the loan balance was \$168,057.

**SAN JOAQUIN VILLAS**

The San Joaquin Development Partnership received a loan for \$150,000 and was awarded a \$240,000 grant on May 5, 2008. The loan and grant were transferred to the Housing Successor to develop and operate the San Joaquin Villas. The San Joaquin Villas is a for-sale project providing 10 units of much needed affordable housing. The program's goal is to introduce a new paradigm for affordable housing in the Central Valley. These Cottage-style, single-family detached units are targeted to first-time homebuyers who are at extremely low-income levels of the area median income (30% of AMI). All homes are two stories with three bedrooms, two full bathrooms and will be complete with solar power systems. As of June 30, 2017, the loan balance remained at \$150,000.

**PROJECTS FUNDED BY ROPS**

No Housing Successor obligations were funded through the ROPS.

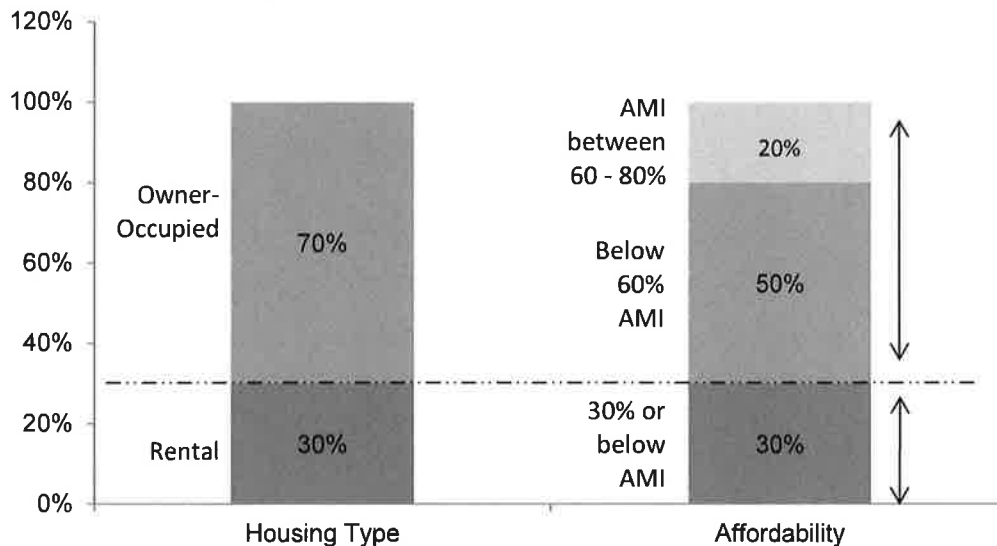
**OUTSTANDING INCLUSIONARY AND REPLACEMENT HOUSING OBLIGATIONS**

At the time of its dissolution, the former Agency met its inclusionary housing requirements. Therefore, the Housing Successor is no longer subject to obligations related to inclusionary housing or replacement housing.

**EXTREMELY LOW-INCOME EXPENDITURE PROPORTIONALITY**

Expenditures from the Housing Asset Fund shall be limited to lower income households earning 80% or less of the AMI, with at least (not less than) 30% of expenditures for rental housing for households earning 30% or less of the AMI and not more than 20% of the expenditures for household earning between 60% and 80% of the AMI. Figure 2 illustrates these limitations.

**Figure 2.** Housing Asset Fund Expenditure Limitations



Failure to comply with the extremely low-income requirement in any 5-year reporting period will result in the Housing Successor having to ensure that 50% of remaining funds be spent on extremely low-income rental units until in compliance. Exceeding the expenditure limit for households earning between 60% and 80% of the AMI in any 5-year reporting period will result in the Housing Successor not being able to expend any funds on these income categories until in compliance.

The Housing Successor had no expenditures in FY 2016-17. With no expenditures to report, the Housing Successor is by default compliant with the proportionality requirements of HSC Section 34176.1 and expects to remain compliant throughout the 5-year reporting period.

#### SENIOR HOUSING EXPENDITURE PROPORTIONALITY

Housing Successors are limited in how much they can spend on senior housing. This SB 341 report must track the number of deed-restricted, rental units that were produced for senior residents over the last ten years. If more than 50% of the total number of rental units produced by the City, Housing Successor, or former Agency during the past 10 years are restricted to seniors, the Housing Successor may not expend more money from the Housing Asset Funds on senior rental housing until the percentage is less than 50%.

Over the last decade, 40 affordable units were constructed. Of the total, 30 (75%) were completed at the end of 2016 as part of The Gateway Project and are restricted to seniors. The Housing Successor is over the limit allowing no more than 50% of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. As a result, the Housing Successor should consider the development of an additional, non-senior restricted multifamily housing development.

## EXCESS SURPLUS

Excess surplus calculations were once performed by redevelopment agencies on an annual basis and are intended to ensure that funds are expended to benefit low-income households in an expeditious manner. Funds should be encumbered within four years of receipt. SB 341 reinstates this calculation for housing successors. Excess surplus is defined by HSC Section 34176.1(d) as "an unencumbered amount in the account that exceeds the greater of one million dollars, or the aggregate amount deposited into the account during the housing successor's preceding four fiscal years, whichever is greater."

Fiscal Year 2016-17 is the first year the excess surplus can be calculated. According to SB 341, if there is an excess surplus in the Housing Asset Fund, the Housing Successor must expend or encumber excess surplus within three fiscal years. If the Housing Successor fails to comply, it must transfer any excess surplus to HCD within ninety days of the end of the third fiscal year. The Housing Asset Fund has no excess surplus for FY 2016-17, as shown in Table 4.

**Table 4. Excess Surplus  
Firebaugh Housing Successor**

<b>Fiscal Year</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Deposits	\$ -	\$ 4,242	\$ 8,084	\$ 10,022	\$ 9,595
Committed Funds					-
Unencumbered Amount <sup>1</sup>					39,490
<b>Step 1</b>					
\$1 Million, or					1,000,000
Last 4 Deposits					22,349
Result: Larger Number					1,000,000
<b>Step 2</b>					
Unencumbered Amount					39,490
Larger Number From Step 1					1,000,000
<b>Excess Surplus/(Deficit)</b>					<b>\$0</b>

<sup>1</sup> As of June 30, 2017.

## INVENTORY OF HOMEOWNERSHIP UNITS

Assembly Bill 1793 ("AB 1793") requires the annual reporting of any homeownership units owned by the Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies. An inventory of these properties has been included as Appendix 1.

**APPENDIX 1. Firebaugh Homeownership Inventory**

<b>Item #</b>	<b>Legal Title and Description</b>	<b>Year of Transfer to Housing Successor</b>	<b>Affordability Period</b>
<b>CERCA DEL RIO III</b>			
1	Lot 1 of Tract 5202 Cerca Del Rio III	2012	30
2	Lot 2 of Tract 5202 Cerca Del Rio III	2012	30
3	Lot 3 of Tract 5202 Cerca Del Rio III	2012	30
4	Lot 4 of Tract 5202 Cerca Del Rio III	2012	30
5	Lot 5 of Tract 5202 Cerca Del Rio III	2012	30
6	Lot 6 of Tract 5202 Cerca Del Rio III	2012	30
7	Lot 7 of Tract 5202 Cerca Del Rio III	2012	30
8	Lot 8 of Tract 5202 Cerca Del Rio III	2012	30
9	Lot 9 of Tract 5202 Cerca Del Rio III	2012	30
10	Lot 10 of Tract 5202 Cerca Del Rio III	2012	30
11	Lot 11 of Tract 5202 Cerca Del Rio III	2012	30
12	Lot 12 of Tract 5202 Cerca Del Rio III	2012	30
13	Lot 13 of Tract 5202 Cerca Del Rio III	2012	30
14	Lot 14 of Tract 5202 Cerca Del Rio III	2012	30
15	Lot 15 of Tract 5202 Cerca Del Rio III	2012	30
16	Lot 16 of Tract 5202 Cerca Del Rio III	2012	30
17	Lot 17 of Tract 5202 Cerca Del Rio III	2012	30
18	Lot 18 of Tract 5202 Cerca Del Rio III	2012	30
19	Lot 19 of Tract 5202 Cerca Del Rio III	2012	30
20	Lot 20 of Tract 5202 Cerca Del Rio III	2012	30
21	Lot 21 of Tract 5202 Cerca Del Rio III	2012	30
22	Lot 22 of Tract 5202 Cerca Del Rio III	2012	30
23	Lot 23 of Tract 5202 Cerca Del Rio III	2012	30
24	Lot 24 of Tract 5202 Cerca Del Rio III	2012	30
25	Lot 25 of Tract 5202 Cerca Del Rio III	2012	30
26	Lot 26 of Tract 5202 Cerca Del Rio III	2012	30
27	Lot 27 of Tract 5202 Cerca Del Rio III	2012	30
28	Lot 28 of Tract 5202 Cerca Del Rio III	2012	30
29	Lot 29 of Tract 5202 Cerca Del Rio III	2012	30
30	Lot 30 of Tract 5202 Cerca Del Rio III	2012	30
31	Lot 31 of Tract 5202 Cerca Del Rio III	2012	30
32	Lot 32 of Tract 5202 Cerca Del Rio III	2012	30
33	Lot 33 of Tract 5202 Cerca Del Rio III	2012	30
34	Lot 34 of Tract 5202 Cerca Del Rio III	2012	30
35	Lot 35 of Tract 5202 Cerca Del Rio III	2012	30
36	Lot 36 of Tract 5202 Cerca Del Rio III	2012	30
37	Lot 37 of Tract 5202 Cerca Del Rio III	2012	30
38	Lot 38 of Tract 5202 Cerca Del Rio III	2012	30
39	Lot 38 of Tract 5202 Cerca Del Rio III	2012	30

**DODDERER St.**

40	614 Dodderer St.	2012	30
41	626 Dodderer St.	2012	30
42	638 Dodderer St.	2012	30
43	640 Dodderer St.	2012	30
44	652 Dodderer St.	2012	30
45	664 Dodderer St.	2012	30
46	676 Dodderer St.	2012	30
47	728 Dodderer St.	2012	30
48	730 Dodderer St.	2012	30
49	742 Dodderer St.	2012	30
50	754 Dodderer St.	2012	30
51	766 Dodderer St.	2012	30
52	778 Dodderer St.	2012	30
53	810 Dodderer St.	2012	30
54	822 Dodderer St.	2012	30
55	834 Dodderer St.	2012	30
56	839 Dodderer St.	2012	30
57	841 Dodderer St.	2012	30
58	846 Dodderer St.	2012	30
59	853 Dodderer St.	2012	30
60	858 Dodderer St.	2012	30
61	860 Dodderer St.	2012	30
62	827 Dodderer St.	2012	30
63	815 Dodderer St.	2012	30
64	773 Dodderer St.	2012	30
65	761 Dodderer St.	2012	30
66	759 Dodderer St.	2012	30
67	747 Dodderer St.	2012	30
68	735 Dodderer St.	2012	30
69	723 Dodderer St.	2012	30
70	671 Dodderer St.	2012	30
71	669 Dodderer St.	2012	30
72	651 Dodderer St.	2012	30
73	645 Dodderer St.	2012	30
74	633 Dodderer St.	2012	30
75	621 Dodderer St.	2012	30

**TRACT 4850 (1-44)**

76	Lot 1 of Tract 4850	2012	30
77	Lot 2 of Tract 4850	2012	30
78	Lot 3 of Tract 4850	2012	30
79	Lot 4 of Tract 4850	2012	30
80	Lot 5 of Tract 4580	2012	30
81	Lot 6 of Tract 4580	2012	30
82	Lot 7 of Tract 4580	2012	30



83	Lot 8 of Tract 4580	2012	30
84	Lot 9 of Tract 4580	2012	30
85	Lot 10 of Tract 4580	2012	30
86	Lot 11 of Tract 4580	2012	30
87	Lot 12 of Tract 4580	2012	30
88	Lot 13 of Tract 4580	2012	30
89	Lot 14 of Tract 4580	2012	30
90	Lot 15 of Tract 4580	2012	30
91	Lot 16 of Tract 4580	2012	30
92	Lot 17 of Tract 4580	2012	30
93	Lot 18 of Tract 4580	2012	30
94	Lot 19 of Tract 4580	2012	30
95	Lot 20 of Tract 4580	2012	30
96	Lot 21 of Tract 4580	2012	30
97	Lot 22 of Tract 4580	2012	30
98	Lot 23 of Tract 4580	2012	30
99	Lot 24 of Tract 4580	2012	30
100	Lot 25 Of Tract 4580	2012	30
101	Lot 26 of Tract 4580	2012	30
102	Lot 27 of Tract 4580	2012	30
103	Lot 28 of Tract 4580	2012	30
104	Lot 29 of Tract 4580	2012	30
105	Lot 30 of Tract 4580	2012	30
106	Lot 31 of Tract 4580	2012	30
107	Lot 32 of Tract 4580	2012	30
108	Lot 33 of Tract 4580	2012	30
109	Lot 34 of Tract 4580	2012	30
110	Lot 35 of Tract 4580	2012	30
111	Lot 36 of Tract 4580	2012	30
112	Lot 37 of Tract 4580	2012	30
113	Lot 38 of Tract 4580	2012	30
114	Lot 39 of Tract 4580	2012	30
115	Lot 40 of Tract 4580	2012	30
116	Lot 41 of Tract 4580	2012	30
117	Lot 42 of Tract 4580	2012	30
118	Lot 43 of Tract 4580	2012	30
119	Lot 44 of Tract 4580	2012	30

**KANTOR ST.**

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120	Lot 21 of Tract 4851	Rev. Kantor St.	2012	30
121	Lot 22 of Tract 4851	Rev. Kantor St.	2012	30
122	Lot 23 of Tract 4851	Rev. Kantor St	2012	30
123	Lot 24 of Tract 4851	Rev. Kantor St	2012	30
124	Lot 25 of Tract 4851	Rev. Kantor St	2012	30

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**SENATE BILL 341 ANNUAL REPORT**  
**Firebaugh Housing Successor**

**FY 2017-18**

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## INTRODUCTION

The dissolution of California redevelopment agencies in 2012 resulted in a dramatic change to property tax finance. It eliminated the major source of local publicly generated dollars earmarked for affordable housing. Housing authorities have thus been left in a challenging position – the need for them is greater than ever, yet a key funding source no longer exists.

The City of Firebaugh named itself as the successor housing entity ("Housing Successor") on January 23, 2012 by the adoption of Resolution No. 12-02. The Housing Successor is the successor housing entity to the former Firebaugh Redevelopment Agency ("Agency"). The Housing Successor's assets were transferred from the former Agency when it dissolved pursuant to the Dissolution Act, which was enacted by Assembly Bills x1 26 and 1484. All rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency, excluding any amounts in the Low and Moderate-Income Housing Fund were transferred from the former Agency to the Housing Successor. Although the Housing Successor inherited the Agency's assets and functions, it does not have an ongoing financing mechanism to maintain them.

The Housing Successor prepared a Housing Asset Transfer Form ("HAT"), which provides an inventory of all assets received in the mandatory transfers of assets following the dissolution of redevelopment. Except for two properties and the rental income associated with the properties, the transfer of all items on the HAT were approved by the California Department of Finance ("DOF") on August 31, 2012. A Meet and Confer session was held on January 28, 2013 to discuss the items that were objected to by DOF. The final determination made by DOF on February 6, 2013 reaffirms their objection to the transfer of the two properties and the rental income associated with the Gateway Project.

## REPORTING REQUIREMENTS OF SENATE BILL 341

Senate Bill ("SB") 341, Assembly Bill ("AB") 1793, SB 107, and AB 346 amended certain sections of the Health & Safety Code ("HSC") that pertain largely to entities that accepted the housing assets and liabilities of former redevelopment agencies. SB 341 clarified that all former redevelopment agency housing assets, regardless of their originating redevelopment agency, must be maintained in a separate fund called the Low- and Moderate-Income Housing Asset Fund ("Housing Asset Fund"). SB 341, later amended by AB 1793 in 2014, SB 107 in 2015, and AB 346 in 2017, outlined a series of reporting requirements that must be adhered to in annual reports. This annual report is due to the California State Department of Housing and Community Development ("HCD") by April 1<sup>st</sup> of each year. The report must be accompanied by an independent financial audit, which is due December 31 of each year.

In accordance with HSC Section 34176.1(f), certain information about financial activities of the Housing Asset Fund must be reported. These requirements are presented in Figure 1.

**Figure 1. Reporting Requirements of HSC Section 34176.1(f)**

<b>Revenues &amp; Expenditures</b>	<b>Assets &amp; Active Projects</b>	<b>Obligations &amp; Proportionality</b>
Total amount deposited in the Housing Asset Fund for the fiscal year	Description of any projects still funded through the Recognized Obligation Payment Schedule ("ROPS")	Description of any outstanding production obligations of the former Agency that are inherited by the Housing Successor
Statement of balance at the close of the fiscal year	Update on property disposition for any property owned more than five years or plans for property owned less than five years	Compliance with proportionality requirements by income group, which must be upheld on a five-year cycle
Description of expenditures for the fiscal year, broken out as follows: <ul style="list-style-type: none"> <li>• Rapid rehousing for homelessness prevention (up to \$250,000 per year)</li> <li>• Administrative expenses (greater of \$200,000 adjusted for inflation or 5% of "portfolio" per year)</li> <li>• Monitoring expenses (included as an administrative expense)</li> <li>• All other expenditures must be reported as spent for each income group (extremely low-, very low-, and low-income)</li> </ul>	Other portfolio balances, including: <ul style="list-style-type: none"> <li>• Statutory value of any real property either transferred from the former Agency or purchased by the Housing Asset Fund (note that the Housing Successor may only hold property for five years)</li> <li>• Value of loans and grants receivable</li> </ul>	Percentage of deed-restricted rental housing restricted to seniors and assisted by the entity assuming housing functions, the former Agency, or the County within the past ten years compared to the total number of units assisted by any of those three agencies
Description of any transfers to another housing successor for a joint project	Inventory of homeownership units assisted by the former Agency or the Housing Successor that are subject to covenants or restrictions or to an adopted program that protects the former Agency's investment of monies from the Low and Moderate-Income Housing Fund	Amount of any excess surplus, and, if any, the plan for eliminating it
The amount the or city and county received in loan repayments		

## **ASSETS TRANSFERED TO THE HOUSING SUCCESSOR**

Per HSC Section 34176(e), housing assets may include the following:

- Real property,
- Restrictions on the use of property,
- Personal property in a residence,
- Housing-related files,
- Office supplies and software programs acquired for low-and moderate-income purposes,
- Funds encumbered by an enforceable obligation,
- Loan or grant receivables funded from the former Low and Moderate-Income Housing Fund ("LMIHF"),
- Funds derived from rents or operation of properties acquired for low-and moderate-income housing purposes,
- Rents or payments from housing tenants or operators of low-and moderate-income housing, and
- Repayment of Supplemental Educational Revenue Augmentation Fund loans.

The assets transferred from the former Agency to the Housing Successor included real property, loans and grants receivable, and rents.

## **EXPENDITURE REQUIREMENTS OF SENATE BILL 341**

In the months following redevelopment dissolution, the California legislature passed several legislative bills, including SB 341 to clarify issues concerning the activities and assets of former redevelopment agencies. SB 341 reinstated many affordable housing requirements formerly completed by redevelopment agencies. Specifically, SB 341 directs expenditures from the Housing Successor's Housing Asset Fund as follows:

- **Administrative Expenditures:** Administrative expenditures, which include housing monitoring, are capped at either \$200,000 adjusted for inflation or 5% of the Housing Asset Fund's annual portfolio, whichever is greater. The portfolio includes the statutory value of real property owned by the housing successor and of loans and grants receivable, including real property and loans and grants transferred to the housing successor pursuant to HSC 34176 and real property purchased and loans and grants made by the housing successor.
- **Homelessness Prevention:** A housing successor is authorized to spend up to \$250,000 each year on rapid rehousing solutions for homelessness prevention if all obligations pursuant to HSC Sections 33413 (inclusionary housing) and 33418 (replacement housing) have been fulfilled.

- **Income Proportionality Limits:** Remaining allowable expenditures must be spent to expand housing options for low-income households, defined as households earning 80% or less of the area median income ("AMI"). At least 30% of expenditures must be allocated to extremely-low rental households, or those households earning 30% or less of the AMI. A maximum of 20% may go towards households earning between 60% and 80% of the AMI. No funding may be spent on moderate-income households, defined as households earning 81% to 120% of the AMI.

Although housing successors must report expenditures by category each year, compliance with income proportionality limits is reported at the end of each five-year compliance period. The first five-year compliance period began in FY 2013-14 (on January 1, 2014) and will end in FY 2018-19 (on June 30, 2019). For example, a housing successor could spend any amount of its funds during FY 2013-14 on households earning between 60% and 80% AMI, as long as this amount is 20% or less of the total expenditures by the end of FY 2018-19.

#### LOW- AND MODERATE-INCOME HOUSING ASSET FUND

The Housing Asset Fund replaced the former Agency's Low- and Moderate-Income Housing Fund. The Housing Asset Fund includes all the assets that were transferred from the Agency to the Housing Successor via the HAT. The HAT included:

- 2 Real Properties;
- 127 Loans/Grants Receivable; and
- 2 Rents/Operations

DOF approved 127 of the 131 items on the HAT on February 6, 2013. At the time of dissolution, the Agency requested to transfer two real estate parcels and the rental income associated with them – 1238 P Street (APN 008-075-11) and 1264 P Street (APN 008-075-03) – to the Housing Successor. DOF objected to these four transfers and the former Agency subsequently sold the properties to the Fresno County Housing Authority. The parcels will be used to develop the Firebaugh Gateway Apartments, a 30-unit senior housing complex located at P street and 13<sup>th</sup> Street in the City of Firebaugh. Construction broke ground in December 2015 and was completed in 2016.

#### HOUSING ASSET FUND DEPOSITS, EXPENDITURES, AND ENDING BALANCE

HSC Section 34176.1 requires that the Housing Successor annually report the funds that were deposited into the Housing Asset Fund during the fiscal year. As shown in Table 1, during FY 2017-18, the Housing Asset Fund received residual revenue from the San Joaquin Vistas development totaling \$11,365. No expenditures were incurred. There were no deposits into the Housing Asset Fund related to the Recognized Obligation Payment Schedule.

**Table 1. Housing Asset Fund Deposits and Expenditures  
Firebaugh Housing Successor**

<b>Description</b>	<b>Amount</b>
Starting Balance	\$ 39,490
Deposits	11,365
Expenditures	-
End Balance	\$ 50,855

Source: City of Firebaugh

HSC Section 34176.1 requires housing successors to submit a statement showing the Housing Asset Fund's balance at the start and close of the fiscal year, distinguishing any amounts held for items listed on the ROPS. At the start of FY 2017-18, the Housing Asset Fund balance was \$39,490. At the close of FY 2017-18, the Housing Asset Fund balance was \$50,855. No funds were held for items listed on the ROPS.

Table 2 summarizes Housing Asset Fund expenditures by category. The Firebaugh Housing Successor had no expenditures in FY 2017-18.

**Table 2. Housing Asset Fund Expenditures  
Firebaugh Housing Successor**

<b>Description</b>	<b>Total Expenditures</b>
Monitoring and Preserving Affordability Covenants	\$ -
Administrative Costs	-
Rapid Rehousing/Homelessness Prevention	-
Affordable Housing for Low, Very Low, and Extremely Low Income Households	-
<b>Total</b>	\$ -

Source: City of Firebaugh

## **STATUTORY VALUE OF REAL PROPERTIES AND LOAN RECEIVABLES**

The Housing Successor must report the statutory value of real properties formerly owned by the Agency, the value of any loans and grant receivables listed on the HAT, and the sum of the two. The statutory values of real property interests, and the values of loans and grants receivable belonging to the Housing Successor as of June 30, 2018 are shown in Table 3.



**Table 3. Real Properties and Loan/Grant Receivables****Firebaugh Housing Successor**

<b>Loans Receivable</b>		<b>Value<sup>1</sup></b>
Loan: San Joaquin Development Partnership	\$	150,000
Loan: Firebaugh San Joaquin Vista Associates		156,692
Subtotal	\$	306,692
<b>Total</b>	<b>\$</b>	<b>306,692</b>

<sup>1</sup> Value as of June 30, 2018.

Source: City of Firebaugh

The Housing Successor received 124 affordability covenants. These covenants, recorded with the Fresno County Recorder, assure their respective property meets affordability requirements and remains affordable for 30 years. The 124 grants affiliated with these covenants, which have a statutory value of \$7,500 each, were also acquired by the Housing Successor. The combined value of the grants equals \$930,000.

In addition, the Housing Successor inherited two loan agreements and one grant. A loan for \$150,000 and a \$240,000 grant were both issued on May 5, 2008 to the San Joaquin Development Partnership. Another loan for \$200,000 was issued to the Firebaugh San Joaquin Vista Associates to construct 47 affordable apartment units. The loans acquired by the Firebaugh Housing Successor have a value of \$306,692 as of June 30, 2018.

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A loan for \$200,000 was issued on November 16, 2000 to the Firebaugh San Joaquin Vista Associates for the construction of the San Joaquin Vista Apartments, an apartment complex of 47 affordable rental units. Located at 500 P Street in Firebaugh, the San Joaquin Vista Apartments contains 16 two-bedroom, 24 three-bedroom, and 8 four-bedroom apartments and is owned by Pacific Communities. As of June 30, 2018, the loan balance was \$156,692.

**SAN JOAQUIN VILLAS**

The San Joaquin Development Partnership received a loan for \$150,000 and was awarded a \$240,000 grant on May 5, 2008. The loan and grant were transferred to the Housing Successor to develop and operate the San Joaquin Villas. The San Joaquin Villas is a for-sale project providing 10 units of much needed affordable housing. The program's goal is to introduce a new paradigm for affordable housing in the Central Valley. These Cottage-style, single-family detached units are targeted to first-time homebuyers who are at extremely low-income levels of the area median income (30% of AMI). All homes are two stories with three bedrooms, two full bathrooms and will be complete with solar power systems. As of June 30, 2018, the loan balance remained at \$150,000.

**PROJECTS FUNDED BY ROPS**

No Housing Successor obligations were funded through the ROPS.

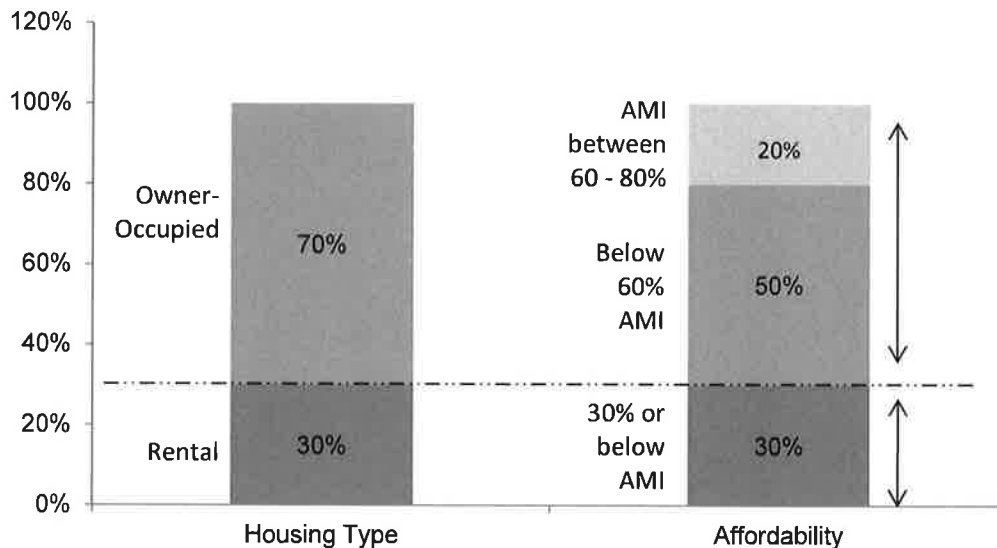
**OUTSTANDING INCLUSIONARY AND REPLACEMENT HOUSING OBLIGATIONS**

At the time of its dissolution, the former Agency met its inclusionary housing requirements. Therefore, the Housing Successor is no longer subject to obligations related to inclusionary housing or replacement housing.

**EXTREMELY LOW-INCOME EXPENDITURE PROPORTIONALITY**

Expenditures from the Housing Asset Fund shall be limited to lower income households earning 80% or less of the AMI, with at least (not less than) 30% of expenditures for rental housing for households earning 30% or less of the AMI and not more than 20% of the expenditures for household earning between 60% and 80% of the AMI. Figure 2 illustrates these limitations.

**Figure 2. Housing Asset Fund Expenditure Limitations**



Failure to comply with the extremely low-income requirement in any 5-year reporting period will result in the Housing Successor having to ensure that 50% of remaining funds be spent on extremely low-income rental units until in compliance. Exceeding the expenditure limit for households earning between 60% and 80% of the AMI in any 5-year reporting period will result in the Housing Successor not being able to expend any funds on these income categories until in compliance.

The Housing Successor had no expenditures in FY 2017-18. With no expenditures to report, the Housing Successor is by default compliant with the proportionality requirements of HSC Section 34176.1 and expects to remain compliant throughout the 5-year reporting period.

#### SENIOR HOUSING EXPENDITURE PROPORTIONALITY

Housing Successors are limited in how much they can spend on senior housing. This SB 341 report must track the number of deed-restricted, rental units that were produced for senior residents over the last ten years. If more than 50% of the total number of rental units produced by the City, Housing Successor, or former Agency during the past 10 years are restricted to seniors, the Housing Successor may not expend more money from the Housing Asset Fund on senior rental housing until the percentage is less than 50%.

Over the last decade, 40 affordable units were constructed. Of the total, 30 (75%) were completed at the end of 2016 as part of The Gateway Project and are restricted to seniors. The Housing Successor is over the limit allowing no more than 50% of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. As a result, the Housing Successor should consider the development of an additional, non-senior restricted multifamily housing development.

## EXCESS SURPLUS

Excess surplus calculations were once performed by redevelopment agencies on an annual basis and are intended to ensure that funds are expended to benefit low-income households in an expeditious manner. Funds should be encumbered within four years of receipt. SB 341 reinstates this calculation for housing successors. Excess surplus is defined by HSC Section 34176.1(d) as "an unencumbered amount in the account that exceeds the greater of one million dollars, or the aggregate amount deposited into the account during the housing successor's preceding four fiscal years, whichever is greater."

FY 2016-17 was the first year the excess surplus could be calculated. According to SB 341, if there is an excess surplus in the Housing Asset Fund, the Housing Successor must expend or encumber excess surplus within three fiscal years. If the Housing Successor fails to comply, it must transfer any excess surplus to HCD within ninety days of the end of the third fiscal year. The Housing Asset Fund has no excess surplus for FY 2017-18, as shown in Table 4.

**Table 4. Excess Surplus  
Firebaugh Housing Successor**

<b>Fiscal Year</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Deposits	\$ 4,242	\$ 8,084	\$ 10,022	\$ 9,595	\$ 11,365
Committed Funds					-
Unencumbered Amount <sup>1</sup>					50,855
<b>Step 1</b>					
\$1 Million, or					1,000,000
Last 4 Deposits					31,944
Result: Larger Number					1,000,000
<b>Step 2</b>					
Unencumbered Amount					50,855
Larger Number From Step 1					1,000,000
<b>Excess Surplus/(Deficit)</b>					<b>\$0</b>

<sup>1</sup> As of June 30, 2018.

## INVENTORY OF HOMEOWNERSHIP UNITS

Assembly Bill 1793 ("AB 1793") requires the annual reporting of any homeownership units owned by the Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies. An inventory of these properties has been included as Appendix 1.

**APPENDIX 1. Firebaugh Homeownership Inventory**

<b>Item #</b>	<b>Legal Title and Description</b>	<b>Year of Transfer to Housing Successor</b>	<b>Affordability Period</b>
<b>CERCA DEL RIO III</b>			
1	Lot 1 of Tract 5202 Cerca Del Rio III	2012	30
2	Lot 2 of Tract 5202 Cerca Del Rio III	2012	30
3	Lot 3 of Tract 5202 Cerca Del Rio III	2012	30
4	Lot 4 of Tract 5202 Cerca Del Rio III	2012	30
5	Lot 5 of Tract 5202 Cerca Del Rio III	2012	30
6	Lot 6 of Tract 5202 Cerca Del Rio III	2012	30
7	Lot 7 of Tract 5202 Cerca Del Rio III	2012	30
8	Lot 8 of Tract 5202 Cerca Del Rio III	2012	30
9	Lot 9 of Tract 5202 Cerca Del Rio III	2012	30
10	Lot 10 of Tract 5202 Cerca Del Rio III	2012	30
11	Lot 11 of Tract 5202 Cerca Del Rio III	2012	30
12	Lot 12 of Tract 5202 Cerca Del Rio III	2012	30
13	Lot 13 of Tract 5202 Cerca Del Rio III	2012	30
14	Lot 14 of Tract 5202 Cerca Del Rio III	2012	30
15	Lot 15 of Tract 5202 Cerca Del Rio III	2012	30
16	Lot 16 of Tract 5202 Cerca Del Rio III	2012	30
17	Lot 17 of Tract 5202 Cerca Del Rio III	2012	30
18	Lot 18 of Tract 5202 Cerca Del Rio III	2012	30
19	Lot 19 of Tract 5202 Cerca Del Rio III	2012	30
20	Lot 20 of Tract 5202 Cerca Del Rio III	2012	30
21	Lot 21 of Tract 5202 Cerca Del Rio III	2012	30
22	Lot 22 of Tract 5202 Cerca Del Rio III	2012	30
23	Lot 23 of Tract 5202 Cerca Del Rio III	2012	30
24	Lot 24 of Tract 5202 Cerca Del Rio III	2012	30
25	Lot 25 of Tract 5202 Cerca Del Rio III	2012	30
26	Lot 26 of Tract 5202 Cerca Del Rio III	2012	30
27	Lot 27 of Tract 5202 Cerca Del Rio III	2012	30
28	Lot 28 of Tract 5202 Cerca Del Rio III	2012	30
29	Lot 29 of Tract 5202 Cerca Del Rio III	2012	30
30	Lot 30 of Tract 5202 Cerca Del Rio III	2012	30
31	Lot 31 of Tract 5202 Cerca Del Rio III	2012	30
32	Lot 32 of Tract 5202 Cerca Del Rio III	2012	30
33	Lot 33 of Tract 5202 Cerca Del Rio III	2012	30
34	Lot 34 of Tract 5202 Cerca Del Rio III	2012	30
35	Lot 35 of Tract 5202 Cerca Del Rio III	2012	30
36	Lot 36 of Tract 5202 Cerca Del Rio III	2012	30
37	Lot 37 of Tract 5202 Cerca Del Rio III	2012	30
38	Lot 38 of Tract 5202 Cerca Del Rio III	2012	30
39	Lot 38 of Tract 5202 Cerca Del Rio III	2012	30

**DODDERER St.**

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40	614 Dodderer St.	2012	30
41	626 Dodderer St.	2012	30
42	638 Dodderer St.	2012	30
43	640 Dodderer St.	2012	30
44	652 Dodderer St.	2012	30
45	664 Dodderer St.	2012	30
46	676 Dodderer St.	2012	30
47	728 Dodderer St.	2012	30
48	730 Dodderer St.	2012	30
49	742 Dodderer St.	2012	30
50	754 Dodderer St.	2012	30
51	766 Dodderer St.	2012	30
52	778 Dodderer St.	2012	30
53	810 Dodderer St.	2012	30
54	822 Dodderer St.	2012	30
55	834 Dodderer St.	2012	30
56	839 Dodderer St.	2012	30
57	841 Dodderer St.	2012	30
58	846 Dodderer St.	2012	30
59	853 Dodderer St.	2012	30
60	858 Dodderer St.	2012	30
61	860 Dodderer St.	2012	30
62	827 Dodderer St.	2012	30
63	815 Dodderer St.	2012	30
64	773 Dodderer St.	2012	30
65	761 Dodderer St.	2012	30
66	759 Dodderer St.	2012	30
67	747 Dodderer St.	2012	30
68	735 Dodderer St.	2012	30
69	723 Dodderer St.	2012	30
70	671 Dodderer St.	2012	30
71	669 Dodderer St.	2012	30
72	651 Dodderer St.	2012	30
73	645 Dodderer St.	2012	30
74	633 Dodderer St.	2012	30
75	621 Dodderer St.	2012	30

**TRACT 4850 (1-44)**

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76	Lot 1 of Tract 4850	2012	30
77	Lot 2 of Tract 4850	2012	30
78	Lot 3 of Tract 4850	2012	30
79	Lot 4 of Tract 4850	2012	30
80	Lot 5 of Tract 4580	2012	30
81	Lot 6 of Tract 4580	2012	30
82	Lot 7 of Tract 4580	2012	30

83	Lot 8 of Tract 4580	2012	30
84	Lot 9 of Tract 4580	2012	30
85	Lot 10 of Tract 4580	2012	30
86	Lot 11 of Tract 4580	2012	30
87	Lot 12 of Tract 4580	2012	30
88	Lot 13 of Tract 4580	2012	30
89	Lot 14 of Tract 4580	2012	30
90	Lot 15 of Tract 4580	2012	30
91	Lot 16 of Tract 4580	2012	30
92	Lot 17 of Tract 4580	2012	30
93	Lot 18 of Tract 4580	2012	30
94	Lot 19 of Tract 4580	2012	30
95	Lot 20 of Tract 4580	2012	30
96	Lot 21 of Tract 4580	2012	30
97	Lot 22 of Tract 4580	2012	30
98	Lot 23 of Tract 4580	2012	30
99	Lot 24 of Tract 4580	2012	30
100	Lot 25 Of Tract 4580	2012	30
101	Lot 26 of Tract 4580	2012	30
102	Lot 27 of Tract 4580	2012	30
103	Lot 28 of Tract 4580	2012	30
104	Lot 29 of Tract 4580	2012	30
105	Lot 30 of Tract 4580	2012	30
106	Lot 31 of Tract 4580	2012	30
107	Lot 32 of Tract 4580	2012	30
108	Lot 33 of Tract 4580	2012	30
109	Lot 34 of Tract 4580	2012	30
110	Lot 35 of Tract 4580	2012	30
111	Lot 36 of Tract 4580	2012	30
112	Lot 37 of Tract 4580	2012	30
113	Lot 38 of Tract 4580	2012	30
114	Lot 39 of Tract 4580	2012	30
115	Lot 40 of Tract 4580	2012	30
116	Lot 41 of Tract 4580	2012	30
117	Lot 42 of Tract 4580	2012	30
118	Lot 43 of Tract 4580	2012	30
119	Lot 44 of Tract 4580	2012	30

**KANTOR ST.**

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120	Lot 21 of Tract 4851	Rev. Kantor St.	2012	30
121	Lot 22 of Tract 4851	Rev. Kantor St.	2012	30
122	Lot 23 of Tract 4851	Rev. Kantor St	2012	30
123	Lot 24 of Tract 4851	Rev. Kantor St	2012	30
124	Lot 25 of Tract 4851	Rev. Kantor St	2012	30



## FIREBAUGH POLICE DEPARTMENT

# Memo

**To:** Honorable Mayor Marcia Sablan and Council Members  
**From:** Salvador Raygoza, Police Chief  
**cc:** Ben Gallegos, City Manager  
**Date:** 01/03/2019  
**Re:** Staff Report

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### MONTHLY CRIME ANALYSIS:

We finished the 2018 year with a drop-in crime in several different categories, (refer to attached End of Year Report). The holiday season from November through December was extremely quiet compared to other years. Statistically, an increase in vehicle and residential burglary every year is noted; however, this year property crimes during the holidays was down compared to previous years.

We had four stolen vehicles during the month of November. Once again, the Westside communities are targeted by auto thieves. The cars targeted are mid 1990 Hondas. Our officers are staying vigilant at night and attempting to determine who is responsible for those auto thefts. Current information received are pointing to possible suspects out of the Mendota area.

During the holidays, extra patrol officers were assigned to DUI (Driving Under the Influence of Alcohol) detail. Compared to the last few months, there was a significant drop in DUI arrests compared. It appears the message is finally being received about driving impaired.

The department generated 157 police reports, which can be classified as crime reports, incident reports, and traffic accidents. The majority of reports taken by this department were non-criminal. Violent crimes were stable with no major increase or decrease. Officers issued 112 traffic citations and investigated 7 none injury traffic accidents.

The Dispatch Center received 434 telephone calls requesting police service and 1934 self-initiated radio calls by officers. The busy for both months were Thursday and Friday.

*The above statistics are only those of the City of Firebaugh and does not include all the telephone calls and radio traffic for the City of Mendota.*



## **SIGNIFICANT CASES:**

On November 18, 2018, Dollar General talked to Officer Molina in regards to two white males, and one white female coming into the store and stealing several items by walking out rear receiving door. The subjects are not local and have been identified as Dos Palos citizens. Case still under investigation.

On December 3, 2018, Officer Zazueta and Officer Martinez attempted a vehicle stop on a red Nissan for driving 72 MPH within the city. Vehicle failed to yield and accelerated at high speed while driving northbound out of the city. At Highway 33 and Douglas vehicle slammed on the breaks and almost caused patrol car to rear end the vehicle. The vehicle then continued to flee while driving on the wrong side of the roadway with no traffic. Vehicle drove approximately 2 miles north of the city limits and it appears the vehicle drove off road and crashed intentionally. Driver out of the state of Washington was arrested and booked into Fresno County Jail.

On December 3, 2018 victim reported that suspect brandished a firearm near Don Pepe's Restaurant and demanded ten Marijuana cartridges from victim. The suspect was identified and later arrested at his home for armed robbery. The victim is a student within our school system and admitted to selling the marijuana cartridges to other students. Suspect was booked into Fresno County Jail and awaiting court trail.

On December 15, 2018, Officer Molina was dispatched to 4300 block of Maple in regards a possible vehicle burglary, and use of stolen credit cards at 3:00 am in the morning. Officers conducted several follow-ups in cities of Mendota and Dos Palos. Suspects were identified as citizens of Dos Palos. Officers tried locating suspects at their homes for arrest. Suspects are wanted and we have submitted case for arrest warrants.

## **PERSONNEL:**

The department's personnel strength stands at 23, including 10 sworn officers, 5 full time dispatchers, 2 part-time dispatchers and 6 reserve officers.

On December 28, 2018, Officer Tucker Zazueta resigned to accept a full-time police officer position with the City of Merced. Officer Zazueta worked for our police department for total of two years. I want thank Officer Zazueta for his service and wish him the best of luck at his new job.

Currently, the department is advertising for a full-time police officer position, and building an eligibility list for potential candidates. Most law enforcement agencies in the Central Valley are hiring, therefore it is important to create a list of *qualified* candidates should another position become vacant.

## **TRAINING**

Officers and Dispatchers will be attending a two days training at the Fresno Sheriffs Department over the next two months. The Sheriff is replacing their current CAD and RMS system, with Mark54. This system will impact all Fresno County law enforcement agencies.

I am currently scheduling officer and reserves for the annual perishable skills training at the Fresno Sheriff Training Unit. The training will consist of three (3) – ten (10) hour days, this year. The training will meet all of California POST training requirements.



## Firebaugh PD Monthly Stats



	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	2018 Totals
<b><u>VIOLENT CRIME</u></b>													
Murder	0	0	0	0	0	0	0	0	0	0	0	0	0
Robbery	1	0	0	1	0	0	0	0	0	0	0	1	3
Rape	0	0	0	0	0	0	0	0	0	1	0	0	1
Other Sex Crimes	0	0	2	0	0	1	0	0	0	0	1	0	4
Aggravated Assault	3	0	1	4	2	2	3	1	2	3	1	1	23
Simple Assault	4	2	3	6	6	1	2	1	2	2	2	1	32
<b><u>PROPERTY CRIMES</u></b>													
Commercial Burglary	0	1	1	0	1	0	0	0	0	0	0	1	4
Residential Burglary	0	0	0	1	0	1	0	1	0	0	0	0	3
Vehicle Burglary	0	3	0	0	0	0	1	0	1	0	0	1	6
Auto Theft	2	2	2	2	2	1	1	1	3	0	4	0	20
Grand Theft	1	0	1	1	0	0	0	1	0	2	0	1	7
Petty Theft	3	2	5	4	4	5	4	3	6	4	5	1	46
All Other Larceny	1	1	1	1	1	1	1	2	2	1	2	1	15
Vandalism	5	2	5	5	4	3	5	6	4	3	2	3	47
<b><u>ARRESTS</u></b>													
Narcotics Arrests	3	7	12	6	15	8	11	13	14	8	6	5	108
DUI Arrests	4	5	7	9	5	7	7	9	11	10	4	6	84
Warrant Arrests	13	15	17	8	18	17	15	10	6	7	5	3	134
Misdemeanor Arrests	8	7	13	16	24	22	20	26	25	21	14	11	207
Felony Arrests	3	2	4	8	5	5	4	3	7	3	2	3	49
<b><u>MISCELLANEOUS REPORTS</u></b>													
Runaway Reports	1	3	0	1	3	1	0	1	1	1	0	0	12
Mental Health Reports	2	0	1	0	2	1	0	1	3	0	0	0	10
Incident Reports	19	22	28	30	31	26	28	19	17	26	16	24	286
<b><u>HIT &amp; RUN REPORTS</u></b>													
Hit &Run Reports	0	2	2	2	0	1	1	3	5	2	0	0	18
Traffic Accidents	0	3	7	1	6	2	8	6	7	4	4	2	50
Traffic Citations	109	62	116	112	66	126	52	56	36	47	49	57	888
<b><u>SERVICE CALLS</u></b>													
Public Initiated Calls	229	234	276	241	248	239	292	272	305	280	216	218	3050
Officer Initiated Calls	1325	1063	1104	945	949	916	770	869	713	916	994	940	11504