

**AGENDA**

**STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**1010 10TH STREET, BASEMENT LEVEL, MODESTO**

**MAY 1, 2001**

**9:30 A.M.**

- I. CALL TO ORDER**
- II. CONSENT CALENDAR (Those items marked with an \*)**
- III. APPROVAL OF MINUTES**
  - \*A. March 20, 2001.
- IV. CORRESPONDENCE**
  - A. None.
- V. PUBLIC HEARINGS**
  - A. None.
- VI. AGENDA ITEMS**
  - \*A. Authorization of Rural Development Loan Resolution.
  - B. Adoption of Fiscal Year 2001/2002 Budget.
- VII. PUBLIC FORUM**
- VIII. ADJOURNMENT**

**MINUTES**

**STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**MARCH 20, 2001**

The Stanislaus County Redevelopment Agency met in the Joint Chambers at 10TH Street Place, Basement Level, Modesto, California.

**I. CALL TO ORDER**

The meeting was called to order at 7:42 p.m.

Members present: Pat Paul, Tom Mayfield, Paul Caruso, Nick Blom

Members absent: Ray Simon

Staff present: Ron Freitas, Executive Director

Jim Duval, Senior Planner

**II. CONSENT CALENDAR (\*)**

A. Upon motion by Agency members Blom/Mayfield, the Agency unanimously approved the Consent Calendar.

**III. CORRESPONDENCE**

A. None.

**IV. PUBLIC HEARINGS**

A. None.

**V. AGENDA ITEMS**

A. Upon motion by Blom/Mayfield, with Caruso abstaining, the Agency unanimously authorized the commitment of \$1 million to the 2001 Community Development Block Grant Program application for a sewer collection and transfer system in the Shackelford Neighborhood.

**VI. PUBLIC FORUM**

A. No person spoke.

**VII. ADJOURNMENT**

The meeting adjourned at 7:48 p.m.



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Ron E. Freitas  
Executive Director

SITTING AS THE REDEVELOPMENT AGENCY

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Redevelopment Agency *A*  
Urgent \_\_\_\_\_ Routine X

BOARD AGENDA # \*VI-A

AGENDA DATE: May 1, 2000

CEO Concurs with Recommendation YES \_\_\_\_\_ NO \_\_\_\_\_  
(Information Attached)

4/5 Vote Required YES \_\_\_\_\_ NO X

**SUBJECT:**

AUTHORIZATION OF RURAL DEVELOPMENT LOAN RESOLUTION

**STAFF RECOMMENDATION:**

AUTHORIZE EXECUTIVE DIRECTOR TO SIGN RURAL DEVELOPMENT LOAN RESOLUTION

**FISCAL IMPACT:**

The signing of the Rural Development Loan Resolution recognizes the acceptance of the \$4.525 federal loan and its terms and conditions.

**BOARD ACTION AS FOLLOWS:**

No. 2001-335

On motion of Supervisor Blom , Seconded by Supervisor Caruso

and approved by the following vote,

Ayes: Supervisors: Mayfield, Blom, Simon, Caruso, and Chair Paul

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

Motion:

**SUBJECT:** AUTHORIZATION OF RURAL DEVELOPMENT LOAN RESOLUTION

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**DISCUSSION:** As you recall, the Agency accepted a \$4.525 million loan from Rural Development to construct a storm drainage system in the Salida Redevelopment Subarea. The terms and conditions of the loan include the execution of a loan resolution, of which a copy is attached.

This Loan Resolution is comparable to the Statement of Assurances that is required with all Community Development Block Grant Agreements. That Agreement has always been signed by a representative of the County and all statements made therein have been duly satisfied. Accordingly, the statements made in the Loan Resolution can be satisfied.

**POLICY  
ISSUES:**

The Redevelopment Plan for Stanislaus County identifies the provision of public infrastructure as a goal. Further, the Housing Element of the Stanislaus County General Plan identifies this activity as one that complements areas in which there is a significant stock of affordable housing.

**STAFFING  
IMPACT:**

Current staff will implement this activity.

**LOAN RESOLUTION**

(Public Bodies)

A RESOLUTION OF THE Board of DirectorsOF THE Stanislaus Cty. Redevelopment Agency

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Salida Storm Drainage Project

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE

WHEREAS, it is necessary for the Stanislaus Cty. Redevelopment Agency

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

FOUR MILLION FIVE HUNDRED TWENTY-FIVE THOUSAND AND XX / 100pursuant to the provisions of California Community Redevelopment Law ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.



**CERTIFICATION TO BE EXECUTED AT LOAN CLOSING**

I, the undersigned, as \_\_\_\_\_ of the **Stanislaus Cty. Redevelopment Agency**

hereby certify that the **Board of Directors** of such Association is composed of

\_\_\_\_\_ members, of whom \_\_\_\_\_ constituting a quorum, were present at a meeting thereof duly called and

held on the \_\_\_\_\_ day of \_\_\_\_\_ ; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of \_\_\_\_\_ ,  
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been  
rescinded or amended in any way.

Dated, this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Title \_\_\_\_\_

SITTING AS THE REDEVELOPMENT AGENCY

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Redevelopment Agency

Urgent \_\_\_\_\_ Routine X

CEO Concurs with Recommendation YES \_\_\_\_\_ NO \_\_\_\_\_  
(Information Attached)

BOARD AGENDA # VI-B

AGENDA DATE: May 1, 2001

4/5 Vote Required YES \_\_\_\_\_ NO X

**SUBJECT:**

ADOPTION OF FISCAL YEAR 2001/2002 BUDGET

**STAFF RECOMMENDATION:**

ADOPT THE 2001/2002 BUDGET

**FISCAL IMPACT:**

It is estimated that the Agency will receive \$1,500,000 in property tax increment, \$30,000 in loan payments, \$50,000 in earned interest, and \$544,757 in carryover funds from 2000/01. These amounts total \$2,124,757.

**BOARD ACTION AS FOLLOWS:**

No. 2001-336

On motion of Supervisor Blom, Seconded by Supervisor Mayfield

and approved by the following vote,

Ayes: Supervisors: Mayfield, Blom, Simon, and Chair Paul

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: Caruso

1) \_\_\_\_\_ Approved as recommended

2) \_\_\_\_\_ Denied

3) X Approved as amended

Motion:

**AMENDED ITEM TO DIRECT STAFF TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE 2001-02 BUDGET**



**DISCUSSION:** The 2001/2002 Redevelopment Agency Budget was prepared using the Implementation Plan and current obligations as guidelines. The following activities proposed for the 2001/2002 budget reflect those guidelines.

1. The Agency will continue its debt service obligations. Currently, the Agency has two (2) long-term debt obligations: the State Water Board (balance owed: \$2,123,333) and the Industrial Fire District (balance owed: \$317,092), and one (1) short-term obligation relating to the purchase of a storm water retention basin (balance owed: \$253,208). The 2001/2002 annual payments for the long-term debt are \$179,153 and \$25,000 respectively, and the short-term payment is 126,604.
2. The Agency will continue to participate in the Community Development Block Grant (CDBG) program. A \$1 million block of funds has been pledged as part of the 2001 CDBG application for sewer collection and transfer system construction. The results of that application will be known on or shortly after July 1, 2001. Since construction would occur during calendar year 2002, funds from more than one fiscal year can accommodate this commitment. Carryover funds from FY 2000/01, budgeted funds from FY 2001/02 and anticipation of funding from FY 2002/03 will be used for this project.
3. The Neighborhood Cleanup Program has been a success in previous years and an allocation of \$20,000 is proposed for 2001/2002.
4. Administration and Services are estimated to be \$250,000. This amount includes salaries and benefits (\$207,000) for two staff persons, as well as services performed on behalf of the Agency by other county departments (e.g., Planning and Community Development, County Counsel, MIS, Auditor-Controller and Public Works), services provided by others via Independent Services Contracts when necessary and appropriate (e.g. E.S. Taylor), general office overhead (mailing, printing, supplies, janitorial, phone, and the like), travel, publications, professional memberships and seminars (\$43,000).
5. Legal Counsel (Hyde, Miller, Owen and Trost of Sacramento) for the Agency respond, when requested by staff, on issues directly related to current and proposed activities as they may relate to California redevelopment law. This budget proposes \$5,000 for estimated legal counsel costs.
6. West Stanislaus Fire District has built a new facility in Westley and has requested redevelopment assistance for equipment/supplies. This budget proposes a \$3,000 amount for that purpose.
7. Stanislaus County has received a \$500,000 grant from the CalHOME Program for housing rehabilitation. No portion of the grant was identified as eligible to cover administrative costs. This budget proposes \$100,000 for that purpose. The 2000 Community Development Block Grant also funded housing rehabilitation. Through the procurement process, Self-Help Enterprises (SHE) was retained to administer this program. Staff proposes that SHE be also retained to administer this new grant.

**DISCUSSION**

**CONTINUED:**

8. The Agency continues with Project Salida. The storm drainage construction project, as well as the reconstruction of Broadway Avenue will commence and/or conclude during this budget year. A \$5 million loan has been approved by Rural Development for storm drainage. The balance of the project's cost, or approximately \$500,000, will be satisfied with budget carryover and funds from the 2001/2002 budget.

The Salida Mello-Roos Project committed \$750,000 to the reconstruction of Broadway Avenue. It is estimated that the total cost for this project will be \$1 million. This budget proposes an allocation of \$250,000 for this project.

This Rural Development loan will require the acquisition of interim construction financing. The cost of interim financing is estimated to be \$134,000. This expense will be included in the total amount of the bond issue. Once the construction is complete, the federal loan will buy out the interim financing and provide the Agency with a thirty year amortized loan. The payments on the federal loan will be approximately \$220,000 per year. These payments should commence in Fiscal Year 2002/03.

Below is a table of those activities described above.

ACTIVITY	DESCRIPTION	BUDGET
1	Debt Service	\$ 330,757
2	CDBG Application	\$ 666,000
3	Neighborhood Cleanup Program	\$ 20,000
4	Administration (includes staff, rent, overhead, and services provided by various county agencies)	\$ 250,000
5	Legal Services	\$ 5,000
6	West Stanislaus Fire	\$ 3,000
7	CalHOME Housing Rehabilitation	\$ 100,000
8	Salida Project	\$ <u>750,000</u>
	<b>TOTAL</b>	<b>\$2,124,757</b>

This budget and work plan was presented to and discussed with the Projects Review Committee members. The Committee members recommend it for approval by the Agency.

**POLICY  
ISSUES:**

This budget addresses both goals and objectives of the Redevelopment Agency and the Board of Supervisors. It also directly implements the General Plan, Capital Improvements Program and the Agency's Implementation Plan. The Redevelopment budget responds to several of the Board of Supervisor's goals and policies including the development of safe, healthy communities, economic development, community service delivery, and multi-jurisdictional cooperation.

**STAFFING**

**SUBJECT:** ADOPTION OF FISCAL YEAR 2001/2002 BUDGET  
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**STAFFING**

**IMPACT:**

There are two staff persons assigned to the Redevelopment Agency. Additional services provided by the Department of Planning and Community Development and various departments within county government are compensated within the Administrative Services budget item.