



Auditor-Controller/Treasurer/Tax Collector
Disbursements Division

RDA Dissolution Update

Oscar Valdez
Auditor-Controller/Treasurer/Tax Collector
September 13, 2016

www.SBCounty.gov

Oscar Valdez – Auditor-Controller/Treasurer/Tax Collector

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Oscar Valdez was appointed to the vacated elected position of Auditor-Controller/Treasurer/Tax Collector by the San Bernardino County Board of Supervisors on February 17, 2016. Prior to that appointment, he served as the Assistant Auditor-Controller/Treasurer/Tax Collector since May 2011, and was responsible for the management and oversight of the Auditor, Controller, Disbursements, and Treasurer divisions for the County of San Bernardino. Oscar has over 20 years of accounting, auditing, budgeting, finance, and management experience.

Oscar began his career with San Bernardino County in 2000 at the Auditor-Controller-Recorder's Office as an Internal Auditor II. He promoted through the ranks as General Accounting Supervisor, Accounting Manager, and Chief Deputy Controller, where he directed activities for the General Accounting, Fund Accounting, Property Tax, Accounts Payable, and Payroll sections. From 2006 through 2010, Oscar was the Finance Officer for the Treasurer-Tax Collector/Public Administrator's Office for the County of San Bernardino. He provided accounting and financial services for the Treasurer, Tax Collector and Public Administration divisions.

Prior to the County, Oscar was an Audit Supervisor for Vicenti, Lloyd & Stutzman LLP, planning and performing financial and compliance audits for a variety of areas, such as Colleges, School Districts K-12, and Non-Profit Organizations.

From 1986-1991, Oscar served honorably with the United States Army as a Sergeant in the 782nd Maintenance Battalion, 82nd Airborne Division, and with the 758th Maintenance Company, attached to 18th Airborne Corps, in Operation Desert Storm.

Mr. Valdez is a graduate of California State University, San Bernardino with a Bachelor of Science Degree in Business Administration with an emphasis in Accounting.



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RDA Dissolution Progress

RPTTF Disbursed since RDA Dissolution (FY 2011-12)*

RPTTF Revenue	\$ 2,733,618
Auditor-Controller Admin Cost	12,899
SB2557 / PTAF	21,534
State Controller Cost	591
Pass-through Distributions to ATEs	765,313
ROPS	
Enforceable Obligations	1,239,993
Admin Cost Allowance	30,708
Total ROPS	\$ 1,270,701
RPTTF Residual Balance	651,484
Total RPTTF Distributions	\$ 2,722,521
Balance - Held in trust due to Court Order	\$ 11,097

* Reported in thousands

DDR and Asset Liquidation Proceeds Allocated to ATEs

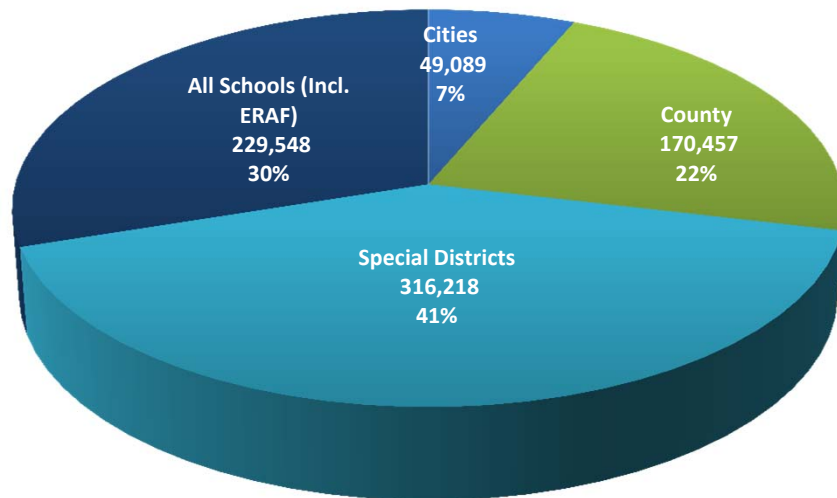
LMIHF DDR	\$ 126,047,921
Other Funds (OFA) DDR	278,574,779
Asset Liquidations	8,682,714
	\$ 413,305,413 **

**\$2,801,806 is pending distribution



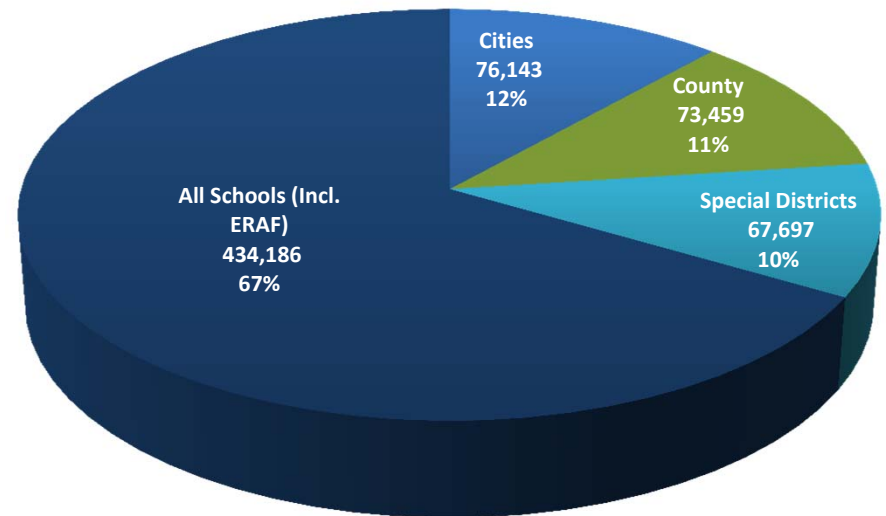
RDA Dissolution Progress

Total Pass-through Distributions to ATEs (Reported in thousands)



■ Cities ■ County ■ Special Districts ■ All Schools (Incl. ERAF)

Total Residual Distributions to ATEs (Reported in thousands)



■ Cities ■ County ■ Special Districts ■ All Schools (Incl. ERAF)

RDA Dissolution Progress

Status on Dissolution Tasks	Completed	Not Completed
Due Diligence Reviews (DDR)		
<i>Low-Mod Income Housing Fund (LMIHF)</i>	25	1*
<i>Other Funds (OFA)</i>	24	2**
SCO Asset Transfer Reviews	26	
Finding of Completion	24	2
Long Range Property Management Plan	22	4***

* 1 Agency has not made the required LMIHF DDR payment

** 2 Agencies have not made the required OFA DDR payment

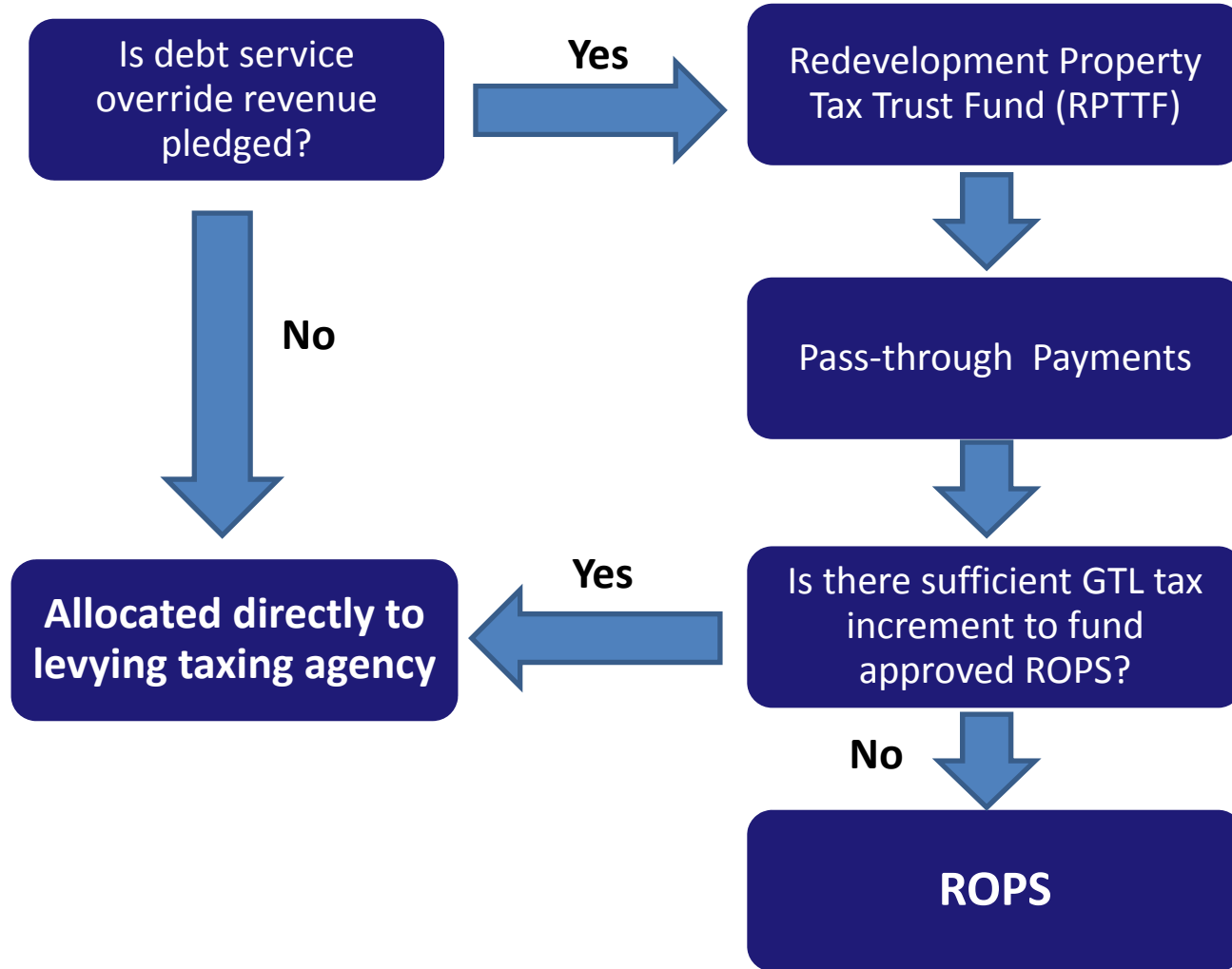
*** 4 Agencies did not get DOF approval on the LRPMP prior to deadline



SB 107 made amendments to redevelopment dissolution legislation previously outlined in ABx1 26 and AB 1484.

- Debt Service Override Revenue Distribution
- Annual ROPS Process
- Last and Final ROPS
- ROPS-Prior Period Reviews
- Mega Oversight Board

Flow of Debt Service Override Revenue



Annual ROPS

- SB 107 - HSC Section 34177(o)(1) - Shift from a 6 month period to a 12 month period ROPS for FY16-17
- Overview of the following processes in relation to the annual ROPS:

RPTTF Estimates (April 1 and October 1)

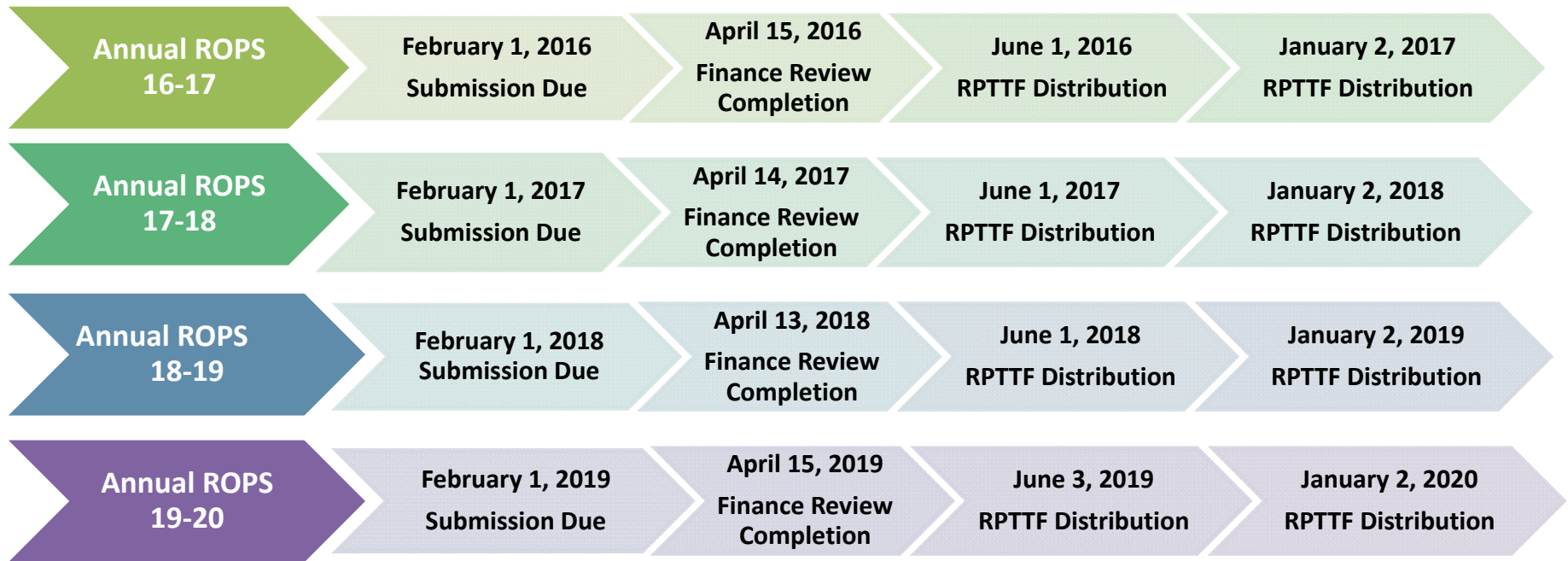
Insufficient Fund Claims (May 1 and December 1)

Amendments to Annual ROPS (due by October 1)

RPTTF Distributions

RPTTF Reports

Annual ROPS Timeline



Source: State of California, Department of Finance

Last and Final ROPS

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SB 107 - HSC Section 34191.6 Conditions outlined

Amendments to Last and Final ROPS

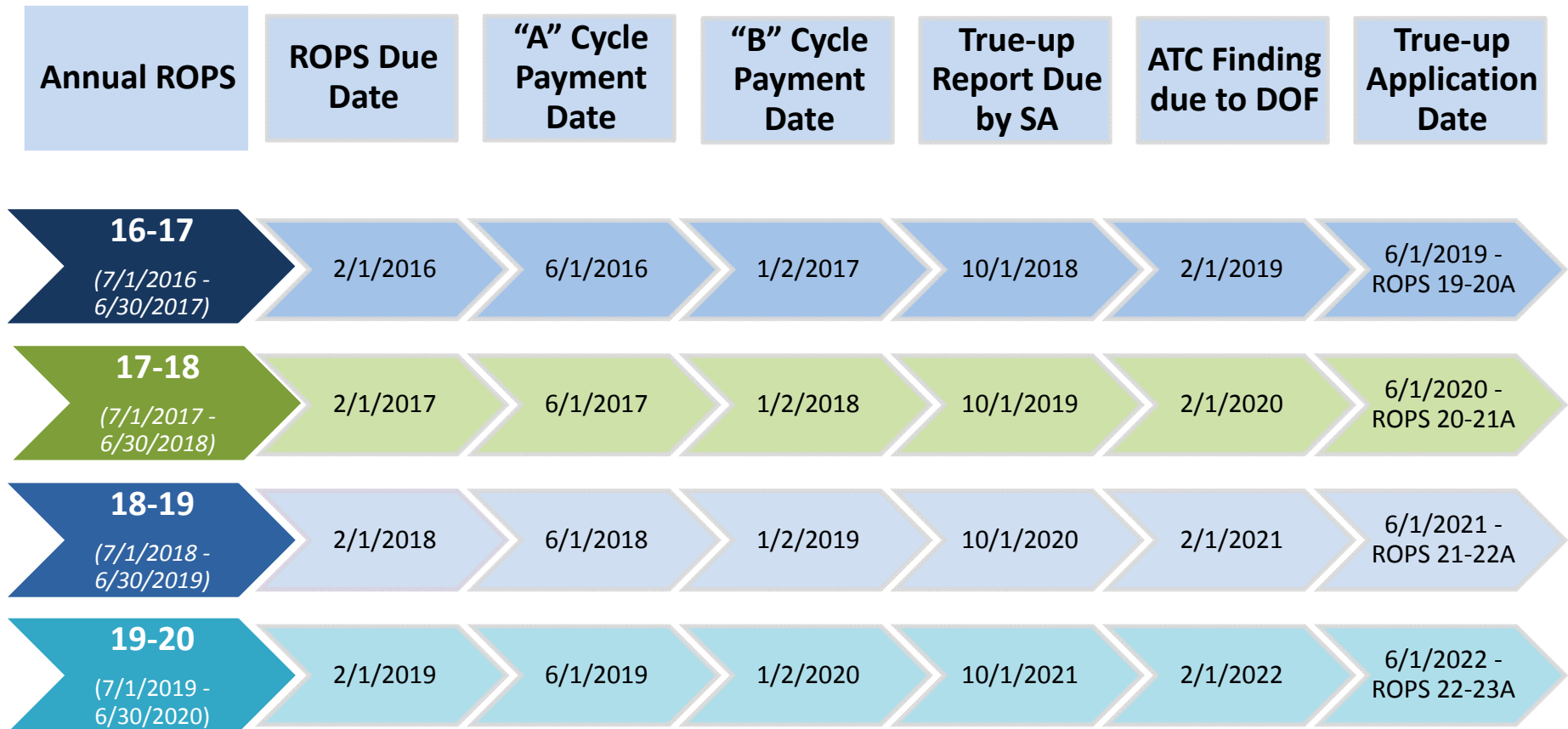
RPTTF Disbursement Process

Final Payment / Dissolution – Impact to Taxing Entities

ROPS – Prior Period Review

- HSC Section 34186(c) requires successor agencies to report differences between actual payments and past estimates on ROPS to the County Auditor-Controller.
- Commences on **October 1, 2018** and each **October 1** thereafter.
- County Auditor-Controller review process and expectations
- County Auditor-Controller shall provide true-up report and findings to DOF no later than **February 1, 2019**.

ROPS – Prior Period True-Up Timeline



*Payment dates are based on statute; please note if the date falls on a weekend, the RPTTF distribution and true-up application will occur on the next business day.



- The 26 Oversight Boards currently in place will consolidate into a single countywide Oversight Board on **July 1, 2018**.
- Oversight Board Structure and Selection Process
- Oversight Board shall be staffed by the County Auditor-Controller, or the County Auditor-Controller may select another county department or a City within the County.
- Implementation plan currently being developed.

Redevelopment Avenues Available

- **SB 628** - Enhanced Infrastructure Financing Districts (EIFD)
- **AB 2** – Community Revitalization Investment Authorities (CRIA)
- Coordination with the County – Contact Information

Community Development and Housing

- Dena Fuentes, Director:
- (909) 387-4411
- Dena.Fuentes@eda.sbcounty.gov

Auditor-Controller/ Treasurer/Tax Collector

- Linda Santillano, Property Tax Manager:
- (909) 382-3189
- linda.santillano@atc.sbcounty.gov

County Administrative Office

- Gregory C. Devereaux, Chief Executive Officer
- (909) 387-5418



Asset Liquidation Proceeds

- Proceeds from the sale of parcels identified on the Long Range Property Management Plan (LRPMP) to be liquidated shall be remitted to the County Auditor-Controller for distribution.
- Sale proceeds may be submitted via warrant or EFT to the County Auditor-Controller
- Documentation needed by County Auditor-Controller
 - Seller's Final Settlement Statement
 - Grant Deed
- Reporting Requirements



Economic Development Department
Division of Community Development and Housing

COMPENSATION AGREEMENTS

Dena Fuentes
Community Development and Housing Director
September 13, 2016

REDEVELOPMENT AGENCY DISSOLUTION PROCESS

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AB 26: Creation of Successor Agencies

- Asset Disposition

AB 1484: Requirements for Assets Transfers

- Long Range Property Management Plan
- Economic Development
- Governmental Purpose
- Liquidation

SB 107: Current Law for Asset Disposition

- Property Transfer General Guidance

SB 107 - Health and Safety Code
Section 34191.5

Addresses disposition and use of real
properties

Oversight Board and Department of
Finance approval prior to 12/31/2015

Long Range Property Management Plans Approval Process

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Approval Process

- Oversight Boards Approve Only
 - Liquidation Parcels
- No Oversight Board Approval
 - transfer of economic development
 - government use properties



Future
Development



Vacant Government
Use Land



Compensation Agreements Proceeds Distribution

Future
Development
Properties

- Transfers may result in Land Sale Proceeds for Taxing Entities

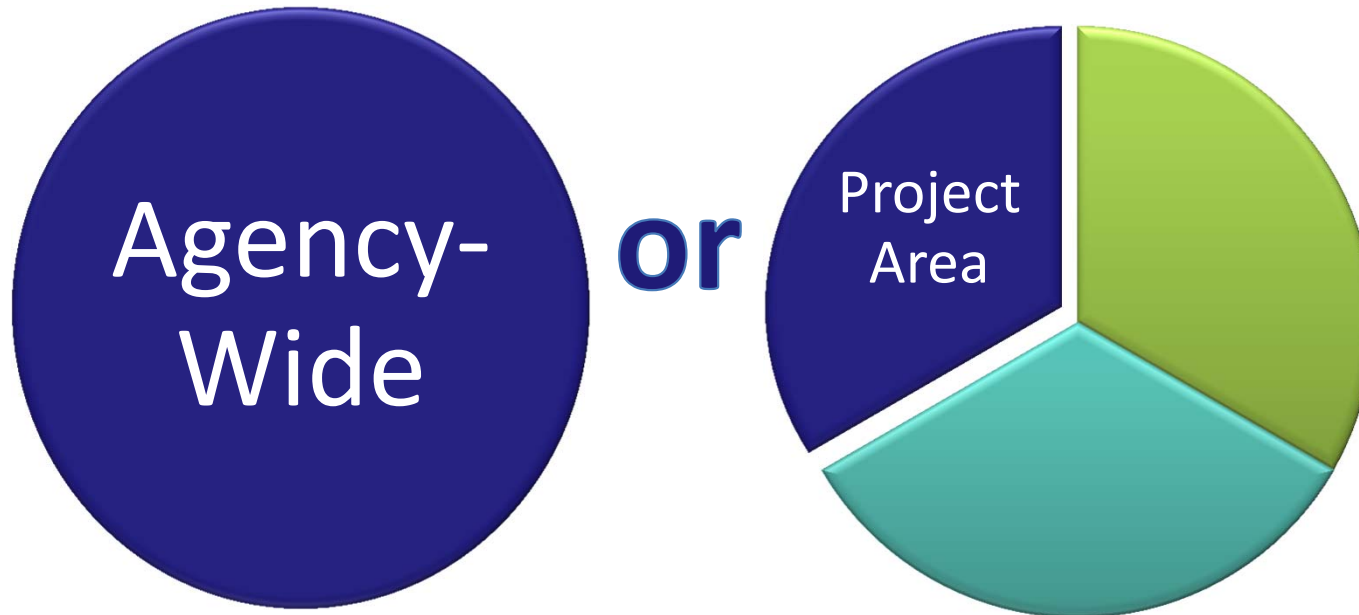
Net Sales
Proceeds

- = Gross Land Sales Proceeds – (maintenance, staff, insurance, site prep, legal, and other costs not funded with RPTTF)

Net
Distribution
Proceeds

- When the Property is sold

Successor Agencies Determine Affected Taxing Entities Percentages



Compensation Agreements Affected Taxing Entity Distribution

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County Auditor/Controller-
Treasurer-Tax Collector
provides Project Area or
Agency-Wide data



DISPOSITION PROCEEDS

AGENCY NAME	PROJECT AREA #1		PROJECT AREA #2		COMBINED PROJECTS	
	ANYWHERE RDA		ANYWHERE RDA			
	INCREMENT	% OF SHARE	INCREMENT	% OF SHARE	TRA INCREMENT	% OF SHARE
COUNTY GENERAL FUND	120,093	0.13481760	821,653	0.13483420	941,746	0.12814746
EDUCATION REVENUE AUGMENTATION FUND	181,849	0.19253701	1,244,177	0.19256088	1,426,026	0.19404562
FLOOD CONTROL	21,321	0.02257448	145,861	0.02257486	167,182	0.02274923
COUNTY FREE LIBRARY	11,630	0.01231400	79,563	0.01231400	91,194	0.01240914
SUPERINTENDENT OF SCHOOLS	425	0.00044996	2,907	0.00044992	3,332	0.00045340
CITY OF ANYWHERE	188,624	0.19971031	1,290,387	0.19971271	1,479,011	0.20125547
SAN BERNARDINO COMMUNITY COLLEGE	42,212	0.04469318	288,770	0.04469281	330,982	0.04503817
SOMEWHERE JOINT UNIFIED SCHOOL DISTRICT	250,580	0.26530745	1,714,224	0.26530983	1,964,803	0.26735942
COUNTY FIRE	97,620	0.10335713	667,821	0.10335846	765,441	0.10415688
INLAND VALLEY SPECIAL DIST.	1,172	0.00124059	7,711	0.00119336	8,882	0.00120865
SAN BERNARDINO VALLEY MUNI WATER	21,722	0.02299829	148,601	0.02299892	170,323	0.02317654
	937,247	1.00000000	6,411,674	0.99999995	7,348,921	1.00000000



Net Disposition Proceeds are to be distributed through Escrow, Not the Auditor/Controller-Treasurer-Tax Collector



Compensation Agreements - Additional Requirements

A Notice of Compensation Agreement is recorded to ensure County is contacted when Property is about to be sold



Compensation Agreements – Educational Revenue Augmentation Fund (ERAF)

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Per the Department of Finance, ERAF is not signatory to Compensation Agreement

ERAF will be distributed by Superintendent of Schools



Property Transferred for Economic Development Purposes

- Prepare a Summary Report Pursuant to Govt. Code Section 52201 and Notify Taxing Entities
- OR**
- Demonstrate an alternative process justifying the sale is for less than fair market value



Description of Intended Use of Property



**Determination of Taxing Entities:
Project Area or Agency-wide**



Net Proceeds Definition



Recorded Notice of Compensation Agreement



Recorded Release of Notice of Compensation Agreement



Net Disposition Proceeds Distributed through Escrow



Each County Taxing Entity should have it's own signature page, excluding ERAF



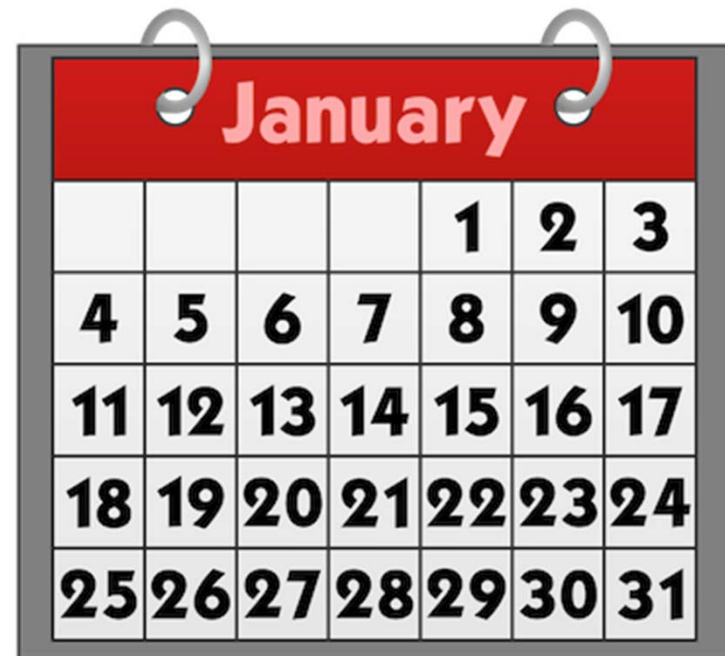
Land Disposition Notification



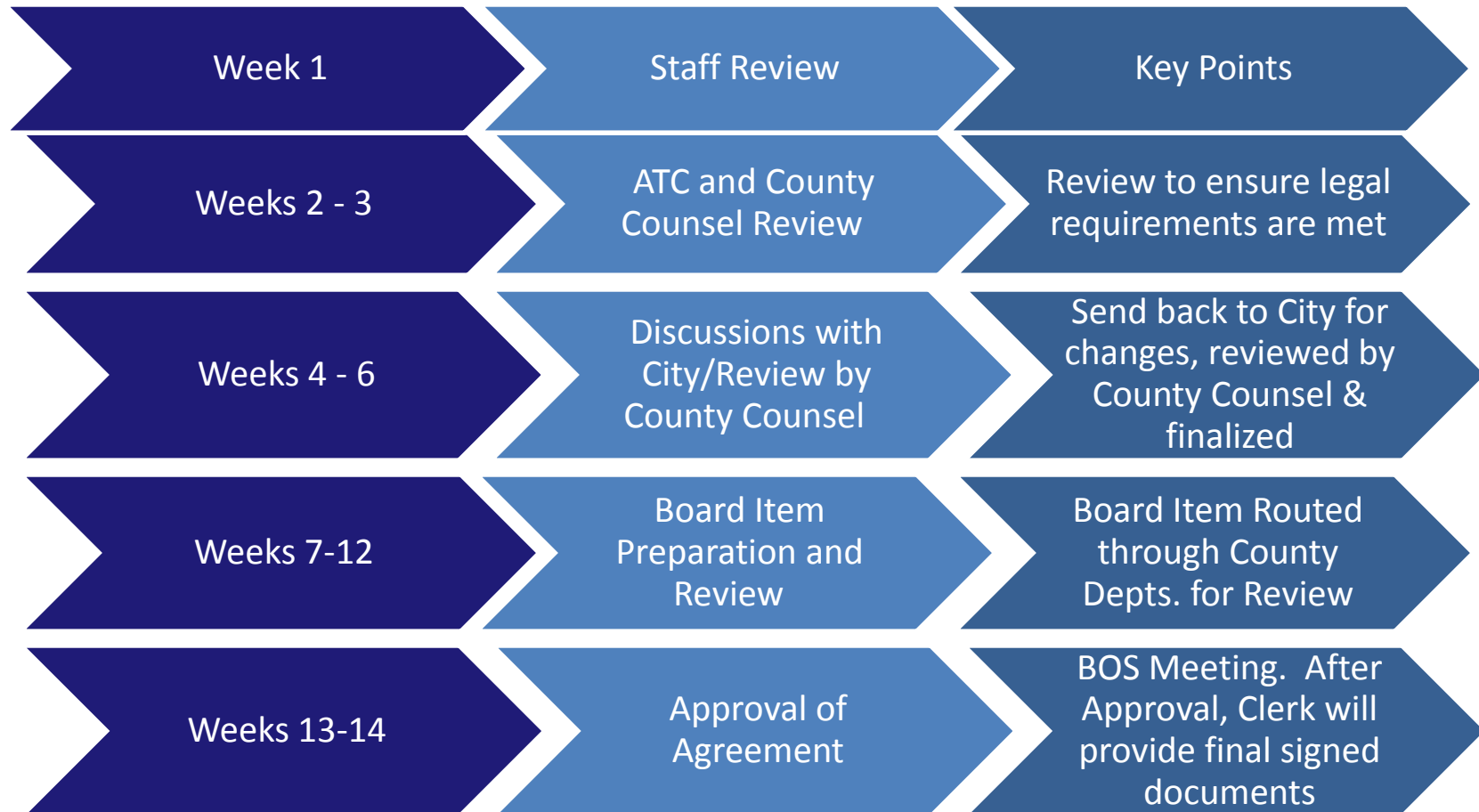
Return of Fully Executed Compensation Agreement to County

14 Weeks

- 14 Weeks to Process Compensation Agreement
- Assumes 6 week negotiations



Compensation Agreements Timeline Continued



*County reserves the right to make changes to timeline and requires a final executed compensation agreement for our records

LESSONS LEARNED

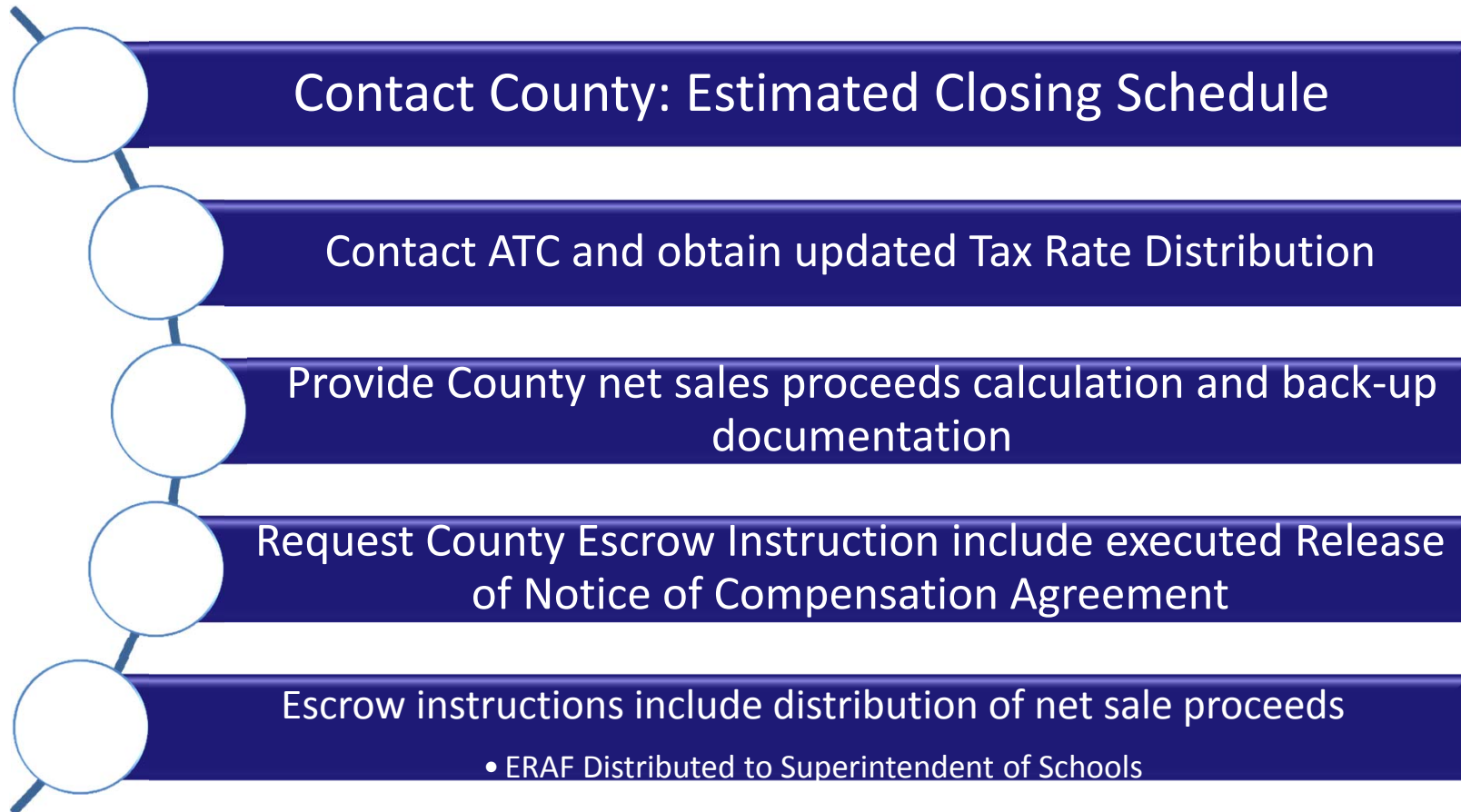
Review Standard County Language

Net Sales Proceed Options

Contact Auditor/Controller-Treasurer-Tax Collector for 1% Distribution Lists

Auditor/Controller-Treasurer-Tax Collector does not participate in net proceeds distribution

Don't obtain signatures of other taxing entities prior to County review



County of San Bernardino

- Dena Fuentes, Director:
- (909) 387-4411
- **Dena.Fuentes@eda.sbcounty.gov**
- County taxing entities lead

Auditor/Controller – Treasurer-Tax Collector

- <http://www.sbcounty.gov/atc>
- Linda Santillano, Property Tax Manager: (909) 382-3189
linda.santillano@atc.sbcounty.gov
- Provides property tax distribution lists