

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SANTA BARBARA
OVERSIGHT BOARD DRAFT MINUTES
Wednesday, January 24, 2018 – 2:00 p.m. to 3:00 p.m.
Marine Center Building, Waterfront Classroom
125 Harbor Way, Santa Barbara CA 93109**

MEMBERS:

<u> X </u> Meg Jetté, Chair , Santa Barbara County Education Office	<u> X </u> Paul Casey , City of Santa Barbara
<u> X </u> Carolle Van Sande, Vice Chair , (2:05 p.m.) Member of Public	<u> X </u> Renee Brooke , Former Agency Employee Representative, City of Santa Barbara
<u> X </u> Jeff Frapwell , County of Santa Barbara	<u> X </u> Joseph Toney , Santa Barbara County Flood Control and Water Conservation District (1:37 p.m.)
<u> - </u> Vacant , California Community Colleges	<u> X </u> Mark Manion , Oversight Board Counsel

STAFF:

Ariel Calonne, City Attorney, City of Santa Barbara
Sarah Knecht, Assistant City Attorney, City of Santa Barbara
Brian J. Bosse, Waterfront Business Manager, City of Santa Barbara
Sue Gray, Community Development Business Manager, City of Santa Barbara

ORDER OF BUSINESS

- I. **CALL TO ORDER:** 2:01 p.m.
- II. **CHANGES TO THE AGENDA:** None.
- III. **PUBLIC COMMENT:** None.
- IV. **APPROVAL OF MINUTES**
 - A. September 27, 2017 Oversight Board Meeting
Motion to Approve: Frapwell, Toney seconds. 5-0 Approved.
- V. **CONSENT AGENDA**
- VI. **ITEMS SCHEDULED FOR ACTION/DISCUSSION**
 - A. Update on Legislation (Mark Manion);
None.
 - B. That the Oversight Board adopt a resolution of the Oversight Board of the
Successor Agency to the Redevelopment Agency of the City Of Santa

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Barbara approving ROPS 18-19 for the period of July 1, 2018 through June 30, 2019.

Bosse explained that the ROPS 18-19 is status quo except for one item, the Cabrillo Pavilion project. Remnant bond funds of approximately \$470,000 were reprogrammed to the project. This amount is included in the total outstanding debt or obligation of \$8,552,404 in line 19 of the ROPS. The remnant bond funds were from remaining unspent funds from previous recognized enforceable obligations. The remaining unallocated funds are from interest on the bonds. See handout Cabrillo Pavilion Renovation Bond Project for details. As the Cabrillo Pavilion project is not fully funded, we are requesting the remnant bond funds be moved to another enforceable obligation. (The 2001 and 2003 bond funds are kept separate and we would expense out of the appropriate bond fund.) The only outstanding project is the Chase Palm Park Wisteria Arbor which is an obligation with the Parker family.

Jetté asked if this is legal.

Knecht replied that it is legal. Health and Safety code 34191.4 says that once an RDA receives its notice of completion, the agency issued bonds prior to 12/31/10, and they have excess unspent bond funds remaining, those bond funds can be spent on RDA projects that need to be completed. In 2013, the OB was presented with a list of projects recognized in the implementation plan of the RDA, including the Cabrillo Pavilion. The projects on the list are complete except for the Cabrillo Pavilion. Now the excess funds need to be allocated to the remaining project.

Frapwell agreed that the legislation allows RDAs to reprogram the excess funds but asked if the bond documents permitted it.

Knecht answered that an opinion from their bond counsel in 2013 indicated that excess bond proceeds could be expended on projects that were recognized in the bond document. The bond documents do not list specific projects, the bond covenants say RDA projects. The implementation plan for the RDA lists the projects.

Frapwell responded that the bonds are essentially revenue bonds where they don't have to name individual projects.

Toney asked if the \$8.5 million will complete the Cabrillo Pavilion project and if not, will the funds reprogrammed to the project be spent.

Casey answered that the Cabrillo Pavilion project is about \$9 million short. A construction contract was awarded and the City is committed to getting the project done. The reprogrammed bond funds would be the first to be spent. The City will do a public fundraising campaign for \$4 million. The rest of the funds will either come from reserves or Measure C.

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Brooke asked in the interest of full disclosure, what would happen to the remnant bond funds if they were not reprogrammed to the Cabrillo Pavilion.

Casey replied that we would have to identify a different project on the list of approved projects. However, the Cabrillo Pavilion is our top priority.

Frapwell summarized that as long as the bonds are revenue bonds and do not specify projects, this is fine.

Motion to approve: Frapwell, Brooke seconds. Approved 6-0

A discussion was held as to how the OB will morph into a County wide OB by July 1, 2018.

VII. ADJOURNMENT 2:23 pm

A. Future Meeting(s): TBD