

OB RESOLUTION NO. 12-10

A RESOLUTION OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY OF THE CITY OF GREENFIELD REDEVELOPMENT AGENCY OF THE CITY OF GREENFIELD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 1, 2013, THROUGH JUNE 30, 2013, AND AUTHORIZING TRANSMITTAL TO THE MONTEREY COUNTY AUDITOR-CONTROLLER, COUNTY ADMINISTRATIVE OFFICER, AND CALIFORNIA DEPARTMENT OF FINANCE PURSUANT TO AB X-26 AND AB 1484

WHEREAS, as part of the 2011-12 State budget bill, the California State Legislature recently enacted, and the Governor signed, companion bills ABx-26 and ABx-27, which eliminate every Redevelopment Agency unless the community that created it adopts an ordinance agreeing to participate in an Alternative Voluntary Redevelopment Program which requires the payment of an annual “community remittance” payment; and

WHEREAS, ABx-26 also required Redevelopment Agencies to adopt, by August 27, 2011, an Enforceable Obligation Payment Schedule (“EOPS”) which was meant to serve as the basis for the payment of the Redevelopment Agency’s outstanding financial obligations through December 31, 2011; and

WHEREAS, the Redevelopment Agency adopted an EOPS in accordance with law; and

WHEREAS, the California League of Cities and the California Redevelopment Association filed suit in the Supreme Court of the State of California challenging the constitutionality of ABx-26 and ABx-27; and

WHEREAS, on December 29, 2011, the Supreme Court announced its ruling to uphold Assembly Bill ABx-26 (dissolution of Redevelopment Agencies), but overturning and invalidating Assembly Bill ABx-27 (allowing Redevelopment Agencies to continue with voluntary payments to the State); and

WHEREAS, due to the timing of the Supreme Court ruling, the original dates within the language of ABx-26 changed and a void has occurred in the original EOPS schedule. Therefore, the Redevelopment Agency adopted an Amended Enforceable Obligation Payment Schedule (“Amended EOPS”) which **from January 1, 2012 to June 30, 2012** if the Recognized Obligation Payment Schedule has been certified and approved; and

WHEREAS, The Amended EOPS was posted on the Redevelopment Agency’s website and transmitted to the State Controller, State Department of Finance, and the Monterey County Auditor-Controller; and

WHEREAS, Health and Safety Code Section 34177 requires the City acting as the Successor Agency to adopt the EOPS as their own; and

WHEREAS, Health and Safety Code Section 34177 permits Successor Agencies to amend the EOPS at any public meeting of the Successor Agency and shall be subject to the approval of the Oversight Board as soon as there are enough members to form a quorum. The EOPS shall be posted on the Successor Agency or legislative body's internet website for at least three business days before payments may be made pursuant to the amendment, and send notification of the amendment with a link to the website to the Monterey County Auditor-Controller, State Controller, and State Department of Finance; and

WHEREAS, the Successor Agency adopted and amended the Redevelopment Agency's EOPS; and

WHEREAS, pursuant to a provision of ABx-26, codified as Health and Safety Code Section 34177, the Successor Agency has approved the draft Recognized Obligation Payment Schedule (the "ROPS") covering the period of February 1, 2012 through June 30, 2012 and the period of July 1, 2012 through December 31, 2012, and authorized transmittal to State Controller, State Department of Finance and Monterey County Auditor-Controller, and

WHEREAS, the Oversight Board of Successor Agency of the City of Greenfield Redevelopment Agency approves the Recognized Obligation Schedule (the "ROPS") covering the period of July 1, 2012 through December 31, 2012, and

WHEREAS, the Oversight Board of Successor Agency of the City of Greenfield Redevelopment Agency considered the Recognized Obligation Payment Schedule (the "ROPS") covering the period of January 1, 2013, and June 30, 2013 attached herein and incorporated by reference.

WHEREAS, the Oversight Board considered and agreed to adding four additional claims from the Greenfield Union School District, Monterey County Office of Education, Hartnell College, and South Monterey County Joint Union High School District in amounts estimated in four demand letters attached and incorporated herein by reference and included in line items on the subject ROPS III which may constitute additional obligations.

NOW, THEREFORE, the Oversight Board of Successor Agency of the City of Greenfield Redevelopment Agency of the City of Greenfield, does hereby find, determine and resolve as follows:

Section 1, The recitals set forth above are true and correct and incorporated herein by reference; Section 2, Hereby, approves and authorizes transmittal of the ROPS (ROPS III) covering the period of January 1, 2013 through June 30, 2013, in substantially the form attached hereto as Exhibit A, as required by the recently enacted legislation ABx-26; and AB 1484

Section 3, The Oversight Board is hereby authorized and directed to transmit a copy of the ROPS III to the Monterey County Auditor-Controller, Monterey County Administrative Officer, State Controller, and Department of Finance.

The above and foregoing resolution was duly and regularly passed and adopted at a special meeting by the Oversight Board of Successor Agency to the City of Greenfield Redevelopment Agency, held on the 27th day of August, 2012, by the following vote:

AYES: Chair Morris, Vice Chair Brown, Secretary Javier, Board Member Lopez, Board Member Mugan, Board Member Rodriguez and Board Member Slama

NOES: None

ABSTAIN: None

ABSENT: None

Chair, Oversight Board

Secretary, Oversight Board

[illegible]

RECEIVED
JAN 26 2012

CITY OF GREENFIELD



Serving:
Arroyo Seco, Bitterwater-Tully, Bradley,
Fort Hunter-Liggett, Greenfield,
King City, Lockwood, San Antonio,
San Ardo, and San Lucas Communities

SOUTH MONTEREY COUNTY JOINT UNION HIGH SCHOOL DISTRICT
800 Broadway Street, King City, CA 93930 • 831-385-0606 • FAX 831-385-0695

January 25, 2012

Brent Slama

Community Development Director
Greenfield Redevelopment Agency
599 El Camino Real
Greenfield, CA 93927

RE: Demand for Payment of Delinquent Tax Increment Revenues and for Inclusion in County Auditor-Controller's Audit Pursuant to Health and Safety Code 34182

Dear Mr. Slama:

As you know, the California Supreme Court recently upheld Assembly Bill ("AB") 1X 26, which orders the dissolution of all redevelopment agencies by February 1, 2012, including the following Redevelopment Agencies (collectively "RDAs"):

- Greenfield Redevelopment Agency
- King City Redevelopment Agency

When the RDA dissolves, its existing obligations, including its duty to make proper pass-through payments to the South Monterey County High School District ("District"), will shift to a successor agency.

Therefore, prior to the RDA's dissolution, we wish to notify you and reiterate some of the claims of the District as a result of the RDA's failure to properly calculate and allocate pass-through payments. The District is an affected taxing entity for redevelopment project area managed by the RDA. As shown on the attached financial overview (Attachment #1), the District believes that the RDA has incorrectly calculated the amount of tax increment to be passed-through the District. This miscalculation is believed to have resulted in a significant loss to the District and will result in an even larger deficit in the future, if not corrected.

GREENFIELD High School
225 S. El Camino Real
Greenfield, CA 93927
831-674-2751

KING CITY High School
720 Broadway Street
King City, CA 93930
831-385-5461

PORTOLA-BUTLER
Continuation High School
760 Broadway Street
King City, CA 93930
831-385-4661

SOUTH MONTEREY COUNTY
Charter Independent Study Program
215 S. El Camino Real
Greenfield, CA 93927
831-674-3275

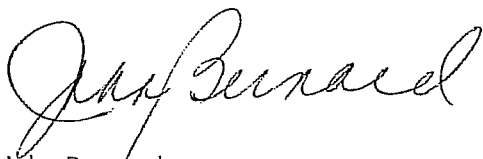
Please take notice that this letter constitutes the District's demand, under all applicable laws, including the Government Claims Act if applicable, that payment of all past due amounts be made immediately.

In addition, it is our understanding that under Health & Safety Code section 34182 (added by AB X1 26), that the County Auditor-Controller must conduct an audit of "each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation Payment Schedule." The District hereby requests that the County Auditor-Controller review and analyze payments from prior fiscal years when conducting its audit pursuant to Health & Safety Code section 34182.

We value our relationship with our cities and RDAs, and we hope to resolve this matter as quickly as possible. If you have any questions or require additional information, please contact Kajal Vora at 949.250.8389.

Thank you for your prompt attention to this matter.

Sincerely,



John Bernard
State Administrator

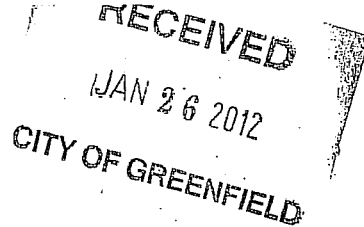
Enclosures

cc: Sandra Woliver, Dannis-Woliver-Kelley Legal Firm
Garry P Bousum, Associate Superintendent Finance and Business,
Monterey County Office of Education
Kajal Vora, Associate Director, Dolinka Group, LLC

Attachment #1
Financial Overview
South Monterey County High School District

Redevelop- ment Agency	Payment Type	Discrepancy (Owed Amount)	Reason for Discrepancy
			Discrepancy (2% Payments): 2% payments are not being paid in accordance with former Health and Safety Code Section 33676. - The project area was adopted between 1985 through 1993 and does not have a contractual pass-through agreement, and therefore is automatically entitled to 2% payments according to former Health and Safety Code Section 33676 and under the following case law: <i>Santa Ana Joint Union High LEA v. Orange County Development Agency</i> ("Santa Ana Decision") - Neither the RDA nor the Auditor Controller's Office has made any payments pursuant to former Health and Safety Code 33676 - Please start calculating redevelopment payments in accordance with former Health and Safety Code Section 33676.
King City	2%	\$128,665	
		Unknown	Discrepancy (Improper exclusion of ERAF when calculating share of property taxes) - RDAs must allocate pass-through payments in proportion to the percentage share of property taxes each affected taxing entity receives. - RTC 97.2(d)(5) and 97.3(d)(5) require that "for purposes of allocations made pursuant to Section 96.1 or its predecessor section for the 1993-94 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than amounts deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681 of the Health and Safety Code [Supplemental Educational Revenue Augmentation Fund], shall be deemed property tax revenue..." - Please revise the calculation of redevelopment payments to include our full share of property taxes

Greenfield (includes Greenfield Original and Greenfield Amended)	AB 1290	\$38,982	<i>Discrepancy (Supplementals):</i> AB 1290 Supplemental Payments are not being paid in accordance with Health and Safety Code Section 33607.5. • Tier 1 payments according to Section 33607.5(b) should be based on "tax increment received by the agency after the amount deposited in the Low and Moderate Income Housing Fund has been deducted." • The calculations show that the tax increment received according to the equalized roll is being distributed to the LEA, however any type of supplemental taxes are not taken being distributed to the LEA as they should be. • Please revise the calculation of redevelopment payments using supplementals in Tier I
		Unknown	<i>Discrepancy (Improper exclusion of ERAF when calculating share of property taxes)</i> • RDAs must allocate pass-through payments in "proportion to the percentage share of property taxes each affected taxing entity...receives during the fiscal year the funds are allocated" pursuant to HSC 33607.5(a)(2). • <i>Los Angeles Unified School District v. County of Los Angeles, et al</i> (2010) 181 Cal.App.4th 414, clarifies that RDAs must include payments made to an Education Revenue Augmentation Fund in calculating the "percentage share of property taxes." • The California Supreme Court has denied all appeal petitions for this case, making the LAUSD Decision final and binding on RDAs statewide. • Please revise the calculation of redevelopment payments to include our full share of property taxes



Trevor McDonald, Superintendent
Greenfield Union School District
493 El Camino Real, Greenfield, CA, 93927
(831) 674-2840, Ext. 2027

Today's Learners, Tomorrow's Leaders

493 El Camino Real

Greenfield, CA 93927

Phone: 831-674-2840

Fax: 831-674-3712

January 25, 2012

Brent Slama
Community Development Director
Greenfield Redevelopment Agency
599 El Camino Real
Greenfield, CA 93927

Michael J Miller, CPA, CISA
Auditor-Controller
Monterey County Auditor-Controller
168 West Alisal Street, 3rd Floor
Salinas, CA 93901

**RE: Demand for Payment of Delinquent Tax Increment Revenues and for Inclusion in
County Auditor-Controller's Audit Pursuant to Health and Safety Code 34182**

As you know, the California Supreme Court recently upheld Assembly Bill ("AB") 1X 26, which orders the dissolution of all redevelopment agencies by February 1, 2012, including the Greenfield Redevelopment Agency ("RDA"). When the RDA dissolves, its existing obligations, including its duty to make proper pass-through payments to the Greenfield Union School District ("District"), will shift to a successor agency.

Therefore, prior to the RDA's dissolution, we wish to notify you and reiterate some of the claims of the District as a result of the RDA's failure to properly calculate and allocate pass-through payments. The District is an affected taxing entity for redevelopment project areas managed by the RDA. As shown on the attached financial overview (Attachment #1), the District believes that the RDA has incorrectly calculated the amount of tax increment to be passed-through the District. This miscalculation is believed to have resulted in a significant loss to the District and will result in an even larger deficit in the future, if not corrected.

Please take notice that this letter constitutes the District's demand, under all applicable laws, including the Government Claims Act if applicable, that payment of all past due amounts be made immediately.

Maria A. Castillo, Board President ■ Sonia M. Heredia, Clerk ■ Laura Caballero, Member
Arthur Salvagno, Member ■ Jose Vasquez, Member



Trevor McDonald, Superintendent
Greenfield Union School District
493 El Camino Real, Greenfield, CA, 93927
(831) 674-2840, Ext. 2027

Today's Learners, Tomorrow's Leaders

493 El Camino Real

Greenfield, CA 93927

Phone: 831-674-2840

Fax: 831-674-3712

In addition, it is our understanding that under Health & Safety Code section 34182 (added by AB X1 26), that the County Auditor-Controller must conduct an audit of "each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation Payment Schedule." The District hereby requests that the County Auditor-Controller review and analyze payments from prior fiscal years when conducting its audit pursuant to Health & Safety Code section 34182.

We value our relationship with our cities and RDAs, and we hope to resolve this matter as quickly as possible. If you have any questions or require additional information, please contact Kajal Vora at 949.250.8389.

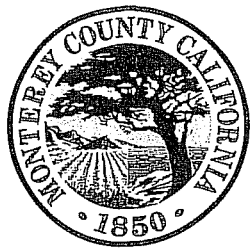
Thank you for your prompt attention to this matter.

Sincerely,

Melody Canady
Assistant Superintendent, Business

Enclosures

cc: Lozano Smith, Counsel
Garry Bousum, Associate Superintendent Finance and Business Services,
Monterey County Office of Education
Kajal Vora, Associate Director, Dolinka Group, LLC



Monterey County Office of Education

Leadership, Support, and Service to Prepare All Students for Success

January 24, 2012

RECEIVED

JAN 26 2012

CITY OF GREENFIELD

Dr. Nancy Kotowski
County Superintendent of Schools

Brent Slama
Community Development Director
Greenfield Redevelopment Agency
599 El Camino Real
Greenfield, CA 93927

and

Redevelopment Agency Directors (see Distribution List)

RE: Demand for Payment of Delinquent Tax Increment Revenues and for Inclusion in County Auditor-Controller's Audit Pursuant to Health and Safety Code 34182

As you know, the California Supreme Court recently upheld Assembly Bill ("AB") 1X 26, which orders the dissolution of all redevelopment agencies by February 1, 2012, including the following Redevelopment Agencies (collectively "RDAs"):

- County of Monterey Redevelopment Agency
- Gonzales Redevelopment Agency
- Greenfield Redevelopment Agency
- King City Redevelopment Agency
- Marina Redevelopment Agency
- Salinas Redevelopment Agency
- Sand City Redevelopment Agency
- Seaside Redevelopment Agency
- Soledad Redevelopment Agency

When the RDA dissolves, its existing obligations, including its duty to make proper pass-through payments to the Monterey County Office of Education ("COE"), will shift to a successor agency.

Therefore, prior to the RDA's dissolution, we wish to notify you and reiterate some of the claims of the COE as a result of the RDA's failure to properly calculate and allocate pass-through payments. The COE is an affected taxing entity for redevelopment project areas managed by RDAs. As shown on the attached financial overview (Attachment #1), the COE believes that the RDAs have incorrectly calculated the amount of tax increment to be passed-through the COE. This miscalculation is believed to have resulted in a significant loss to the COE and will result in an even larger deficit in the future, if not corrected.

Please take notice that this letter constitutes the COE's demand, under all applicable laws, including the Government Claims Act if applicable, that payment of all past due amounts be made immediately.

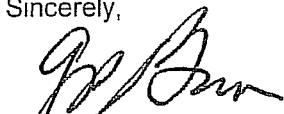
In addition, it is our understanding that under Health & Safety Code section 34182 (added by AB X1 26), that the County Auditor-Controller must conduct an audit of "each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation

Payment Schedule." The COE hereby requests that the County Auditor-Controller review and analyze payments from prior fiscal years when conducting its audit pursuant to Health & Safety Code section 34182.

We value our relationship with our County, cities, and RDAs, and we hope to resolve this matter as quickly as possible. If you have any questions or require additional information, please contact Kajal Vora at 949.250.8389.

Thank you for your prompt attention to this matter.

Sincerely,



Gerry P. Bousum
Associate Superintendent
Finance and Business Services

Enclosures

GPB:cd

cc: Dr. Nancy Kotowski, County Superintendent of Schools
Lou Lozano, Lozano Smith Attorneys at Law
Kajal Vora, Associate Director, Dolinka Group, LLC

Distribution:

Tom Truszkowski
Community Development Director
Gonzales Redevelopment Agency
147 Fourth Street
Gonzales, CA 93926

Brent Slama
Community Development Director
Greenfield Redevelopment Agency
599 El Camino Real
Greenfield, CA 93927

Michael Powers
Community Development Director
King City Redevelopment Agency
212 South Vanderhurst Avenue
King City, CA 93930

Doug Yount
Redevelopment Director
Marina Redevelopment Agency
211 Hillcrest Avenue
Marina, CA 93933

Jim Cook
Redevelopment Director
Monterey County Redevelopment Agency
168 West Alisal Street, 3rd Floor
Salinas, CA 93901

Fred Meurer
Redevelopment Director
580 Pacific Street
Monterey, CA 93940

Alan Stumpf
Redevelopment Director
Salinas Redevelopment Agency
159 Main Street
Salinas, CA 93901

Steve Matarazzo
City Administrator
Sand City Redevelopment Agency
1 Sylvan Park
Sand City, CA 93955

Diana Ingersoll, PE
Resource Management Services
Seaside Redevelopment Agency
440 Harcourt Avenue
Seaside, CA 93955

Steve McHarris
Community and Economic Development Director
Soledad Redevelopment Agency
248 Main Street
Soledad, CA 93960

Michael J Miller, CPA, CISA
Auditor-Controller
Monterey County Auditor-Controller
168 West Alisal Street, 3rd Floor
Salinas, CA 93901

Attachment #1
Financial Overview

Redevelop-ment Agency	Project Area	Payment Type	Discrepancy (Owed Amount)	Reason for Discrepancy
2% Discrepancy (2004/2005 to 2008/2009):				
King City	King City	2%	\$128,665	Discrepancy (2% Payments): 2% payments are not being paid in accordance with former Health and Safety Code Section 33676. - The project area was adopted between 1985 through 1993 and does not have a contractual pass-through agreement, and therefore is automatically entitled to 2% payments according to former Health and Safety Code Section 33676 and under the following case law: <i>Santa Ana Joint Union High LEA v. Orange County Development Agency</i> ("Santa Ana Decision") - Neither the RDA nor the Auditor Controller's Office has made any payments pursuant to former Health and Safety Code 33676 - Please start calculating redevelopment payments in accordance with former Health and Safety Code Section 33676.
Sand City	Sand City		\$30,884	
Salinas	Sunset Ave '90 Anx		\$47,563	
Seaside	Gateway Auto Center Expansion		\$2,720	
	Boronda		\$10,717	
County	Castroville-Pajaro	2%	\$38,469	
AB 1290/SB 211 Discrepancy (2004/2005 to 2006/2007):				
Gonzales	Gonzales	AB 1290	\$2,268	Discrepancy (Supplementals): AB 1290 Supplemental Payments are not being paid in accordance with Health and Safety Code Section 33607.5. - Tier 1 payments according to Section 33607.5(b) should be based on "tax increment received by the agency after the amount deposited in the Low and Moderate Income Housing Fund has been deducted." - The calculations show that the tax increment received according to the equalized roll is being distributed to the LEA, however any type of supplemental taxes are not taken being distributed to the LEA as they should be. - Please revise the calculation of redevelopment payments using supplementals in Tier I
	Gonzales Amended			
Greenfield	Greenfield		\$7,845	
	Greenfield Amended			
Seaside	Fort Ord	AB 1290	\$29,666	
	Gateway '97 Anx		\$2,007	Discrepancy (Not Paid at all): - Pursuant to Section 33607.5, the County Office is owed money for this project area, however the RDA nor the Auditor Controller have calculated any pass-through payments for this project area. - Please start calculating redevelopment payments in accordance with former Health and Safety Code Section 33607.5

Seaside				Discrepancy (Not Paid at all): - Pursuant to Section 33607.5, the County Office is owed money for this project area, however the RDA nor the Auditor Controller have calculated any pass-through payments for this project area for fiscal year 2004/2005 - Please start calculating redevelopment payments in accordance with former Health and Safety Code Section 33607.5 Discrepancy (Supplementals): AB 1290 Supplemental Payments are not being paid in accordance with Health and Safety Code Section 33607.5. - Tier 1 payments according to Section 33607.5(b) should be based on "tax increment received by the agency after the amount deposited in the Low and Moderate Income Housing Fund has been deducted." - The calculations show that the tax increment received according to the equalized roll is being distributed to the LEA, however any type of supplemental taxes are not taken being distributed to the LEA as they should be. - Please revise the calculation of redevelopment payments using supplementals in Tier I Discrepancy (Tier II Payments): Statutory Tier II payments are not being paid in accordance with Health and Safety Code Section 33607.5 and 33607.7. - Health and Safety Code Section 33607.5 (c) states that "commencing with the 11th fiscal year in which the agency receives tax increment...a redevelopment agency shall pay to affected entities an amount equal to 21 percent of the portion of tax increment" - The project area is in Tier II and requires Tier II payments, however they are not being made - Please revise the calculation of redevelopment payments to include these Tier II payments.
	Laguna Grande/Laguna Grande '97 Anx	Other Statutory/ AB 1290	\$1,941	
Other Statutory Discrepancies (2004/2005 to 2006/2007)				
Seaside	Gateway	Other Statutory	\$1,947	Discrepancy (Tier II Payments): Statutory Tier II payments are not being paid in accordance with Health and Safety Code Section 33607.5 and 33607.7. - Health and Safety Code Section 33607.5 (c) states that "commencing with the 11th fiscal year in which the agency receives tax increment...a redevelopment agency shall pay to affected entities an amount equal to 21 percent of the portion of tax increment" - The project area is in Tier II and requires Tier II payments, however they are not being made - Please revise the calculation of redevelopment

				payments to include these Tier II payments. Discrepancy (Incorrect Base Year) • Payments are not being calculated in accordance with HSC 33607.7(b) regarding the base year value: "The adjusted base year assessed value shall be the assessed value of the project area in the year in which the limitation being amended would have taken effect without the amendment or, if more than one limitation is being amended, the first year in which one or more of the limitations would have taken effect without the amendment." • When the time limit of the effectiveness of the redevelopment plan was extended from 1986/1987 to 2006/2007 by Ordinance 842 on December 15, 1994, the applicable base year was automatically modified to 1986/1987. Please revise the calculation of redevelopment payments using the correct base year.
Seaside				
	Noche Buena	Other Statutory	\$956	Discrepancy (not paid for 2004/2005) The LEA was not paid for 2004/2005. Please calculate the pass-through payment for 2004/2004 in accordance with Health and Safety Code Section 33607.7.
Soledad	Soledad	SB 211	\$3,534	Discrepancy (Base Year Value) The RDA was using a different base year assessed valuation. The RDA has revised their calculation to use the correct base year assessed valuation. Please make payments to the LEA for the calculated amount.
Unknown Statutory Discrepancies (2007/2008 – 2008/2009)				
2007/2008	All Statutory Project Areas		\$3,419	Discrepancy (Improper application of HSC 33607.5 and HSC 33607.7 when calculating pass-through payments): The calculation performed by our audit has been done in accordance with HSC 33607.5 and HSC 33607.7, while it appears that the RDA's calculation is not done accordingly. Please revise the calculation of redevelopment payments to be in compliance with this section, and any other applicable statutes.
2008/2009			\$2,167	
ERAF Discrepancy				
All	All Project Areas with 2% Payments	Unknown		Discrepancy (Improper exclusion of ERAF when calculating share of property taxes) • RDAs must allocate pass-through payments in proportion to the percentage share of property taxes each affected taxing entity receives. • RTC 97.2(d)(5) and 97.3(d)(5) require that "for purposes of allocations made pursuant to Section 96.1 or its predecessor section for the 1993-94

			fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than amounts deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681 of the Health and Safety Code [Supplemental Educational Revenue Augmentation Fund], shall be deemed property tax revenue..." • Please revise the calculation of redevelopment payments to include our full share of property taxes
All	All Statutory Project Areas	Unknown	<i>Discrepancy (Improper exclusion of ERAF when calculating share of property taxes)</i> • RDAs must allocate pass-through payments in "proportion to the percentage share of property taxes each affected taxing entity...receives during the fiscal year the funds are allocated" pursuant to HSC 33607.5(a)(2). • <i>Los Angeles Unified School District v. County of Los Angeles, et al</i> (2010) 181 Cal.App.4th 414, clarifies that RDAs must include payments made to an Education Revenue Augmentation Fund in calculating the "percentage share of property taxes." • The California Supreme Court has denied all appeal petitions for this case, making the LAUSD Decision final and binding on RDAs statewide. • Please revise the calculation of redevelopment payments to include our full share of property taxes.

HARTNELL COLLEGE



411 CENTRAL AVENUE
SALINAS, CA 93901

www.hartnell.edu

January 30, 2012

Brent Slama
Community Development Director
Greenfield Redevelopment Agency
599 El Camino Real
Greenfield, CA 93927

DR. PHOEBE K. HELM
SUPERINTENDENT/PRESIDENT

931-755-6000
FAX: 931-755-7941
CELL: 931-315-5714

RE: Demand for Payment of Delinquent Tax Increment Revenues and for
Inclusion in County Auditor-Controller's Audit Pursuant to Health
and Safety Code 34182

Dear Mr. Slama:

BOARD OF TRUSTEES

President
ERICA FADILLA-CHAVEZ
District 6

Vice President
CANDI DEPALW
District 7

DEMETRIO PRUJEDA
District 1

BILL FREEMAN
District 2

PATRICIA DONOHUE
District 3

ELIA GONZALEZ CASTRO
District 4

RAY MONTEMAYOR
District 5

Student Trustee
JUAN M. GUTIERREZ

As you know, the California Supreme Court recently upheld Assembly Bill ("AB") 1X 26, which orders the dissolution of all redevelopment agencies by February 1, 2012, including the Redevelopment Agencies (collectively "RDAs"):

- County of Monterey Redevelopment Agency
- Gonzales Redevelopment Agency
- Greenfield Redevelopment Agency
- King City Redevelopment Agency
- Marina Redevelopment Agency
- Salinas Redevelopment Agency
- Soledad Redevelopment Agency

When the RDA dissolves, its existing obligations, including its duty to make proper pass-through payments to the Hartnell Community College District ("District"), will shift to a successor agency. Therefore, prior to the RDA's dissolution, we wish to notify you and reiterate some of the claims of the District as a result of the RDA's failure to properly calculate and allocate pass-through payments.

The District is an affected taxing entity for redevelopment project areas managed by the RDA. As shown on the attached financial overview (Attachment #1), the District believes that the RDA has incorrectly calculated the amount of tax increment to be passed-through the District. This miscalculation is believed to have resulted in a significant loss to the District and will result in an even larger deficit in the future, if not corrected.

Demand for Payment
January 30, 2012
Page 2

Please take notice that this letter constitutes the District's demand, under [the Agreement and] all applicable laws, including the Government Claims Act if applicable, that payment of all past due amounts be made immediately.

In addition, it is our understanding that under Health & Safety Code section 34182 (added by AB X1 26), that the County Auditor-Controller must conduct an audit of "each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation Payment Schedule." The District hereby requests that the County Auditor-Controller review and analyze payments from prior fiscal years when conducting its audit pursuant to Health & Safety Code section 34182.

We value our relationship with our cities and RDAs, and we hope to resolve this matter as quickly as possible. If you have any questions or require additional information, please contact Kajal Vora at (949) 250-8389.

Thank you for your prompt attention to this matter.

Sincerely,



Dr. Phoebe K. Helm
Superintendent/President

Enclosure

c: Liebert, Cassidy, Whitmore, Counsel
Garry P. Bousum, Associate Superintendent Finance and Business, M. C. O. E.
Kajal Vora, Associate Director, Dolinka Group, LLC

Redevelopment Agency	Project Area	Payment Type	Discrepancy (Owed Amount)	Reason for Discrepancy
2% Discrepancy (2004/2005 to 2008/2009):				
King City	King City	2%	\$92,381	Discrepancy (2% Payments): 2% payments are not being paid in accordance with former Health and Safety Code Section 33676. - The project area was adopted between 1985 through 1993 and does not have a contractual pass-through agreement, and therefore is automatically entitled to 2% payments according to former Health and Safety Code Section 33676 and under the following case law: <i>Santa Ana Joint Union High LEA v. Orange County Development Agency</i> ("Santa Ana Decision") - Neither the RDA nor the Auditor Controller's Office has made any payments pursuant to former Health and Safety Code 33676 - Please start calculating redevelopment payments in accordance with former Health and Safety Code Section 33676.
Salinas	Sunset Ave '90 Anx		\$142,275	
County	Boronda		\$32,059	
	Castroville-Pajaro		\$115,073	
AB 1290 Discrepancy (2004/2005 to 2008/2009)				
Gonzales	Gonzales	AB 1290	\$8,342	Discrepancy (Supplementals): AB 1290 Supplemental Payments are not being paid in accordance with Health and Safety Code Section 33607.5. - Tier 1 payments according to Section 33607.5(b) should be based on "tax increment received by the agency after the amount deposited in the Low and Moderate Income Housing Fund has been deducted." - The calculations show that the tax increment received according to the equalized roll is being distributed to the LEA, however any type of supplemental taxes are not taken being distributed to the LEA as they should be. - Please revise the calculation of redevelopment payments using supplementals in Tier I
Greenfield	Gonzales Amended		\$27,551	
	Greenfield			
Soledad	Greenfield Amended		\$12,646	
	Soledad 2006 Amendment			

Other Statutory Discrepancies				
Salinas	Central City	SB 211	\$44,612	Discrepancy (Incorrect Payment Amount): - One LEAs payments are incorrectly made to another LEA. - The back-up calculation has been done correctly for all LEAs however, the actual payment made to each LEA is different than what is calculated. - Please remit payment according to the calculation made by the RDA and/or Auditor Controller
Soledad	Soledad	SB 211	\$10,569	Discrepancy (Base Year Value) The RDA was using a different base year assessed valuation. The RDA has revised their calculation to use the correct base year assessed valuation. Please make payments to the LEA for the calculated amount.
ERAF Discrepancy				
All	All Project Areas with 2% Payments	Unknown		Discrepancy (Improper exclusion of ERAF when calculating share of property taxes) - RDAs must allocate pass-through payments in proportion to the percentage share of property taxes each affected taxing entity receives. - RTC 97.2(d)(5) and 97.3(d)(5) require that "for purposes of allocations made pursuant to Section 96.1 or its predecessor section for the 1993-94 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than amounts deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681 of the Health and Safety Code [Supplemental Educational Revenue Augmentation Fund], shall be deemed property tax revenue..." - Please revise the calculation of redevelopment payments to include our full share of property taxes
All	All Statutory Project Areas	Unknown		Discrepancy (Improper exclusion of ERAF when calculating share of property taxes) - RDAs must allocate pass-through payments in "proportion to the percentage share of property taxes each affected taxing entity...receives during the fiscal year the funds are allocated" pursuant to HSC 33607.5(a)(2). <i>Los Angeles Unified School District v. County of Los Angeles, et al</i> (2010) 181 Cal.App.4th 414, clarifies that RDAs must include payments made to an Education Revenue Augmentation Fund in calculating the "percentage share of property taxes." - The California Supreme Court has denied all appeal petitions for this case, making the LAUSD Decision final and binding on RDAs statewide. - Please revise the calculation of redevelopment payments to include our full share of property taxes.