

City of Folsom  
City of Galt  
City of Isleton  
City of Sacramento  
County of Sacramento

**SACRAMENTO COUNTYWIDE  
OVERSIGHT BOARD**

**Oversight Board Members**  
La Shelle Dozier  
Troy Givans  
Amar Hariharan  
Terri R. Laimbach  
Mario Rodriquez  
Tamara J. Sanchez  
Jay Schenirer

**APPROVED**  
BOARD OF DIRECTORS

NOV 16 2020  
*Florence Evans*  
BY \_\_\_\_\_  
Clerk of the Board

**For the Agenda of:** November 16, 2020  
**Agenda Item Number:** 1

**To:** Sacramento Countywide Oversight Board  
**From:** Sacramento Countywide Oversight Board Staff  
**Subject:** Review And Finalize Draft Correspondence To Successor Agencies  
**Contact:** Jeffrey A. Emslie, Senior Accounting Manager, (916) 874-8262  
Deon Merene, Counsel to Oversight Board, (916) 874-2545

**Overview**

Successor Agencies are entitled to recover administrative costs related to their legally authorized work in winding down the business of their respective redevelopment agencies.

**Background**

At the Countywide Oversight Board meeting of May 11, 2020, the Board discussed the issue of potentially excessive administrative costs by some Successor Agencies and their lack of documentation to support such costs. The Board requested legal counsel and the Auditor-Controller’s office to draft a letter on the Board’s behalf, addressed to Successor Agencies regarding administrative costs.

**Discussion**

Counsel and the Auditor-Controller prepared a draft letter and sent it to the Oversight Board on October 22, 2020 via email.

**Recommendation**

Oversight Board staff recommend the Board take the following action:

- 1) Finalize and approve the draft correspondence to Successor Agencies, and
- 2) Direct Oversight Board staff to distribute the letter to all Successor Agencies.

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To: Sacramento County Successor Agencies

From: Sacramento Countywide Oversight Board

Subject: The Legal Obligation and Authority of the Oversight Board to Monitor and Adjust Administrative Costs

The Countywide Oversight Board (oversight board) has a fiduciary duty to holders of enforceable obligations and taxing entities that benefit from distributions as described in Health and Safety Code (HSC) § 34179 (i). This fiduciary duty includes ensuring that successor agencies support their administrative claims with sufficient documentation to avoid misappropriating the Redevelopment Property Tax Trust Fund (RPTTF). The oversight board also has the legal authority to reduce administrative costs in the interest of preserving funds for the benefit of holders of obligations and affected taxing entities. HSC § 34171.

Effective October 1, 2018 and each October 1, thereafter, all successor agencies are required to submit to the county auditor-controller for review of the "...differences between actual payments and past estimated obligations on a Recognized Obligation Payment Schedule ..." pursuant to Health and Safety Code Section 34186(c). On December 19, 2019, the county auditor-controller requested 2017-2018 documentation from all successor agencies, which included a specific request for documentation of actual expenses (invoices, time records, etc.).

On January 6, 2020, the oversight board requested to see the latest available documentation for administrative costs of all Sacramento County successor agencies. FY 2017-18 documentation of actual administrative costs is the latest available to the county auditor-controller as the result of the Prior Period Adjustment (PPA) process. Not all successor agencies submitted to the county auditor-controller the required documentation of actual payments. One successor agency was nonresponsive while two other successor agencies provided budget data instead of actual payment documentation. All successor agencies should be mindful of their statutory obligation to provide to the county auditor-controller documentation of actual administrative costs.

If there continues to be a lack of reporting of actual administrative costs, the oversight board will exercise its legal authority to reduce administrative costs consistent with documentation of actual payments.

**No Board Action Memo**

**Sacramento Countywide Oversight Board**

**MEETING DATE:**

**THURSDAY, NOVEMBER 16, 2020**

**Subject:       Comments From The Agency Staff**

**Board Action: No Board Action Taken – John Lundgren  
announced the next Board meeting is scheduled  
for January 11<sup>th</sup>, 2021**

# **No Board Action Memo**

**Sacramento Countywide Oversight Board**

**MEETING DATE:**

**THURSDAY, NOVEMBER 16, 2020**

**Subject:       Comments From The Board Member**

**Board Action: No comments were made.**

**SCRAMENTO COUNTY  
COUNTYWIDE OVERSIGHT BOARD  
MEETING DATE:**

**MONDAY, NOVEMBER 16, 2020**

**NO MATERIAL**

**COMMENTS FROM THE BOARD MEMBERS**

# **No Board Action Memo**

**Sacramento Countywide Oversight Board**

**MEETING DATE:**

**THURSDAY, NOVEMBER 16, 2020**

**Subject:       Comments From The Public**

**Board Action: No public comments were made.**

**SCRAMENTO COUNTY  
COUNTYWIDE OVERSIGHT BOARD  
MEETING DATE:**

**MONDAY, NOVEMBER 16, 2020**

**NO MATERIAL**

**COMMENTS FROM THE PUBLIC**