

SUCCESSOR AGENCY AGENDA: FEBRUARY 18, 2014

SCHEDULED MATTER

SUBJECT: REVIEW AND APPROVAL OF DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: As of February 1, 2012, the Porterville Redevelopment Agency ("Agency") was dissolved and the City Council assumed the responsibility of acting and serving as the governing body of the "Successor Agency," a separate legal entity from the City, pursuant to Parts 1.8 and 1.85 of Division 24 of the Health & Safety Code ("Dissolution Act"). The Dissolution Act requires the Successor Agency to administer the enforceable obligations of the former Agency and otherwise unwind the Agency's affairs subject, where applicable, to the review and approval by the seven-member Oversight Board.

On June 27, 2012, the Legislature passed, and the Governor signed, AB 1484. The primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act. Included in AB 1484 was a change to the schedule for adoption of a Recognized Obligation Payment Schedule ("ROPS") for the period ending June 30, 2013, and all subsequent ROPS. The California Department of Finance (DOF) implemented a new ROPS naming convention to be associated with the fiscal year that the ROPS is related to and the time period (A-the first half of the fiscal year and B-the second half of the fiscal year). Under AB 1484, a Successor Agency and its Oversight Board are required to submit the ROPS 14-15A by March 1, 2014, for the June 1st distribution of the semi-annual Redevelopment Property Tax Trust Fund (RPTTF) distribution.

Pursuant to Section 34177(1)(1) of the Dissolution Act, for each recognized obligation, the ROPS 13-14B shall identify one or more of the following sources of payment:

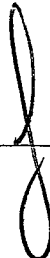
- (A) Low and Moderate Income Housing Fund.
- (B) Bond proceeds.
- (C) Reserve balances.
- (D) Administrative cost allowance.
- (E) The RPTTF, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

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(F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the Oversight Board.

The draft ROPS 14-15A, included as Attachment No. 1, includes comparable listings of Enforceable Obligations as were set forth in the DOF-approved first, second and third ROPS and subsequent ROPS 13-14B. The DOF approved the Finding of Completion for the Successor Agency. With this approval, the Successor Agency was allowed to place loan agreements between the former redevelopment agency and the City on the ROPS as an enforceable obligation pursuant to the criteria in Health and Safety Code Section 34191.4. The Finding of Completion also allows the Successor Agency to utilize remaining bond proceeds.

Section 34177(l)(2)(B) of the Dissolution Act requires the Successor Agency to submit the ROPS 14-15A to the Oversight Board for approval, and concurrently with the submission of the ROPS to the Oversight Board, the Successor Agency is required to transmit the ROPS 14-15A to the County Administrative Officer, the County Auditor-Controller, and the DOF. Section 34177(l)(2)(C) requires that, once the Oversight Board has approved the ROPS 14-15A, the ROPS 14-15A be sent to the County Auditor-Controller, the State Controller's Office, the DOF, and that the ROPS 14-15A be posted on the Successor Agency's website.

Section 34177(m) of the Dissolution Act requires the Successor Agency to complete the Third ROPS and each subsequent ROPS in the manner directed by the DOF. The DOF provided a pre-populated ROPS template and instructions for the ROPS 14-15A. As the format is still under revision and there have been issues with the provided template, staff recommends that the Successor Agency review and approve the ROPS 14-15A as provided and authorize the Successor Agency's Executive Director, and/or the Finance Director or their authorized designees, to also augment, modify, add or revise the ROPS 14-15A as may be necessary to comply with requirements imposed by the DOF.

RECOMMENDATION: That the Successor Agency adopt a Resolution approving the Recognized Obligation Payment Schedule 14-15A for the period of July 1, 2014, through December 31, 2014, provided that should any modification be required to the ROPS 14-15 A by the DOF, the Executive Director and/or the Finance Director shall be authorized to make any augmentation, modification, additions or revisions as may be necessary to conform the ROPS 14-15A to requirements imposed by the DOF and direct Successor Agency staff to submit the ROPS 14-15A to the Oversight Board.

ATTACHMENT:

1. Recognized Obligation Payment Schedule for the period of July 1, 2014 through December 31, 2014
2. A Resolution of the Successor Agency to the Porterville Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS 14-15A) for the Period July 1, 2014, to December 31, 2014, Subject to Submittal to, and Review and Approval by, the Oversight Board and California Department of Finance pursuant to California Health & Safety Code, Division 24, Part 1.85, as amended by Assembly Bill 1484; and Authorizing Posting and Transmittal Thereof

(Note that the action of the Oversight Board to approve the ROPS 14-15A shall not become effective for 45 days after the ROPS has been submitted to the DOF.)

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Porterville
Name of County: Tulare

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A Sources (B+C+D):	\$ 1,965,435
B Bond Proceeds Funding (ROPS Detail)	1,965,435
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 396,667
F Non-Administrative Costs (ROPS Detail)	345,667
G Administrative Costs (ROPS Detail)	51,000
H Current Period Enforceable Obligations (A+E):	\$ 2,362,102

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	396,667
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 396,667

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	396,667
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	396,667

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments
ROPS 13-14A Actuals (07/01/13 - 12/31/13)								
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	2,624,162					(34,918)	
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013	12,466				1,268	236,271	
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs		4			1,268	295,144	
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A	671,189						(C) \$671,189 is retained as restricted reserve funds for the 2008 bonds required by bond indentures and the REDIP loan required by the State of California.
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.			No entry required				-
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 1,965,435	\$ -	\$ -	\$ -	\$ -	\$ (93,791)	
ROPS 13-14B Estimate (01/01/14 - 06/30/14)								
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 2,636,624	\$ -	\$ -	\$ -	\$ -	\$ (93,791)	
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014						407,358	
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)						481,389	
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B	671,189						(C) \$671,189 is retained as restricted reserve funds for the 2008 bonds required by bond indentures and the REDIP loan required by the State of California.
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 1,965,435	\$ -	\$ -	\$ -	\$ -	\$ (167,822)	

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
16	Bond proceeds are scheduled to be utilized in the ROPS 14-15A period for the acquisition (\$820,000) and the balance (\$1,145,435) on the demolition/cleanup and hazardous waste abatement of the old Porterville Hotel property (Porterville Hotel Project) as per the bond indenture and as approved by the Oversight Board (Resolution No. 2012-05) on May 9, 2012.
17	New loan between the City of Porterville and the Successor Agency approved by the Oversight Board on February 7, 2014. The loan is to reimburse the City of Porterville for debt service payments and admin costs due to RPTTF shortfall. The repayment amount requested is the maximum amount authorized for the fiscal year 2014-2015 per HSC 34191.4 (b)(2).

RESOLUTION NO. _____

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 14-15A) FOR THE PERIOD JULY 1, 2014, TO DECEMBER 31, 2014, SUBJECT TO SUBMITTAL TO, AND REVIEW AND APPROVAL BY, THE OVERSIGHT BOARD AND CALIFORNIA DEPARTMENT OF FINANCE PURSUANT TO CALIFORNIA HEALTH & SAFETY CODE, DIVISION 24, PART 1.85, AS AMENDED BY ASSEMBLY BILL 1484; AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

WHEREAS, the Porterville Redevelopment Agency ("Agency") was established as a redevelopment agency, organized and existing under the California Community Redevelopment Law, Health & Safety Code Section 33000, et seq. ("CRL"), and was authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Porterville ("City"); and

WHEREAS, Assembly Bill 1X 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code ("Dissolution Act"), pursuant to which (1) all redevelopment agencies in California were dissolved on February 1, 2012, and (2) successor agencies were formed for the purpose of winding down the affairs of the former redevelopment agencies; and

WHEREAS, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, by a resolution considered and approved by the City Council of the City at an open public meeting, the City Council chose to serve as the governing body of the Successor Agency to the dissolved Agency, a separate legal entity, under the Dissolution Act; and

WHEREAS, as of and on and after February 1, 2012, the City serves and acts as the Successor Agency and the City will perform the functions of the Successor Agency under the Dissolution Act to administer the enforceable obligations of the former Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member Oversight Board ("Oversight Board"); and

WHEREAS, pursuant to Section 34171(h) of the Dissolution Act, a "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivisions (l) and (m) of Section 34177 of the Dissolution Act; and

WHEREAS, pursuant to subdivisions (l) and (m) of Section 34177 of the Dissolution Act, the City, acting as Successor Agency to the Agency, has prepared its Recognized Obligation Payment Schedule ("ROPS") for the period covering July 1, 2014 through December 31, 2014, in the form attached to this Resolution as Exhibit A and incorporated herein by this reference; and

WHEREAS, pursuant to Section 34191.4 of the Health and Safety Code that with the Department of Finance's approval of the Finding of Completion, the Successor Agency has placed loan agreements between the former redevelopment agency and the City on the ROPS as an enforceable obligation pursuant to the criteria in Health and Safety Code Section 34191.4 as well as allowing the Successor Agency to utilize remaining bond proceeds for projects; and

**ATTACHMENT
ITEM NO. 2**

WHEREAS, by this Resolution, pursuant to Section 34177(1)(2)(B) of the Dissolution Act, as amended by AB 1484, the City Council, serving as and on behalf of the Successor Agency, approves the ROPS and authorizes the transmittal of the ROPS to the Oversight Board and concurrently to the County Administrative Officer, the County Auditor-Controller, and the State Department of Finance; and

WHEREAS, pursuant to Section 34177(1)(2)(C) of the Dissolution Act, a copy of the ROPS shall be submitted to the County Auditor-Controller, the State Controller's Office, the State Department of Finance and shall be posted on the City's/Successor Agency's website promptly upon approval thereof by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY:

1. The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the Successor Agency.
2. The Successor Agency hereby approves the ROPS in the format provided by the State Department of Finance attached hereto as Exhibit A.
3. The City Manager or his authorized designees on behalf of the Successor Agency shall cause the ROPS to be transmitted concurrently to the Oversight Board, the County Administrative Officer, the County Auditor-Controller, and the State Department of Finance.
4. The City Manager or his authorized designees on behalf of the Successor Agency shall, upon approval of the ROPS by the Oversight Board, transmit the approved ROPS to the County Auditor Controller, the State Controller's Office, and the State Department of Finance, and shall cause the approved ROPS to be posted on the City's website.
5. This Resolution shall be effective immediately upon adoption.
6. The City Clerk, on behalf of the Successor Agency, shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 18th day of February, 2014.

By:

Cameron J. Hamilton, Chair

ATTEST:

John D. Lollis, Agency Secretary

Patrice Hildreth, Chief Deputy Agency Secretary