

OVERSIGHT BOARD AGENDA: FEBRUARY 26, 2014

SCHEDULED MATTER

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

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: On February 1, 2012, the Porterville Redevelopment Agency ("Agency") was dissolved. Since that date, the City Council acts and serves 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. The first half of the fiscal year is now referred to as "A" and the second half of the fiscal year is now referred to as "B". Under AB 1484, a Successor Agency and its Oversight Board are required to submit the ROPS 14-15 A by March 1, 2014, for the June 1st distribution of the semiannual Redevelopment Property Tax Trust Fund (RPTTF) distribution.

Pursuant to Section 34177(l)(1) of the Dissolution Act, for each recognized obligation the ROPS 13-14 B 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 Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

- (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 ROPS 14-15 A (as approved by the Successor Agency) is included as Attachment No. 1 to this agenda report and includes comparable listings of Enforceable Obligations as were set forth in the DOF-approved first, second and third ROPS, subsequent ROPS, most recently to include ROPS 13-14B.

An Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review; provided, however, pursuant to Section 34177(m) as to each ROPS submitted to the DOF of which an Administrative Budget is part, the DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations on each ROPS submitted no later than 45 days after submittal.

On August 7, 2013, the DOF approved the Finding of Completion for the Successor Agency. With this approval the Successor Agency was able to place loan agreements between the former redevelopment agency and the City on the ROPS as an enforceable obligation pursuant to the criteria in Section 34191.4. The Finding of Completion also allows the Successor Agency to utilize remaining bond proceeds. The Porterville Hotel Project was added to the prior ROPS 13-14 B.

On February 18, 2014, the Successor Agency approved the ROPS 14-15 A and, as per Section 34177(1)(2)(B) of the Dissolution Act, is now submitting the ROPS 14-15 A to the Oversight Board for approval. Section 34177(1)(2)(C) requires that, once the Oversight Board has approved the ROPS 14-15 A, that it is sent to the County Auditor-Controller, the State Controller's Office, and the DOF, and that the ROPS 14-15 A be posted on the Successor Agency's website.

RECOMMENDATION: That the Oversight Board adopt the attached Oversight Board Resolution approving the ROPS 14-15 A 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 City Manager 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 County Auditor-Controller, State Controller's Office and the DOF.

ATTACHMENT:

1. Recognized Obligations Payment Schedule for the period of July 1, 2014 through December 31, 2014.
2. Oversight Board Resolution Approving the Recognized Obligation Payment Schedule 14-15 A for the Period July

1, 2014 to December 31, 2014, Subject to Submittal to, and Review and Approval by, the 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.

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). |
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RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15 A FOR THE PERIOD JULY 1, 2014 THROUGH DECEMBER 31, 2014, SUBJECT TO SUBMITTAL TO, AND REVIEW AND APPROVAL BY, THE 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., 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 x1-26 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 of Porterville 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, by resolution on February 18, 2014, the Successor Agency adopted the Recognized Obligation Payment Schedule (“ROPS”) pursuant to Section 34177 of the Dissolution Act and has submitted such ROPS to the Oversight Board; and

WHEREAS, the Oversight Board has received, reviewed, and desires to approve the ROPS, for the period of July 1, 2014 through December 31, 2014; 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:

1. The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the Oversight Board.

2. The Oversight Board hereby approves the ROPS in substantially the form attached hereto as Exhibit A and incorporated herein, together with such augmentation, modification, additions or revisions as the City Manager and/or the Finance Director or their authorized designees may make thereto, in particular to comply with requirements imposed by the California Department of Finance.

3. 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.

4. This Resolution shall be effective immediately upon adoption.

5. The Secretary to the Oversight Board shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 26th day of February, 2014.

By: _____
Dr. John Snavely, Chair
Oversight Board to the Successor Agency of
the Porterville Redevelopment Agency

ATTEST:

Patrice Hildreth, Board Secretary

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| 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)

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Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

| Item # | Notes/Comments |
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