

SUCCESSOR AGENCY AGENDA: SEPTEMBER 16, 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 14-15B by October 1, 2014, for the December 1st distribution of the semi-annual Redevelopment Property Tax Trust Fund (RPTTF) distribution.

Pursuant to Section 34177(l)(1) of the Dissolution Act, for each recognized obligation, the ROPS 14-15B shall identify one or more of the following sources of payment:

(A) Low and Moderate Income Housing Fund.

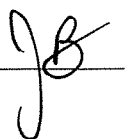
(B) Bond proceeds.

(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 14-15B, 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 14-15B 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 14-15B 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 14-15B, the ROPS 14-15B be sent to the County Auditor-Controller, the State Controller's Office, the DOF, and that the ROPS 14-15B 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 provides a pre-populated ROPS template and instructions for the ROPS 14-15B. As the format is still relatively new, staff recommends that the Successor Agency review and approve the ROPS 14-15B 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 14-15B 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 14-15B for the period of January 1, 2015, through June 30, 2015, provided that should any modification be required to the ROPS 14-15B 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 14-15B to requirements imposed by the DOF and direct Successor Agency staff to submit the ROPS 14-15B to the Oversight Board.

ATTACHMENTS:

1. Recognized Obligation Payment Schedule for the period of January 1, 2015, through June 30, 2015.
2. A Resolution of the Successor Agency to the Porterville Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS 14-15B) for the Period January 1, 2015, to June 30, 2015, 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 14-15B shall not become effective for 45 days after the ROPS has been submitted to the DOF.)

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

Filed for the January 1, 2015 through June 30, 2015 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):		\$ -
B	Bond Proceeds Funding (ROPS Detail)		-
C	Reserve Balance Funding (ROPS Detail)		-
D	Other Funding (ROPS Detail)		-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 522,778
F	Non-Administrative Costs (ROPS Detail)		471,778
G	Administrative Costs (ROPS Detail)		51,000
H	Current Period Enforceable Obligations (A+E):		\$ 522,778

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	522,778
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(5,328)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 517,450

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	522,778
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	522,778

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.

/s/ _____
Name Title
Signature Date

Attachment 1

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail

January 1, 2015 through June 30, 2015

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation \$	Retired	Funding Source					
										Non-Redevelopment Property Tax Trust Fund					
										Bond Proceeds		Reserve Balance		Other Funds	
										\$	\$	\$	\$	\$	\$
1	2008 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	9/16/2008	6/1/2040	US Bank	Issuance of the Agency's Tax Allocation Refunding Bonds	Project Area No. 1 as Amended	21,142,592	N				471,778	51,000	522,778
2	2008 Tax Allocation Bonds Series B	Bonds Issued On or Before 12/31/10	9/16/2008	6/1/2040	US Bank	Issuance of the Agency's Tax Allocation Refunding Bonds	Project Area No. 1 as Amended	7,805,280	N				188,198		188,198
3	2008 Tax Allocation Bonds Series C	Bonds Issued On or Before 12/31/10	9/16/2008	6/1/2040	US Bank	Issuance of the Agency's Tax Allocation Refunding Bonds	Project Area No. 1 as Amended	1,973,258	N				105,319		105,319
4	2008 Tax Allocation Bonds Series D	Bonds Issued On or Before 12/31/10	9/16/2008	6/1/2040	US Bank	Issuance of the Agency's Tax Allocation Refunding Bonds	Project Area No. 1 as Amended	1,449,213	N				48,948		48,948
5	2008 Tax Allocation Bonds Series E	Bonds Issued On or Before 12/31/10	9/16/2008	6/1/2040	Funded	Reserve account for the 2008 Bonds required by bond indenture	Project Area No. 1 as Amended	637,707	N				34,663		34,663
6	2008 Tax Allocation Bonds Series F	Bonds Issued On or Before 12/31/10	9/16/2008	6/1/2040	US Bank	Administration fees from US Bank - Trustee	Project Area No. 1 as Amended	100,000	N						
7	2008 Tax Allocation Bonds Series G	Bonds Issued On or Before 12/31/10	9/16/2008	6/1/2040	Arbitrage Compliance Specialist	Professional fees to be paid for arbitrage calculation	Project Area No. 1 as Amended	50,000	N						
8	Rural Eco. Dev. Infrastructure Prog.	Third-Party Loans	11/13/1991	12/31/2016	St. of Ca. Dept of Commerce	Loan from St. of Ca. for Porterville Enterprise Zone Infrastructure Project.	Project Area No. 1 as Amended	55,743	N				13,936		13,936
9	Rural Eco. Dev. Infrastructure Prog. Reserve	Reserves	11/13/1991	12/31/2016	Funded	Required by the St of Ca. and serves as insurance for the loan.	Project Area No. 1 as Amended	33,482	N						
10	Loan for Formation of Area	City/Country Loans On or Before 6/27/11	4/7/1981	6/30/2030	City of Porterville	Loan repayment pursuant to HSC section 34191.4 (b).	Project Area No. 1 as Amended	422,664	N				79,714		79,714
11	Loan for Repayment to County	City/Country Loans On or Before 6/27/11	5/1/2007	6/30/2014	City of Porterville	Loan repayment pursuant to HSC section 34191.4 (b).	Project Area No. 1 as Amended	80,503	N						
12	Loan for Parking Lot Improvements - Storm Drain	City/Country Loans On or Before 6/27/11	11/12/1997	6/30/2014	Risk Management	Loan repayment pursuant to HSC section 34191.4 (b).	Project Area No. 1 as Amended	116,137	N						
13	Loan for Reconstruction of Parking Lot - Hockett Street	City/Country Loans On or Before 6/27/11	6/19/2007	6/30/2030	Risk Management	Loan repayment pursuant to HSC section 34191.4 (b).	Project Area No. 1 as Amended	512,009	N						
14	Loan for Amendment of the Boundaries of Project Area No. 1	City/Country Loans On or Before 6/27/11	8/17/2010	6/30/2030	City of Porterville	Loan repayment pursuant to HSC section 34191.4 (b).	Project Area No. 1 as Amended	205,196	N						
15	Successor Agency Administration	Admin Costs	1/1/2015	6/30/2015	City of Porterville	Agency Administration cost.	Project Area No. 1 as Amended	2,600,000	N					51,000	51,000
16	Porterville Hotel Project	OP/DDA/Construct on	9/16/2008	6/30/2016	various	Acquisition of property and demolition and clearing of the site	Project Area No. 1 as Amended	275,000	N						
17	Loan for Reimbursement of Costs - Successor Agency Operations	City/Country Loans After 6/27/11	2/7/2014	6/30/2040	City of Porterville	Loan for payment of enforceable obligations and admin costs due to RPTTF shortfall		93,912	N						
18									N						
19									N						
20									N						
21									N						
22									N						
23									N						
24									N						
25									N						
26									N						
27									N						
28									N						
29									N						
30									N						
31									N						
32									N						
33									N						
34									N						
35									N						

Recognized Obligation Payment Schedule (ROPS 14-15B) - 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. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf .										
A	B	C	D	E	F	G	H	I		
Cash Balance Information by ROPS Period		Fund Sources								
		Bond Proceeds		Reserve Balance			Other	RPTTF	Non-Admin and Admin	
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)					
ROPS 13-14B Actuals (01/01/14 - 06/30/14)										
1	Beginning Available Cash Balance (Actual 01/01/14)	2,636,624					(93,791)			
2	Revenue/Income (Actual 06/30/14) RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014	10,106				95,165	407,358			\$93,791 loan from City to Successor Agency to cover shortfall.
3	Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	19,449					402,030			
4	Retention of Available Cash Balance (Actual 06/30/14) RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B	674,665								
5	ROPS 13-14B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S			No entry required						
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	1,952,616	-	-	-	95,165	(93,791)			
ROPS 14-15A Estimate (07/01/14 - 12/31/14)										
7	Beginning Available Cash Balance (Actual 07/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	2,627,281	-	-	-	95,165	(88,463)			
8	Revenue/Income (Estimate 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014						273,267			
9	Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)	1,677,616				95,165	301,502			
10	Retention of Available Cash Balance (Estimate 12/31/14) RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A	674,665								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	275,000	-	-	-	-	(116,698)			

Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Prior Period Adjustments
Reported for the ROPS 13-14B (January 1, 2014 through June 30, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

[illegible]

[illegible]

RESOLUTION NO. _____

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 14-15B) FOR THE PERIOD JANUARY 1, 2015, TO JUNE 30, 2015, 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 January 1, 2015, through June 30, 2015, 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(l)(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(l)(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 16th day of September, 2014.

By: _____
Milt Stowe, Chair

ATTEST:
John D. Lollis, Agency Secretary

Patrice Hildreth, Chief Deputy Agency Secretary