

RESOLUTION NO. 2-14 (OB)

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF WATSONVILLE APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD COMMENCING JULY 1, 2014, THROUGH DECEMBER 31, 2014, AS REQUIRED BY HEALTH & SAFETY CODE SECTION 34177(I)

WHEREAS, in accord with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, et seq. (“**CRL**”), the City Council of the City of Watsonville (“**City**”) previously established the Redevelopment Agency of the City of Watsonville, a public body, corporate and politic (“**Agency**”) to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) (“**AB 26**”), and its rights, powers, duties and obligations were transferred to a “successor agency” (as defined by CRL Section 34171(j) and Section 34173); and

WHEREAS, the City Council elected to act as the Agency’s successor agency (“**Successor Agency**”) under CRL Section 34173; and

WHEREAS, pursuant to Section 34177(l), the Successor Agency is required to prepare “**Recognized Obligation Payment Schedules**” (each such Schedule, a “**ROPS**”) for each six-month period of a fiscal year (each such period, a “**Fiscal Period**”) and to submit each ROPS for approval to the oversight board (“**Oversight Board**”) established for the Successor Agency under CRL Section 34179; and

WHEREAS, each ROPS must identify, on a prospective basis, the funds required by the Successor Agency to satisfy the Successor Agency’s enforceable obligations and to pay administrative expenses during the applicable Fiscal Period; and

WHEREAS, on April 24, 2012, the Oversight Board adopted Resolution No. 5-12 (OB), approving a “**Cooperation Agreement for Administrative Services**” between the City and the Successor Agency, whereby the City agreed to provide administrative services for the Successor Agency for FY 2012-13 for a total amount of \$250,000; and

WHEREAS, on February 26, 2013, the Oversight Board adopted Resolution No. 4-13 (OB), approving an “**Amended and Restated Cooperation Agreement for Administrative Services**” (“**Cooperation Agreement**”), whereby the City agreed to provide administrative services for the Successor Agency for a total amount of \$250,000 each fiscal year, commencing in FY 2013/14, to be paid in pursuant to terms contained in the Cooperation Agreement until such time as the Oversight Board requests a reduction in such amount; and

WHEREAS, the Successor Agency prepared a ROPS for the Fiscal Period commencing July 1, 2014, through December 31, 2014, (the “**FY 14/15A ROPS**”) (a copy of which is attached as **Exhibit “A”**) in accord with the requirements of CRL Section 34177(l) and other applicable law and has transmitted the FY 14/15A ROPS electronically to the County Administrative Officer, the County Auditor-Controller and the State Department of Finance; and

WHEREAS, the Successor Agency has recommended that the Oversight Board approve the FY 14/15A ROPS, including compensation of One Hundred Twenty-Five Thousand Dollars (\$125,000) to the City for providing the Successor Agency’s administrative services pursuant to the Cooperation Agreement during the FY 14/15A ROPS period; and

WHEREAS, the FY 14/15A ROPS serves as the budget document for the Successor Agency during the July 1, 2014, through December 31, 2014, period and appropriates funds as identified.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE AS FOLLOWS:

Section 1. In accord with CRL Section 34180(g), the Oversight Board approves the FY 14/15A ROPS (inclusive of the administrative budget and the administrative cost allocation of \$125,000 payable to the City pursuant to the Cooperation Agreement), in the form attached as **Exhibit “A”**.

Section 2. The Oversight Board directs the City Manager to (a) transmit the Oversight Board-approved FY 14/15A ROPS to the County Auditor-Controller and the State Department of Finance, and to provide notice of the Oversight Board's approval to those entities, together with the City's website address, and (b) post the FY 14/15A ROPS to the City's website.

Section 3. This Resolution will become effective in accord with CRL Section 34177(m) and Section 34179(h).

The foregoing resolution was introduced at a regular meeting of the Oversight Board of Successor Agency to the City of Watsonville Redevelopment Agency, held on the 19th day of February, 2014, by Member McFadden, who moved its adoption, which motion being duly seconded by Member Carrillo, was upon roll call carried and the resolution adopted by the following vote:

AYES:	BOARD MEMBERS: Caput, Carrillo, Friend, McFadden, Medina, Tavantzis, Montesino
NOES:	BOARD MEMBERS: None
ABSENT:	BOARD MEMBERS: None



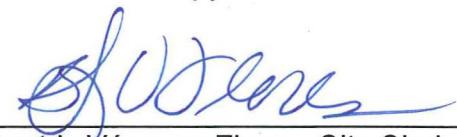
Eduardo Montesino, Chair

ATTEST:



Beatriz Vázquez Flores, Board Secretary

I, Beatriz Vázquez Flores, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 2-14 (OB) was duly and regularly passed and adopted by the Oversight Board at a meeting thereof held on the 19th day of February, 2014, and that the foregoing is a full, true and correct copy of said Resolution.



Beatriz Vázquez Flores, City Clerk

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

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

Name of Successor Agency:	<u>Watsonville</u>
Name of County:	<u>Santa Cruz</u>

<u>Current Period Requested Funding for Outstanding Debt or Obligation</u>		<u>Six-Month Total</u>
	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):	\$ 2,170,978
F	Non-Administrative Costs (ROPS Detail)	2,045,978
G	Administrative Costs (ROPS Detail)	125,000
H	Current Period Enforceable Obligations (A+E):	\$ 2,170,978

<u>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>	
I	Enforceable Obligations funded with RPTTF (E):
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)
K	Adjusted Current Period RPTTF Requested Funding (I-J)

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

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.

Eduardo Montesino, Chair
 Name Title
 /s/ Date
 Signature

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Details
July 1, 2014 through December 31, 2014
(Report Amounts in Whole Dollars)**

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
Cash Balance Information by ROPS Period		Fund Sources						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)			(101,240)				
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						2,237,555	
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 PPA's						2,217,433	
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							
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					20,122	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ (101,240)	\$ -	\$ -	\$ -	
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)	\$ -	\$ -	\$ (101,240)	\$ -	\$ -	\$ 20,122	
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						779,650	
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)						779,650	
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							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ -	\$ -	\$ (101,240)	\$ -	\$ -	\$ 20,122	

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Prior Period Adjustments
 Reported for the ROPS 13-14A (July 1, 2013 through December 31, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
 (Report Amounts in Whole Dollars)

ROPS 13-14A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14A (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 14-15A (July through December 2014) period will be offset by the SA's self-reported ROPS 13-14A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures						RPTTF Expenditures										
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin					and Admin PPA (Amount Used to
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	(If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,112,555	\$ 2,112,555	\$ 2,112,555	\$ 2,092,433	\$ 20,122	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ 20,122
1	2004 Tax	-	-	-	-	-	-	997,449	997,449	997,449	977,358	\$ 20,091	-	-	-	-	-	\$ 20,091
2	2004 Tax	-	-	-	-	-	-	443,661	443,661	443,661	443,630	\$ 31	-	-	-	-	-	\$ 31
3	U S Bank trustee fees	-	-	-	-	-	-	5,250	5,250	5,250	5,250	\$ -	-	-	-	-	-	\$ -
4	Project management projected time & costs for Bond Disclosure	-	-	-	-	-	-	5,298	5,298	5,298	5,298	\$ -	-	-	-	-	-	\$ -
5	Tax Increment overpayment by County '04	-	-	-	-	-	-	23,841	23,841	23,841	23,841	\$ -	-	-	-	-	-	\$ -
6	Tax Increment overpayment by County for FY's 2006-07, 2007-08, 2008-09	-	-	-	-	-	-	47,115	47,115	47,115	47,115	\$ -	-	-	-	-	-	\$ -
7	Tax Increment overpayment by County - Tax Rate Area 02-078 allocation Error	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
8	Advance due Water Enterprise Fund (P&I) For County Error for FY's 2001-02 & 2002-03	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
12	Civic Center Project Impact Fees	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
13	Downtown Business Parking subsidy	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
17	Projected Manabe-Ow OPA Management costs	-	-	-	-	-	-	32,579	32,579	32,579	32,579	\$ -	-	-	-	-	-	\$ -
19	Estimated project management costs	-	-	-	-	-	-	13,228	13,228	13,228	13,228	\$ -	-	-	-	-	-	\$ -
20	Estimated project management costs	-	-	-	-	-	-	2,104	2,104	2,104	2,104	\$ -	-	-	-	-	-	\$ -
21	Legal Support	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
22	Affordable Housing Project	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
24	Youth Homes Property Project Insurance Reserve	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
25	20% Housing Fund Loan to RDA 80% Fund	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
26	Loan from City of Watsonville to Successor Agency	-	-	-	-	-	-	542,030	542,030	542,030	542,030	\$ -	-	-	-	-	-	\$ -
27	Loan from City of Watsonville to Successor Agency for Due Diligence Review	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -
28	City of Watsonville Administration	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ -

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
29	City - Successor Agency Loan amendment to include subsequent appeals, Case #34-2013-80001523