

RESOLUTION NO. 2-13 (OB)

A RESOLUTION OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE TAKING SPECIFIED ACTIONS WITH RESPECT TO THE OTHER FUNDS AND ASSETS DUE DILIGENCE REVIEW PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34179.5 AND 34179.6

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the “**Dissolution Act**”) to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the City Council of the City of Watsonville declared that the City of Watsonville, a California charter city (the “**City**”), would act as successor agency (the “**Successor Agency**”) for the dissolved Redevelopment Agency of the City of Watsonville (the “**Dissolved RDA**”) effective February 1, 2012; and

WHEREAS, pursuant to Assembly Bill 1484 (“**AB 1484**”), enacted June 27, 2012, to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the “**Oversight Board**”) with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, pursuant to Health and Safety Code Section 34179.5 (as added by AB 1484), the Successor Agency is required to employ a licensed accountant, approved by the County Auditor-Controller for the County of Santa Cruz (the

“Auditor-Controller”), to conduct a due diligence review to determine the unobligated balances of the Dissolved RDA’s funds and assets (other than the Dissolved RDA’s low and moderate income housing funds) (the **“Non-Housing Funds”**) held by the Successor Agency and available for transfer to taxing entities as required under AB 1484 and the Dissolution Act; and

WHEREAS, the Successor Agency hired an accountant approved by the Auditor-Controller to prepare the due diligence review for the Non-Housing Funds (the **“Non-Housing Funds Due Diligence Review”**) in conformance with Health and Safety Code Section 34179.5; and

WHEREAS, in accordance with Health and Safety Code Section 34179.6, the Non-Housing Funds Due Diligence Review (attached hereto as **Exhibit “A”**) has been submitted by the Successor Agency to the Oversight Board for the Oversight Board’s approval; and,

WHEREAS, the Successor Agency also submitted the Non-Housing Funds Due Diligence Review to the Santa Cruz County Administrative Officer (the **“County Administrator”**), the Auditor-Controller, the State Controller (the **“Controller”**) and the State Department of Finance (the **“DOF”**), along with copies of the Successor Agency’s recognized obligation payment schedules for the Fiscal Year 2012-13, as approved by the Oversight Board (the **“FY 2012-13 ROPS”**); and

WHEREAS, on January 7, 2013, in accord with Health and Safety Code Section 34179.6(b), the Oversight Board received the Non-Housing Funds Due Diligence Review and convened a public comment session at which the Oversight

Board received public comment concerning the Non-Housing Funds Due Diligence Review; and

WHEREAS, the Oversight Board must review, approve and transmit the Non-Housing Funds Due Diligence Review by January 15, 2013.

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

Section 1. The foregoing Recitals are true and correct and, together with the following documents and information, form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) the Non-Housing Funds Due Diligence Review; (2) the FY 2012-13 ROPS; (3) information provided by the Successor Agency staff; (4) information provided by the public at the public comment session held by the Oversight Board on January 7, 2013; and (5) the opinions offered by the Auditor-Controller on the Non-Housing Funds Due Diligence Review.

Section 2. In accord with the Health and Safety Code Section 34179.6(c), the Oversight Board approves the Non-Housing Funds Due Diligence Review attached hereto as **Exhibit "A."**

Section 3. In accord with Health and Safety Code Section 34179.6(c), the Oversight Board authorizes the Successor Agency to retain the following assets and/or funds: (1) One Million Eight Hundred Ninety-Four Thousand Seven Hundred Eleven Dollars (\$1,894,711) as assets that are legally restricted as to purpose under Health and Safety Code Section 34179.5(c)(5)(B), and (2) Four Hundred Thirty-One

Thousand Nine Hundred Twenty-Nine Dollars (\$431,929) as assets that are not cash or cash-equivalent under Health and Safety Code Section 34179.5(c)(5)(C). The sources of the retained funds and assets and the purposes for their retention are set forth in the Other Funds Due Diligence Review. The Oversight Board further determines that the amount of cash and cash equivalents available for distribution to affected taxing agencies as determined in accord with the method provided in Health and Safety Code Section 34179.5 is zero dollars (\$0).

Section 4. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and AB 1484 to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Non-Housing Funds Due Diligence Review and to take any other actions necessary to ensure the validity of the Non-Housing Funds Due Diligence Review and the validity of the retention of the funds specified to be retained by this Resolution. The Oversight Board acknowledges and agrees that the Successor Agency may invoke the meet and confer process identified in Health and Safety Code Section 34179.6(e) to resolve any disputes with the DOF regarding the amounts or sources of funds as eligible to be retained.

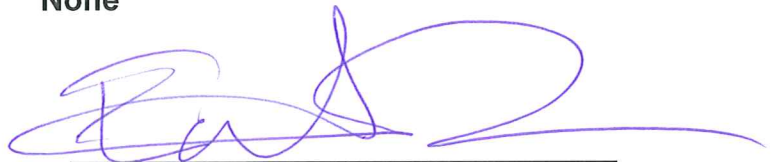
Section 5. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

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 14th day of January, 2013, by Member Tavantzis, who moved its adoption, which motion being duly seconded by Member McFadden, was upon roll call carried and the resolution adopted by the following vote:

AYES: BOARD MEMBERS: **Caput, Cortez, Friend, McFadden, Medina, Tavantzis, Montesino**

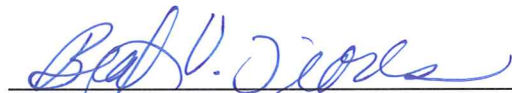
NOES: BOARD MEMBERS: **None**

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. 2-13 (OB) was duly and regularly passed and adopted by the Oversight Board at a meeting thereof held on the 18th day of October, 2012, and that the foregoing is a full, true and correct copy of said Resolution.



Beatriz Vázquez Flores, City Clerk

Exhibit “A”

Non-Housing Funds (“Other Funds”) Due Diligence Review

**SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE
CITY OF WATSONVILLE
Santa Cruz County, California**

**Agreed Upon Procedures – AB1484
Other Funds**

June 30, 2012

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE
Santa Cruz County, California
Agreed Upon Procedures – AB1484
Other Funds
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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

Oversight Board of the Successor Agency
Of the Redevelopment Agency of the
City of Watsonville
Watsonville, California

We have performed the procedures enumerated below solely to assist in ensuring that the Successor Agency of the Redevelopment Agency of the City of Watsonville is complying with its statutory requirements with respect to AB 1484. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code Section 34179.5.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures Applied

Citation:

34179.5(c)(1) The dollar value of assets transferred from the former Redevelopment Agency to the Successor Agency on or about February 1, 2012.

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former Redevelopment Agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Result:

We found no exceptions as a result of the procedures performed. See Attachment A for the listing of all assets that were transferred.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
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AGREED-UPON PROCEDURES OF AB 1484

Citation:

34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the Redevelopment Agency or the Successor Agency to the City, County, or City and County that formed the Redevelopment Agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former Redevelopment Agency to the City, County, or City and County that formed the Redevelopment Agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Result:

The State Controller has not completed its review of transfers. See Attachment C.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the City, County, or City and County that formed the Redevelopment Agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Result:

No assets were transferred (excluding payments for goods and services) from the Successor Agency to any City, County, or City and County during the period February 1, 2012 through June 30, 2012, except for fixed assets of \$1,521,965 were transferred from the Successor Agency to the City on June 20, 2012 and reported to the State Controller for which the protest period has lapsed. This was done by Resolution 10-12 dated June 20, 2012. See Attachment E.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Result:

We found no exceptions as a result of the procedures performed.

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the Redevelopment Agency or the Successor Agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former Redevelopment Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
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AGREED-UPON PROCEDURES OF AB 1484

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the Redevelopment Agency or the Successor Agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer (continued).

Result:

No assets were transferred from the Successor Agency to any other public agency or to private parties for the period from January 1, 2011 through June 30, 2012.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures (continued):

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Result:

No assets were transferred from the Successor Agency to any other public agency or to private parties for the period from February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Result:

We found no exceptions as a result of the procedures performed.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the Successor Agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Result:

We found no exceptions as a result of the procedures performed. See Attachment B.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
CITY OF WATSONVILLE
AGREED-UPON PROCEDURES OF AB 1484

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the Successor Agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

4. Perform the following procedures (continued):

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Result (continued):

For fiscal year ended June 30, 2010, we compared the financial transactions on Attachment B to the State Controller's report and audited financial statements and found no exceptions as a result of the procedures performed. See Attachment B.

For fiscal year ended June 30, 2011, we compared the financial transactions on Attachment B to the State Controller's report and audited financial statements and found no exceptions as a result of the procedures performed. See Attachment B.

For the seven months ended January 31, 2012 of the former Redevelopment Agency, we compared the financial transactions to the Successor Agency's trial balance and found no exceptions as a result of the procedures performed. See Attachment B.

For the five months ended June 30, 2012 of the Successor Agency, we compared the financial transactions on Attachment B to the Agency's trial balance, fixed and long-term debt schedule, and found no exceptions as a result of the procedures performed. See Attachment B.

Citation:

34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) A statement of the total value of each fund as of June 30, 2012

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former Redevelopment Agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Result:

We found no exceptions as a result of the procedures performed. See Attachment B for the listing of all assets of the Successor Agency as of June 30, 2012. See attachment B.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
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Citation:

34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result:

The Successor Agency does not have unspent bond proceeds.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result:

Procedure 6B was not applicable as there were no grant proceeds or program income restricted by third parties.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

Result:

The Successor Agency restricted balance as of June 30, 2012 was "Cash with Fiscal Agent" of \$1,894,711. See Attachment B.

D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Result:

The period of restriction for the Cash with Fiscal Agent Funds extends to the completion of the two bond offerings as follows: Tax Allocation Bond A presently ends in the year 2034 and Tax Allocation Bond B presently ends in the year 2024. See Attachment B.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
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Citation:

34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

Result:

The long-term loans receivable in the amount of \$410,000 consists of the remaining balances of two loans receivable as follows: Pajaro Chamber of Commerce \$10,000 and Romo Properties, LLC \$400,000 as of June 30, 2012. The loan values are valued at historical cost.

- B. If the assets listed at 7A are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

Result:

We found no exceptions as a result of the procedure performed.

- C. For any differences noted in 7B, inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

Result:

Based on the information provided, no addition or disposition of assets occurred in the Successor Agency. The assets originally held in the Redevelopment Agency were later separated between the Housing Successor Agency and the Successor Agency to the Redevelopment Agency. We found no exceptions as a result of the procedure performed.

- D. If the assets listed at 7A are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Result:

Not applicable. The values of non-liquid assets are listed at historical cost.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
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Citation:

34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the Successor Agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the Successor Agency, together with both the amount and timing of the bond debt service payments of the Successor Agency, for the period in which the oversight board anticipates the Successor Agency will have insufficient property tax revenue to pay the specified obligations.

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Result:

Presently, the Successor Agency does not have asset balances to satisfy enforceable obligations. See attachment D.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
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Citation: 34179.5(c)(5)(D) *An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the Successor Agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the Successor Agency, together with both the amount and timing of the bond debt service payments of the Successor Agency, for the period in which the oversight board anticipates the Successor Agency will have insufficient property tax revenue to pay the specified obligations.(continued)*

8. Perform the following procedures (continued):

- iii. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
- iv. For the forecasted annual revenues:
 - 1. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Result:

Presently, the Successor Agency does not believe that asset balances need retention to satisfy enforceable obligations with the exception of Cash with Fiscal Agent cash balances reserved for debt service. However, based on unforeseeable circumstances this could change.

C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.

- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
- ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
- iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Result:

Presently, the Successor Agency believes projected property tax revenues and other general purpose revenues to be received are sufficient to pay bond debt service payments. However, based on unforeseeable future circumstances this could change. Sources of funds for future payments are dependent on the property tax revenues and any shortfall would require the use of asset balances to cover the difference.

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CITY OF WATSONVILLE
AGREED-UPON PROCEDURES OF AB 1484

Citation: 34179.5(c)(5)(D) *An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the Successor Agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the Successor Agency, together with both the amount and timing of the bond debt service payments of the Successor Agency, for the period in which the oversight board anticipates the Successor Agency will have insufficient property tax revenue to pay the specified obligations. (continued)*

8. Perform the following procedures (continued):

D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures:

- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
- ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
- iii. Include the calculation in the AUP report.

Result:

Based on the procedures in 8 above, presently, there are no current unrestricted balances necessary for retention in the future.

Citation:

34179.5(c)(5)(E) *An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Result:

As of June 30, 2012 the Summary Available for Allocation to Affected Taxing Entities has a deficit of \$101,240. This deficit is scheduled for repayment from a short term loan from the City. See Attachment D.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
CITY OF WATSONVILLE
AGREED-UPON PROCEDURES OF AB 1484

Citation:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the Successor Agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Result:

See Attachment D.

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former Redevelopment Agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Result:

We found no exceptions as a result of the procedure performed.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

This report is intended solely for the information of the Oversight Committee, Management, California State Controller's Office, Department of Finance, and Santa Cruz County Auditor-Controller, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 6, 2012

(All other funds)

Assets
Transferred
to
Successor Agency
February 1, 2012

<hr/>		
	Assets	
	Cash	\$ 1,000
	Cash with Fiscal Agent	1,322,748
	Tax Increment/Accounts Receivable	50,464
	Accrued Interest Receivable	9,929
Note: b)	Loans Receivable	410,423
Note: a)	Fixed Assets	1,521,965
		<hr/>
	Total Assets	\$ 3,316,529
		<hr/>

Note: a) As of February 1, 2012 fixed assets are owned by the City of Watsonville. Resolution 10-12 dated June 21, 2012 transferred fixed assets from Successor Agency to the City of Watsonville. This resolution is in Attachment E.

Note: b) Loans receivable on Attachment D increased by \$21,506 to \$431,929 due to post February 1, 2012 deferred interest on loans receivable.

(All other funds)

	Source			
	Financial Statement	Financial Statement	Trial Balance	Trial Balance
	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
Assets				
Cash (City short-term loan)	\$ 3,356,014	\$ 3,424	\$ 1,000	\$ (270,847)
Cash with Fiscal Agent	1,337,426	1,352,462	1,322,748	1,894,711
Tax Increment/Accounts Receivable	319,817	265,181	50,464	-
Accrued Interest Receivable	-	9,929	9,929	21,929
Loans Receivable	44,129	410,423	410,423	410,000
Total Assets	\$ 5,057,386	\$ 2,041,419	\$ 1,794,564	\$ 2,055,793
Liabilities (modified accrual basis)				
Accounts Payable	\$ 74,583	\$ 52,123	\$ 211,238	\$ 20,714
Other Liabilities	475,220	2,601,260	2,762,628	435,045
Due to the Housing Fund	-	-	-	629,940
Total Liabilities	\$ 549,803	\$ 2,653,383	\$ 2,973,866	\$ 1,085,699
Equity	4,507,583	(611,964)	(1,179,302)	970,094
Total Liabilities + Equity	\$ 5,057,386	\$ 2,041,419	\$ 1,794,564	\$ 2,055,793
Total Revenues:	\$ 6,417,431	\$ 6,219,556	\$ 2,012,675	\$ 342
Total Expenditures:	\$ 8,727,825	\$ 11,471,671	\$ 1,494,554	\$ 180,789
Total Transfers*:	\$ 624,673	\$ 585,031	\$ (723,502)	\$ -
* Includes Cash Advances from City				
Net change in equity	\$ (1,685,721)	\$ (4,667,084)	\$ (205,381)	\$ (180,447)
Beginning Equity:	\$ 6,233,440	\$ 4,507,583	\$ (611,964)	\$ (1,179,302)
	\$ (40,136)	\$ (452,463)	\$ (361,957)	\$ 2,329,843
Ending Equity:	\$ 4,507,583	\$ (611,964)	\$ (1,179,302)	\$ 970,094

Other Information (show year end balances for all three years presented):

Capital assets as of end of year	\$ 1,521,965	\$ 1,521,965	\$ 1,521,965	-
Long-term debt as of end of year	\$ 17,794,649	\$ 17,151,482	\$ 16,496,718	\$ 22,554,971

Long-term debt as of end of year:				Note a)
Tax Allocation Bonds B-1 & B-2	\$ 16,715,000	\$ 16,140,000	\$ 15,540,000	\$ 21,405,000
Postretirement Liability	\$ 50,813	\$ 64,461	\$ 64,461	\$ 35,163
Watsonville Water Enterprise Fund Loan	\$ 591,617	\$ 565,299	\$ 565,299	\$ 706,110
Tax allocation errors notes to County of Santa Cruz	\$ 437,219	\$ 381,722	\$ 326,958	\$ 408,698

Note a) The increase in June 30, 2012 debt is mainly due to Low and Moderate Housing fund debt transfer to the Other Than Low and Moderate Housing Debt fund.

Redevelopment Agency of the City of Watsonville
Transfers for the period January 1, 2011 through January 31, 2012

<u>Date</u>	<u>Amount</u>	<u>Purpose</u>	<u>Third Parties</u>	
3/9/2011	\$ 750,000	Manabe Ow OPA	Ow Family Trust/MF Farming/Devcon Construction	Enforceable obligation with a third party
3/9/2011	1,192,579	Parking Garage design & construction costs financing agreement	Griffin Realty IV/Griffin Structures and multiple prime contractors	Enforceable obligation with a third party
3/9/2011	3,236,651	Civic Center design & construction costs financing agreement	Griffin Realty IV/Griffin Structures/Hidell Architects/Swinerton Construction	Enforceable obligation with a third party
6/28/2011	12,180	Bulk Rate Parking Fee Program	Bulk Rate Parking Fee Program - Watsonville Citizens	Enforceable obligation with a third party
1/24/2012	25,460	Bulk Rate Parking Fee Program	Bulk Rate Parking Fee Program - Watsonville Citizens	Enforceable obligation with a third party
3/31/2011	32,804	Impact fees for Civic Center	Impact fees for Civic Center	Enforceable obligation no third party a)
3/9/2011	51,190	Impact fees for Civic Center	Impact fees for Civic Center	Enforceable obligation no third party a)
6/28/2011	32,804	Impact fees for Civic Center	Impact fees for Civic Center	Enforceable obligation no third party a)
9/30/2011	26,405	Impact fees for Civic Center	Impact fees for Civic Center	Enforceable obligation no third party a)
12/31/2011	26,405	Impact fees for Civic Center	Impact fees for Civic Center	Enforceable obligation no third party a)

a) These impact fees are under review by the State Department of Finance office as to enforceability. The sum of these impact fees equals \$169,607.

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES		Other Funds
Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$	2,055,793
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		169,607
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		(1,894,711)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(431,929)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)		-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		-
Amount to be remitted to county for disbursement to taxing entities	See Note: a)	<u>\$ -</u>

Note: a) The balance is negative \$(101,240), thus this schedule amount to be remitted does not go below zero.

Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

CITY OF WATSONVILLE
Successor Agency
June 30, 2012

Oversight Board for the Successor Agency Resolutions 10-12

RESOLUTION NO. 10-12 (OB)

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE DIRECTING THE TRANSFER OF CERTAIN GOVERNMENTAL PURPOSE ASSETS TO THE CITY OF WATSONVILLE IN ACCORD WITH HEALTH & SAFETY CODE SECTION 34181

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health & 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, in accord with CRL Section 34172, the Agency was dissolved as of February 1, 2012, and its rights, powers, duties and obligations, other than the Agency's housing assets and functions, were transferred to a "successor agency" (as defined by CRL Section 34171(j)); and

WHEREAS, in accord with CRL Section 34173, the City is the successor agency ("Successor Agency") to the former Agency and, as such, is vested with all authority, rights, powers, duties and obligations previously vested in the Agency by the CRL, except for the Agency's housing assets and functions, and except to the extent repealed, restricted or revised pursuant to provision of Assembly Bill x1 26 ("AB 26"); and

WHEREAS, in accord with CRL Section 34179, an oversight board ("Oversight Board") for the Successor Agency was formed and exercises the powers given to oversight boards under the CRL; and

WHEREAS, CRL Section 34181(a) requires the Oversight Board to direct the Successor Agency to dispose of all the Agency's non-housing assets and properties which were acquired using the Agency's tax increment revenues; and

WHEREAS, under CRL Section 34181(a), the Oversight Board may direct the Successor Agency to transfer ownership of any Agency property used for a governmental purpose to the appropriate public jurisdiction pursuant to any agreement relating to the construction or use of the property; and

WHEREAS, the Successor Agency has identified certain Agency properties ("Governmental Use Properties"), described on the attached Exhibit A and depicted on the attached Exhibit B, which are being used for a governmental purpose but for which there are no agreements governing their construction, use or compensation upon disposition; and

WHEREAS, in accord with CRL Section 34181(a), the Oversight Board, desires to direct the Successor Agency to transfer ownership of the Governmental Use Properties to the City as the appropriate public agency.

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

Section 1. Based on the oral and written evidence presented to the Oversight Board at the time of its consideration of this Resolution, the Oversight Board finds and determines as follows.

- (1) The Governmental Use Properties are all used for governmental purposes.

- (2) The City of Watsonville is the appropriate public jurisdiction to assume ownership of the Governmental Use Properties.
- (3) The Governmental Use Properties are all of no or of nominal value.
- (4) There are no agreements between the Agency and the City governing the disposition of the Governmental Use Properties or the compensation to be paid for them.

Section 2. In accord with CRL Section 34181(a), the Oversight Board directs the Successor Agency to transfer ownership of the Governmental Use Properties to the City for no consideration. The Oversight Board further directs the Successor Agency and its officials to take the actions and to execute the deeds and other instruments required to carry out the transfer.

Section 3. This Resolution will become effective in accord with CRL 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 20th day of June, 2012, by Member Medina, who moved its adoption, which motion being duly seconded by Member Tavantzis, was upon roll call carried and the resolution adopted by the following vote:

AYES: BOARD MEMBERS: **McFadden, Medina, Tavantzis, Cortez Montesino**

NOES: BOARD MEMBERS: **None**

ABSENT: BOARD MEMBERS: **Caput, Pirie**


Eduardo Montesino, Chair

ATTEST:


Irwin I. Ortiz, Board Secretary

Exhibit "A"

<u>Assessor's Parcel Number</u>	<u>Description</u>
617-022-45	Parking Lot #9 – Alexander & Union Streets
017-183-04	Parking Lot #10 – Union Street south of 215 Union Street
017-111-42	Parking Lot #14 – Rodriguez & Second Streets
017-113-05	Parking Lot #16 – Corner of Maple & Union Streets
017-781-07 (Portion)	Portion of alley between Civic Plaza and Post Office
018-291-18	Ford Street Right-of-Way (Sliver)
018-291-45	Kearney Street Right-of-Way (Sliver)

Exhibit "B"

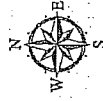


City of Watsonville

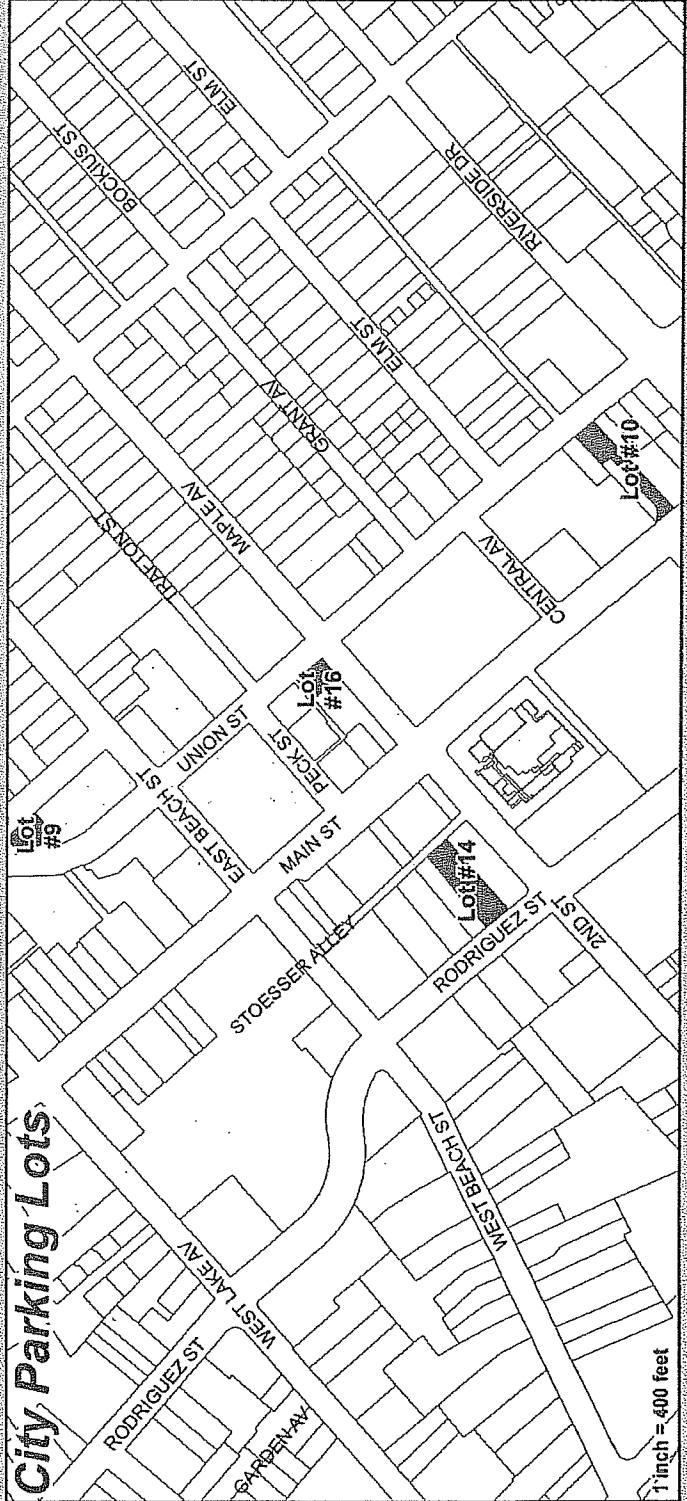
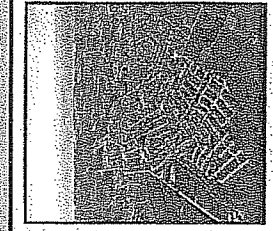
Auto "Ownership" Through Owner's "Daily Thrift Corporation"

Legend

- Parcel
- Right-of-Way
- Parking Lot



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CITY OF WATSONVILLE
Successor Agency
June 30, 2012

Oversight Board Resolutions 6-12 and ROPS January 1, 2012 through June 30, 2012

RESOLUTION NO. 6-12 (OB)

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE
ADOPTING THE AMENDED CERTIFIED RECOGNIZED OBLIGATION
PAYMENT SCHEDULE FOR PERIOD OF JANUARY 1, 2012,
THROUGH JUNE 30, 2012**

WHEREAS, the oversight board (the "**Board**") for the former Redevelopment Agency of the City of Watsonville (the "**Agency**") was formed and exists in accord with CRL Section 34179; and

WHEREAS, in accord with CRL Section 34172(a), the Agency was dissolved as of February 1, 2012 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 of Watsonville is the successor agency (the "**Successor Agency**") to the former Agency and, as such, is vested with all authority, rights, powers, duties and obligations previously vested in the Agency by the CRL, except to the extent repealed, restricted or revised pursuant to provision of Assembly Bill 1X 26 ("**AB 26**"); and

WHEREAS, in accord with CRL Section 34177(l)(3), the Successor Agency has prepared its first "**Recognized Obligation Payment Schedule**" (the "**ROPS**") for the period of January 1, 2012 through June 30, 2012 which, as required by CRL Section 34177(l)(2)(A), was reviewed and certified as to its accuracy by the Santa Cruz County Auditor-Controller's Office and approved by the Board on April, 11, 2012; and

WHEREAS, staff has determined that an enforceable obligation was inadvertently omitted from the First Certified Recognized Obligation Payment Schedule and has prepared an Amended Certified Recognized Obligation Payment Schedule (the "**Amended Certified ROPS**") and has submitted same to the Santa Cruz County Auditor-Controller's Office; and

WHEREAS, the Board has reviewed and considered the Amended Certified ROPS and all testimony and other evidence presented to the Board for and against the Amended Certified ROPS; and

WHEREAS, as required by CRL Section 34177(l)(2)(A), the Amended Certified ROPS has been reviewed and certified as to its accuracy by the Santa Cruz County Auditor-Controller's Office; and

WHEREAS, the Board desires to approve the Amended Certified ROPS as required by CRL Section 34180(g).

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

Section 1. That based upon the staff report, testimony, and other evidence presented to the Board at or prior to the time of its consideration of this Resolution, the Board finds and determines:

(1) That the Amended Certified ROPS has been prepared in accord with the requirements of CRL Section 34177(l)(1) and contains all of the information required by that that section and all other provisions of the CRL; and

(2) That all obligations set forth on the Amended Certified ROPS constitute "enforceable obligations" and are payable from the funding sources identified in the Amended Certified ROPS, including the Redevelopment Property Tax Trust Fund (as defined by the CRL); and

(3) That this Resolution and the Amended Certified ROPS were presented and considered by to the Board at a properly noticed and conducted public meeting of the Board.

Section 2. That the Board approves the Amended Certified ROPS in the form attached to this Resolution as **Exhibit "A."**

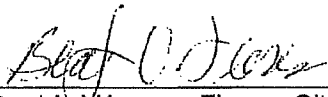
Section 3. That the Successor Agency is directed to:

(1) Deliver a copy of the certified, Board-approved Amended Certified ROPS to the Santa Cruz County Auditor-Controller, the State Controller's Office, and the State Department of Finance and designate an official contact person as required by CRL Section 34179(h); and

(2) Post a copy of the Amended Certified ROPS on the Successor Agency's internet website.

Section 4. That this Resolution will become effective in accord with CRL Section 34179(h).

I, Beatriz Vázquez Flores, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 6-12 was duly and regularly passed and adopted by the Oversight Board at a meeting thereof held on the 24th day of April, 2012, and that the foregoing is a full, true and correct copy of said Resolution.



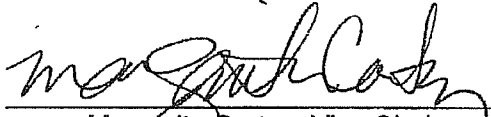
Beatriz Vázquez Flores, City Clerk

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 24th day of April, 2012, by Member Tavantzis, who moved its adoption, which motion being duly seconded by Member McFadden, was upon roll call carried and the resolution adopted by the following vote:

AYES: BOARD MEMBERS: **Caput, Cortez, McFadden, Medina, Pirie, Tavantzis**

NOES: BOARD MEMBERS: **None**

ABSENT: BOARD MEMBERS: **Montesino**


Margarita Cortez, Vice Chair

ATTEST:


Beatriz Vazquez Flores, Board Secretary

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 54177 (i)

Project Name / Debt Obligation	Payee	Description	Project Area	Outstanding Debt/Obligation	2012/13 Balance Due (i)	Funding Source (ii)	Payments by Month					Total
							January	February	March	April	May	June
1) 2004 Tax Allocation, Series A (P&I)	US Bank	Cable Plaza	All areas	See 3 Below	361,994.79	(C) RB	361,994.79	-	-	-	-	\$ 361,994.79
2) 2004 Tax Allocation, Series B1 & B2 (P&I)	US Bank	Housing Projects	All areas	See 4 Below	245,569.23	(A) LMHF	245,569.23	-	-	-	-	\$ 245,569.23
3) 2004 Tax Allocation, Series A (P&I)	US Bank	Cable Plaza	All areas	74,045,452.31	-	(C) RPTTF	-	-	-	-	-	\$ -
4) 2004 Tax Allocation, Series B1 & B2 (P&I)	US Bank	Housing Projects	All areas	7,586,191.18	-	(C) RPTTF	-	-	-	-	-	\$ -
5) US Bank mortgage fees	US Bank	Home ownership - small business fees	All areas	135,900.00	-	(C) RPTTF	-	-	-	-	-	\$ -
6) Bond discount	City of Watsonville	Bond discounts - annual continuing disclosures	All areas	281,948.76	-	(C) RPTTF	-	-	-	-	-	\$ -
7) Tax increment overpayment by County for 2004-05	County of Santa Cruz	Replacement per CH agreement	All areas	47,677.00	-	(C) RPTTF	-	-	-	-	-	\$ -
8) Tax increment overpayment by County for 2005-06	County of Santa Cruz	Replacement per CH agreement	All areas	361,021.00	-	(C) RPTTF	-	-	-	-	-	\$ -
9) Tax increment overpayment by County - Tax fees	County of Santa Cruz	Replacement	All areas	842,211.00	-	(C) RPTTF	-	-	-	-	-	\$ -
10) Advance due Water Enterprise Fund (P&I) Per	Watsonville Water Enterprise Fund	Replacement per loan agreement	All areas	825,650.12	-	(C) RPTTF	-	-	-	-	-	\$ -
11) Parking Garage Equipment	General Enterprises (G&E) (Yrsk)	Parking Garage Equip	All areas	698.00	-	(C) RB	-	-	698.00	-	-	\$ 698.00
12) Consultant Services	Reed, Bart & O'Neil LLP	Legal Services (for Cable Plaza)	All areas	187.20	-	(C) RB	187.20	-	-	-	-	\$ 187.20
13) Consultant Services	Reed, Bart & O'Neil LLP	Consulting (for Cable Plaza)	All areas	9,854.52	-	(C) RPTTF	-	-	-	-	-	\$ -
14) Consultant Services	Reed, Bart & O'Neil LLP	Consulting (for Cable Plaza)	All areas	85,000.00	-	(C) RPTTF	-	-	-	-	-	\$ -
15) Consultant Services	Reed, Bart & O'Neil LLP	Consulting (for Cable Plaza)	All areas	6,727.16	-	(C) RPTTF	-	-	-	-	-	\$ -
16) Consultant Services	Reed, Bart & O'Neil LLP	Consulting (for Cable Plaza)	All areas	211,238.00	-	(C) RPTTF	-	-	-	-	-	\$ -
17) Consultant Services	Reed, Bart & O'Neil LLP	Consulting (for Cable Plaza)	All areas	25,460.00	-	(C) RB	25,460.00	-	-	-	-	\$ 25,460.00
18) Agreement	City of Watsonville	Subsidize downtown parking (for Cable Plaza)	All areas	45,000.00	-	(C) RPTTF	-	-	-	-	-	\$ -
19) Cooperation Agreement	City of Watsonville/Cooperativa, Inc./B&S	Street Lighting Infrastructure	All areas	387,450.00	-	(C) RPTTF	-	-	-	-	-	\$ -
20) Cooperation Agreement	City of Watsonville/Cooperativa, Inc./B&S	Water Recycling Plant WATQDA-Solar panels	All areas	1,781,262.00	-	(C) RPTTF	-	-	-	-	-	\$ -
21) Cooperation Agreement	City of Watsonville/Cooperativa, Inc./B&S	Well 10 Installation Project	All areas	246,500.00	-	(C) RPTTF	-	-	-	-	-	\$ -
22) Projected Manure-On-DMA Management Costs	City of Watsonville	Ponding for project management of business park	All areas	19,616.31	-	(C) RB	19,616.31	-	-	-	-	\$ 19,616.31
23) Projected Manure-On-DMA Management Costs	City of Watsonville	Ponding for project management of business park	All areas	279,869.39	-	(C) RPTTF	-	-	-	-	-	\$ -
24) Comprehensive Economic Development Strategy	County of Santa Cruz-Human Services Dept	Develop annual CEDS performance report	All areas	9,985.00	-	(C) RB	-	-	9,985.00	-	-	\$ 9,985.00
25) Comprehensive Economic Development Strategy	County of Santa Cruz-Human Services Dept	Develop annual CEDS performance report	All areas	19,570.00	-	(C) RPTTF	-	-	-	-	-	\$ -
26) Estimated project management costs	City of Watsonville	Affordable housing project 25 years	All areas	1,460,052.75	-	(C) RPTTF	-	-	-	-	-	\$ -
27) Project management	City of Watsonville	Affordable housing project 25 years	All areas	7,795.82	-	(A) LMHF	721.03	223.22	214.91	2,212.22	2,212.22	\$ 7,795.82
28) Project management	City of Watsonville	Loan and project portfolio - 88 yrs	All areas	2,037.94	-	(A) LMHF	986.02	-	-	350.64	350.64	\$ 2,037.94
29) Estimated project management costs	City of Watsonville	Loan and project portfolio - 45 year project to take to the payor	All areas	231,420.81	-	(C) RPTTF	-	-	-	-	-	\$ -
30) Legal Support	Goldfarb & Lippman	Legal Services	All areas	18,809.87	-	(A) LMHF	6,890.00	-	5,615.00	-	303.87	\$ 18,809.87
31) Legal Support	Goldfarb & Lippman	Legal Services	All areas	31,860.50	-	(C) RPTTF	-	-	-	-	-	\$ -
32) Affordable Housing Project	MP Sunny Meadows, LLP	Affordable Housing Rehab Project	All areas	1,000,000.00	-	(A) LMHF	1,000,000.00	-	-	-	-	\$ 1,000,000.00
33) Affordable Housing Project	MP Sunny Meadows, LLP	Affordable Housing Rehab Project	All areas	1,000,000.00	-	(C) RPTTF	-	-	-	-	-	\$ -
34) Home Owners Association - 19 DMI No 13	See View Ranch	Home Owners Association dues	All areas	487.77	-	(A) LMHF	-	-	162.59	162.59	162.59	\$ 487.77
35) Home Owners Association - 19 DMI No 13	See View Ranch	Home Owners Association dues (13 1/2 yrs)	All areas	3,641.39	-	(C) RPTTF	-	-	-	-	-	\$ -

THE UNIVERSITY OF CHICAGO PRESS

Name of Redevelopment Agency: Redevelopment Agency of the City of Watsonville
Project Areas: All

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177 (b)

Project Name / Debt Obligation	Payee	Description	Project Area	Outstanding Debt/Obligation	2011/12 Balance Due (a)	Funding Source (b)	Payments by Month						Total
							January	February	March	April	May	June	
1) Projected Employee Costs	City of Watsonville	Employee costs (salary & benefits)	All areas	Annual	28,067.62	(E) RB	-	-	-	11,364.10	8,351.76	-	28,067.62
2) Employee Costs	City of Watsonville	Employee costs (salary & benefits)	All areas	Annual	42,455.65	(E) RB	-	5,253.72	8,445.39	-	-	-	42,455.65
3) Financial Management	Jan Devision	Consultant to Manage Successor Agency	All areas	Annual	4,662.00	(E) RB	-	-	-	-	2,331.00	-	4,662.00
4) Projected Overhead Charges	City of Watsonville	Cost allocation plan for 2011-12 budget	All areas	Annual	22,346.83	(E) RB	-	-	-	7,449.10	7,449.10	-	22,346.83
5) Projected Overhead Charges	City of Watsonville	Cost allocation plan for 2011-12 budget	All areas	Annual	18,853.84	(E) RB	-	-	-	-	-	-	18,853.84
6) General and W. Comp Insurance Allocation	City of Watsonville	Insurance costs	All areas	Annual	18,853.84	(E) RB	-	-	-	-	-	-	18,853.84
7) General and W. Comp Insurance Allocation	City of Watsonville	Insurance costs	All areas	Annual	2,500.00	(E) RB	-	-	-	833.33	833.33	-	2,500.00
8) Interest Analysis	OMA Consulting	Financial Consultant	All areas	Annual	17,553.34	(E) RB	-	-	-	-	-	-	17,553.34
9) Phone Service	ATT & Verizon	Mail	All areas	Annual	725.00	(E) RB	-	225.00	-	-	500.00	-	725.00
10) Postage	PEDEX	Service Contract	All areas	Annual	80.60	(E) RB	-	-	-	-	-	-	80.60
11) Estimated Phone Service	PEDEX	Phone Service	All areas	Annual	113.57	(E) RB	-	-	-	-	-	-	113.57
12) Copier	ATT & Verizon	Service Contract	All areas	Annual	113.57	(E) RB	-	-	-	-	-	-	113.57
13) OPEA Obligation	IRON	RDA Projected OPEB liability at 6/30/11	All areas	Annual	813.65	(E) RB	-	-	200.08	73.37	220.45	-	567.27
14) Health Claims Invt	City of Watsonville Health Plan	Claims incurred but not reported	All areas	Annual	179,499.00	(E) RB	-	-	162.73	162.73	162.73	-	513.65
15) CAPERS Obligation	City of Watsonville	RDA Projected CAPERS liability at 6/30/11	All areas	Annual	424,518.44	(E) Admin	-	-	-	-	-	-	-
16) Professional Services	Gresham, Savage, Nolan & Tilden APC	Legal Services	All areas	Annual	36,288.54	(E) RB	9,648.54	-	12,540.00	-	-	-	36,288.54
17) Professional Services	Gresham, Savage, Nolan & Tilden APC	Legal Services	All areas	Annual	2,137.92	(E) Admin	-	-	-	-	-	-	-
18) Professional Services	Gresham, Savage, Nolan & Tilden APC	Legal Services - non housing	All areas	Annual	470.00	(E) Admin	-	-	-	-	-	-	-
19) Misc Office Supplies	Various Vendors	Printing, mail, Supplies, ect.	All areas	Annual	142.19	(E) RB	-	-	142.19	-	-	-	142.19
20) Professional Services	Grunsky, Ebey Ferrar & Howell	Legal Services	All areas	Annual	510.00	(E) RB	-	-	510.00	-	-	-	510.00
21) Estimated Legal Services	Various Vendors	Future Legal Support	All areas	Annual	15,000.00	(E) Admin	-	-	-	-	-	-	-
22) Audit for RDA through 6/30/11	Mess, Levy & Harbichin	Bond covenants - annual continuing disclosures and prepare annual audits	All areas	Annual	4,800.00	(E) RB	4,800.00	-	-	-	-	-	4,800.00
23) Audit	Mess, Levy & Harbichin	Bond covenants - annual continuing disclosures and prepare annual audits	All areas	Annual	-	(E) Admin	-	-	-	-	-	-	-
Totals - This Page				Annual	\$ 758,290.41	\$ 180,460.08	\$ 79,786.41	\$ 5,783.64	\$ 21,958.20	\$ 19,882.63	\$ 31,848.37	\$ 21,200.83	\$ 380,460.08

- (1) This preliminary draft Recognized Obligation Payment Schedule (ROPS) is to be completed by the successor agency no later than March 1, 2012. It is valid through June 30, 2012. It must be subsequently approved by the oversight board and sent to and audited by the County Auditor/Controller. The first official ROPS is approved by the Oversight Board and is posted on the Successor Agency's website and submitted to the State Controller's Office and the Department of Finance by 4/15/12.
- (2) All totals due during fiscal year and payment amounts are projected except for the month of January.
- (3) Funding sources from the successor agency are: (A) Low & Moderate Income Housing Funds (LMIHF); (B) Administrative Cost Allowance (Admin); (C) Redevelopment Property Tax Trust Fund (RPTTF); (D) Bond Proceeds (Bonds); and (E) Reserve balances (RB).
- (4) Includes pro-rated amount of City of Capistrano liability attributed to former RDA employees

Exhibit "A"
Resolution 6-12 (OB)

print date: 4/26/2012

\\s1\userprofiles\lan.davison\My Documents\Download\ROA-ROPS_enforceable obligation to County amended (2) [ROPS Admin_2012-0314]

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177 (4)

Project Name / Debt Obligation	Payee	Description	Project Area	Outstanding Debt/Obligation	2011/12 Balance Due (2)	Funding Source (3)	Payments by Month						Total
							January (4)	February	March	April	May	June	
1) Pass-through (07/01/2011 to 1/31/12)	Districts & Other Gov Agencies	Recognize value of all future Pass-through	All Areas	28,489.37	28,489.37	(E) RB	-	-	-	-	-	28,489.37	28,489.37 (4)
2)													
3)													
4)													
5)													
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20)													
21)													
22)													
23)													
24)													
25)													
Totals- This Page				\$ 28,489.37	\$ 28,489.37		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,489.37	\$ 28,489.37

(1) This preliminary draft Recognized Obligation Payment Schedule (ROPS) is to be completed by the successor agency no later than March 1, 2012. It is valid through June 30, 2012. It must be subsequently approved by the oversight board and sent to and audited by the County Auditor-Controller. The first official ROPS is approved by the Oversight Board and is posted on the Successor Agency's website and submitted to the State Controller's Office and the Department of Finance by 4/15/12.
(2) All totals due during fiscal year and payment amounts are projected except for the month of January.
(3) Funding sources from the successor agency are: (A) Low & Moderate Income Housing Funds (LMHF); (B) Administrative Cost Allowance (Admin); (C) Redevelopment Property Tax Trust Fund (RPTTF); (D) Bond Proceeds (Bonds); and (E) Reserve balances (RB)
(4) Amount of pass-through payments for the final RDA period ending 1/31/12.

CITY OF WATSONVILLE
Successor Agency
June 30, 2012

Oversight Board Resolutions 8-12 and ROPS July 1, 2012 through December 31, 2012

RESOLUTION NO. 8-12 (OB)

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE PURSUANT TO HEALTH & SAFETY CODE SECTIONS 34171(j) AND SECTIONS 34173, APPROVING AN AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD COMMENCING JULY 1, 2012 THROUGH DECEMBER 31, 2012, AS REQUIRED BY HEALTH & SAFETY CODE SECTION 34177(l)(1)

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health & Safety Code Section 33000, et seq. ("CRL"), the City Council of the City of Watsonville 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 in accordance with the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved in accord with Assembly Bill 1X 26 (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)

WHEREAS, in accord with AB 26, on January 10, 2012, the City Council adopted Resolution No. 4-12 (CM) becoming both the Agency's successor agency ("**Successor Agency**") and its successor for housing functions in accord with CRL Sections 34173 and 34176; and

WHEREAS, pursuant to Section 34177(l)(1) the Successor Agency is required to prepare "**Recognized Obligation Payment Schedules**" (each such Schedule, a "**ROPS**") that must be submitted to the Auditor Controller, the State Department of Finance and the State Controller's Office; and

WHEREAS, each ROPS must identify, on a prospective, six-month basis, the funds required by the Successor Agency to satisfy the Agency's enforceable obligations and to pay administrative expenses;

WHEREAS, on April 24, 2012, the Oversight Board adopted Resolution No. 7-12 (OB) approving a July, 1, 2012, through December 31, 2012, ROPS and Resolution No. 5-12 (OB) approving a Cooperation Agreement for Administrative Services and the Fiscal Year 2012-13 Administrative Budget for the Successor Agency; and

WHEREAS, City staff has prepared an amended ROPS for the period commencing July 1, 2012, through December 31, 2012, ("**Amended July – December 2012 ROPS**"), a copy of which is attached to this Resolution as Exhibit A.

WHEREAS, the Amended July – December 2012 ROPS was prepared in accordance with the requirements of CRL Section 34177 and other applicable law.

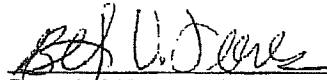
NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE AS FOLLOWS:

Section 1. That the Oversight Board approves the Amended July – December 2012 ROPS, in the form attached to this Resolution as Exhibit A, including the aggregated payment schedules attached to it and authorizing a deferral of any payment towards the enforceable obligations identified on Line Items 8 and 12 as shown on Exhibit A until the January – June 2013 ROPS cycle.

Section 2. That the City Manager is directed to submit the Amended July – December 2012 ROPS to the Successor Agency's Oversight Board (formed in accord with CRL Section 34179) for approval in accord with CRL Section 34177(l)(2)(B).

Section 3. That the following the Oversight Board's approval of the Amended July – December 2012 ROPS, as provided in Section 2, above, the City Manager is directed to: (1) submit the approved Amended July – December 2012 ROPS to the Santa Cruz County Auditor/Controller, the State Controller's Office, and the State Department of Finance, and (2) concurrently post the approved Amended July – December 2012 ROPS on the City's internet website.

I, Beatriz Vázquez Flores, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 8-12 (OB) was duly and regularly passed and adopted by the Oversight Board at a meeting thereof held on the 9th day of May, 2012, and that the foregoing is a full, true and correct copy of said Resolution.

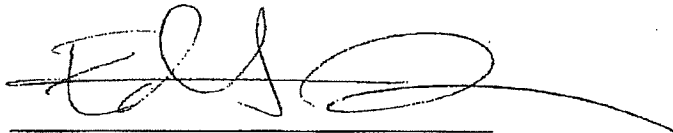

Beatriz Vázquez Flores, City Clerk

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 9th day of May, 2012, by Member Pirie, who moved its adoption, which motion being duly seconded by Member McFadden, was upon voice vote carried and the resolution adopted by the following vote:

AYES: BOARD MEMBERS: **Caput, Cortez, McFadden, Medina, Pirie, Tavantzis, Montesino**


NOES: BOARD MEMBERS: **None**

ABSENT: BOARD MEMBERS: **None**



Eduardo Montesino, Chair

ATTEST:



Beatriz Vázquez Flores, Board Secretary

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34277 (b)

Project Name / Debt Obligation	Payee	Outstanding Debt/Obligation	7/1/12 to 12/31/12 Balance Due	Funding Source in	Payments by Month						Total
					July	August	September	October	November	December	
1) 2004 Tax Abatement, Series A (P4)	US Bank	24,045,457.51	24,045,457.51	(C) RPTF	-	-	984,848.75	-	-	-	\$ 984,848.75
2) 2004 Tax Abatement, Series B1 & B2 (P4)	US Bank	7,440,821.50	435,600.63	(C) RPTF	-	-	435,600.63	-	-	-	\$ 435,600.63
3) US Bank Trustee fees	US Bank	115,500.00	4,500.00	(C) RPTF	-	-	4,500.00	-	-	-	\$ 4,500.00
4) Bond Disclosure	City of Watsonville	281,348.76	-	(C) RPTF	-	-	-	-	-	-	\$ -
5) Tax Incremental Employment by County PA	County of Santa Cruz	47,677.00	23,836.00	(C) RPTF	-	-	-	-	-	-	\$ 23,836.00
6) Tax Incremental Employment by County PA	County of Santa Cruz	361,021.00	47,115.00	(C) RPTF	-	47,115.00	-	-	-	-	\$ 47,115.00
7) Tax Incremental Employment by County PA	County of Santa Cruz	842,211.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
8) Adams the Water Enterprise Fund (P4) Per	Watsonville Water Enterprise Fund	825,550.12	-	(C) RPTF	-	-	-	-	-	-	\$ -
9) Consultants Services	Everett, Marston Associates, Inc	9,854.52	-	(C) RPTF	-	-	-	-	-	-	\$ -
10) Consultants Services	Watsonville & Associates, LLC	85,000.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
11) Consultants Services	MR Consulting	6,727.16	5,000.00	(C) RPTF	-	-	-	-	-	-	\$ 5,000.00
12) City Center Project Impact Fees	City of Watsonville Impact Fee Fund	211,238.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
13) Cooperation Agreement	City of Watsonville	45,000.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
14) Cooperation Agreement	City of Watsonville Pacific Electric Contracting Inc.	387,450.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
15) Cooperation Agreement	City of Watsonville Republic, Inc. (East Electric	1,781,262.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
16) Cooperation Agreement	City of Watsonville GSC Construction	246,500.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
17) Projected Market-Our OPA Management costs	City of Watsonville	273,869.39	-	(C) RPTF	-	-	-	-	-	-	\$ -
18) City of Watsonville Economic Development	County of Santa Cruz-Human Services Dept	19,970.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
19) Estimated project management costs	City of Watsonville	1,460,065.75	13,272.00	(C) RPTF	2,212.00	2,212.00	2,212.00	2,212.00	2,212.00	2,212.00	\$ 13,272.00
20) Estimated project management costs	City of Watsonville	251,420.81	-	(C) RPTF	-	-	-	-	-	-	\$ -
21) Legal Support	Gardner & Upman	51,880.50	5,000.00	(C) RPTF	-	-	5,000.00	-	-	-	\$ 5,000.00
22) Affordable Housing Project	MR Sunny Meadows, LLP	1,000,000.00	739,480.62	(C) RPTF	-	-	739,480.62	-	-	-	\$ 739,480.62
23) Home Owners Association-9 of 10 D2	Sun View Ranch	3,414.39	-	(C) RPTF	-	-	-	-	-	-	\$ -
24) Reserve	Home Owners	250,000.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
25) 2014 Housing Fund Loan to RPA Bank Fund	City of Watsonville Successor Housing Fund	629,940.00	-	(C) RPTF	-	-	-	-	-	-	\$ -
Totals - This Page		\$ 40,635,654.21	\$ 2,252,653.40	(C) RPTF	\$ 31,048.00	\$ 49,322.00	\$ 2,465,642.00	\$ 2,212.00	\$ 2,212.00	\$ 2,212.00	\$ 2,252,653.40
Totals - Page 2 (Administrative Cost Allowance)		\$ -	\$ 125,000.00		\$ 20,853.33	\$ 20,853.33	\$ 20,853.33	\$ 20,853.33	\$ 20,853.33	\$ 20,853.33	\$ 125,000.00
Totals - All Pages		\$ 40,635,654.21	\$ 2,377,653.40		\$ 51,881.33	\$ 70,165.33	\$ 2,486,495.33	\$ 23,045.33	\$ 23,045.33	\$ 23,045.33	\$ 2,377,653.40

(1) This Recognized Obligation Payment Schedule (ROPS) is to be completed by the successor agency no later than April 15, 2012. It is valid through December 31, 2012. It must be subsequently approved by the oversight board and sent to and audited by the County Auditor-Controller.
(2) Funding sources from the successor agency are (A) Low & Moderate Income Housing Funds (LMHF); (B) Administrative Cost Allowance (Admin); (C) Redevelopment Property Tax Trust Fund (RPTTF); (D) Bond Proceeds (Bonds); and (E) Other Revenue (Other).
(3) Replacement agreement needed to reflect County's current estimated balance due. Agreement has not been finalized.
(4) Cooperation agreement finalized between City of Watsonville and Watsonville Redevelopment Agency on 1/25/11.
(5) Project management costs for Affordable Housing (projected at 35 years) and project/loan portfolios (projected for 5 years). Project costs are at current salary levels.

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 24 - Section 94177 by

[illegible]

(2) This Recognized Obligation Payment Schedule (ROPS) is to be completed by the successor agency no later than April 15, 2012. It is valid through December 31, 2012. It must be subsequently approved by the oversight board and sent to and audited by the County Auditor.

(2) Funding sources from the successor agency are: (A) Low & Moderate Income Housing Funds [LMIHF]; (B) Administrative Cost Allowances [Admin]; (C) Redevelopment Property Tax Trust Fund [PRTTF]; (D) Bond Proceeds [Bonds]; and (E) Other Revenue [Other]

M:\Finance\Successor Agency\ROPS #2\ROPS_enforceable obligation #2 adm changed-Jan's reductions-AMENDED to Auditor Controllers Est.xlsx [ROPS Admin_2012-7 to 12]

Reso 8-12 (OB)

print date: 5/5/2012

Name of Redevelopment Agency: Redevelopment Agency of the City of Watsonville
Project Areas: All

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34377 (c)

	Project Name / Debt Obligation	Payee	Outstanding Debt/Obligation	7/1/12 to 12/31/12 Balance Due	Funding Source	Payments by Month						Total
						July	August	September	October	November	December	
1)	2000 Tax Allocation, Series A (P&I)	US Bank	24,045,452.31	994,948.75	(C) RPTT	-	-	994,948.75	-	-	-	\$ 994,948.75
2)	2000 Tax Allocation, Series B1 & B2 (P&I)	US Bank	7,440,621.50	435,600.63	(C) RPTT	-	-	435,600.63	-	-	-	\$ 435,600.63
3)	US Bank Project Fee	US Bank	115,500.00	4,500.00	(C) RPTT	-	-	4,500.00	-	-	-	\$ 4,500.00
4)	Project management professional time & costs for bond structure	City of Watsonville	281,948.76	-	(C) RPTT	-	-	-	-	-	-	\$ -
5)	The Indemnity obligation by County for the 2000 Tax Allocation, Series A (P&I)	County of Santa Cruz	47,577.00	23,836.00	(C) RPTT	23,836.00	-	-	-	-	-	\$ 23,836.00
6)	2000-02 2007-04 2008-06	County of Santa Cruz	363,021.00	47,115.00	(C) RPTT	-	47,115.00	-	-	-	-	\$ 47,115.00
7)	The Indemnity obligation by County for the 2000 Tax Allocation, Series B1 & B2 (P&I)	County of Santa Cruz	842,211.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
8)	Advance due Water Enterprise Fund (P&I) for County Error for FY's 2001-02 & 2002-03	Watsonville Water Enterprise Fund	825,650.12	-	(C) RPTT	-	-	-	-	-	-	\$ -
9)	Consultant Services	Keyser, Martin Associates, Inc	9,854.52	-	(C) RPTT	-	-	-	-	-	-	\$ -
10)	Consultant Services	Reed Hansen & Associates, LLC	85,000.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
11)	Consultant Services	H&B Consulting	6,727.16	5,000.00	(C) RPTT	5,000.00	-	-	-	-	-	\$ 5,000.00
12)	Civic Center Project Impact Fee	City of Watsonville	211,238.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
13)	Cooperation Agreement	City of Watsonville	45,000.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
14)	Cooperation Agreement	City of Watsonville/Pacific Electric Corporation	387,450.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
15)	Cooperation Agreement	City of Watsonville/Republic, Inc./P&I Electric	1,781,262.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
16)	Cooperation Agreement	City of Watsonville/USE Corporation	245,500.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
17)	Projected Monthly On-DPA Management costs	City of Watsonville	279,869.38	32,574.00	(C) RPTT	5,429.00	5,429.00	5,429.00	5,429.00	5,429.00	5,429.00	\$ 32,574.00
18)	Comprehensive Economic Development Strategy	County of Santa Cruz-Human Services Dept	19,970.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
19)	Estimated project management costs	City of Watsonville	1,450,065.75	13,272.00	(C) RPTT	2,212.00	2,212.00	2,212.00	2,212.00	2,212.00	2,212.00	\$ 13,272.00
20)	Estimated project management costs	City of Watsonville	291,420.81	-	(C) RPTT	-	-	-	-	-	-	\$ -
21)	CECS Support	Goldfuss & Lipman	51,860.50	5,000.00	(C) RPTT	-	-	5,000.00	-	-	-	\$ 5,000.00
22)	Watsonville Housing Project	Jeff Berry Associates, LLP	1,000,000.00	700,506.62	(C) RPTT	-	-	700,506.62	-	-	-	\$ 700,506.62
23)	Home Owners Association, 50 DPA No. 02	Sea View Ranch	9,414.39	-	(C) RPTT	-	-	-	-	-	-	\$ -
24)	Health Homes Property Project Insurance	Home Owners	250,000.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
25)	Post Hearing Fund Loan to RDA Work Fund	City of Watsonville	629,940.00	-	(C) RPTT	-	-	-	-	-	-	\$ -
Totals - This Page			\$ 40,633,654.21	\$ 2,252,653.00	(C) RPTT	\$ 96,477.00	\$ 54,756.00	\$ 2,138,497.00	\$ 7,641.00	\$ 7,641.00	\$ 7,641.00	\$ 2,138,497.00
Totals - Page 2 (Administrative Cost Allowance)			\$ -	\$ 123,000.00	(C) RPTT	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 123,000.00
Totals - All Pages			\$ 40,633,654.21	\$ 2,377,653.00	(C) RPTT	\$ 57,310.33	\$ 75,589.33	\$ 2,159,330.33	\$ 28,474.33	\$ 28,474.33	\$ 28,474.33	\$ 2,377,653.00

(1) This Recognized Obligation Payment Schedule (ROPS) is to be completed by the successor agency no later than April 15, 2012. It is valid through December 31, 2012. It must be subsequently approved by the oversight board and sent to and audited by the County Auditor-Controller.
(2) Funding sources from the successor agency are: (A) Low & Moderate Income Housing Funds (LMIHF); (B) Administrative Cost Allowance (Admin); (C) Redevelopment Property Tax Trust Fund (RPTTF); (D) Bond Proceeds (Bond); and (E) Other Revenue (Other).
(3) Repayment agreement revised to reflect County's current estimated balance due. Agreement has not been finalized.
(4) Cooperation agreements finalized between City of Watsonville and Watsonville Redevelopment Agency on 1/25/11.
(5) Project management costs for Affordable Housing compliance (projected at 55 years) and project/loan portfolios (projected for 5 years). Project costs are at current salary levels.

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print date: 5/3/2012

Per AB 26 - Section 34177
CU

[illegible]

(4) This Recognized Obligation Payment Schedule (ROPS) is to be completed by the successor agency no later than April 15, 2012. It is valid through December 31, 2012. It must be subsequently approved by the oversight board and sent to and audited by the County Auditor-Controller.

(2) Funding sources from the escrow agency are: (A) Low & Moderate Income Housing Funds (LMHF); (B) Administrative Cost Allowance (Admin); (C) Redevelopment Property Tax Trust Fund (RPTTF); (D) Bond Proceeds (Bonds); and (E) Other Revenue (Other)

EXHIBIT "A"
Alternative 2
Page 2 of 2
Reso 8-12 (OB)

print date: 5/3/2012

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