

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.

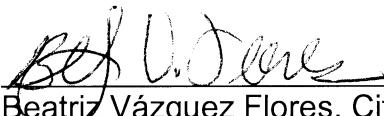
NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE AS FOLLOWS:

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(I)(2)(B).

Section 3. That 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**



Eduardo Montesino, Chair

ATTEST:

Beatriz Vázquez Flores

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177 ⁽¹⁾

	Project Name / Debt Obligation	Payee	Outstanding Debt/Obligation	7/1/12 to 12/31/12 Balance Due	Funding Source ⁽²⁾	Payments by Month						
						July	August	September	October	November	December	Total
1)	2004 Tax Allocation, Series A (P&I)	US Bank	24,045,452.31	984,848.75	(C) RPTTF	-	-	984,848.75	-	-	-	\$ 984,848.75
2)	2004 Tax Allocation, Series B1 & B2 (P&I)	US Bank	7,440,621.50	435,600.63	(C) RPTTF	-	-	435,600.63	-	-	-	\$ 435,600.63
3)	US Bank trustee fees	US Bank	115,500.00	4,500.00	(C) RPTTF	-	-	4,500.00	-	-	-	\$ 4,500.00
4)	Project management projected time & costs for Bond Disclosure	City of Watsonville	281,948.76	-	(C) RPTTF	-	-	-	-	-	-	\$ -
5)	Tax increment overpayment by County '04	County of Santa Cruz	47,677.00	23,836.00	(C) RPTTF	23,836.00	-	-	-	-	-	\$ 23,836.00
6)	Tax increment overpayment by County for FY's 2006-07, 2007-08, 2008-09	County of Santa Cruz	361,021.00	47,115.00	(C) RPTTF	-	47,115.00	-	-	-	-	\$ 47,115.00
7)	Tax increment overpayment by County - Tax Rate Area 02-078 allocation Error	County of Santa Cruz	842,211.00	-	(C) RPTTF	-	-	-	-	-	-	\$ -
8)	Advance due Water Enterprise Fund (P&I) For County Error for FY's 2001-02 & 202-03	Watsonville Water Enterprise Fund	825,650.12	-	(C) RPTTF	-	-	-	-	-	-	\$ -
9)	Consultant Services	Keyser, Marston Associates, Inc	9,854.52	-	(C) RPTTF	-	-	-	-	-	-	\$ -
10)	Consultant Services	Rex Halverson & Associates, LLC	85,000.00	-	(C) RPTTF	-	-	-	-	-	-	\$ -
11)	Consultant Services	RBF Consulting	6,727.16	5,000.00	(C) RPTTF	5,000.00	-	-	-	-	-	\$ 5,000.00
12)	Civic Center Project Impact Fees	City of Watsonville Impact Fee Fund	211,238.00	-	(C) RPTTF	-	-	-	-	-	-	\$ -
13)	Downtown Business Parking subsidy - Cooperation Agreement	City of Watsonville	45,000.00	-	(C) RPTTF	-	-	-	-	-	-	\$ -
14)	Cooperation Agreement	City of Watsonville/Pacific Electric Contracting Inc.	387,450.00	-	(C) RPTTF	-	-	-	-	-	-	\$ - (4)
15)	Cooperation Agreement	City of Watsonville/Ecoplexus, Inc./Bass Electric	1,781,262.00	-	(C) RPTTF	-	-	-	-	-	-	\$ - (4)
16)	Cooperation Agreement	City of Watsonville/GSE Construction	246,500.00	-	(C) RPTTF	-	-	-	-	-	-	\$ - (4)
17)	Projected Manabe-Ow OPA Management costs	City of Watsonville	273,869.39	-	(C) RPTTF	-	-	-	-	-	-	\$ -
18)	Comprehensive Economic Development Strategy	County of Santa Cruz- Human Services Dept	19,970.00	-	(C) RPTTF	-	-	-	-	-	-	\$ -
19)	Estimated project management costs	City of Watsonville	1,460,065.75	13,272.00	(C) RPTTF	2,212.00	2,212.00	2,212.00	2,212.00	2,212.00	2,212.00	\$ 13,272.00 (5)
20)	Estimated project management costs	City of Watsonville	231,420.81	-	(C) RPTTF	-	-	-	-	-	-	\$ -
21)	Legal Support	Goldfarb & Lipman	31,860.50	5,000.00	(C) RPTTF	-	-	5,000.00	-	-	-	\$ 5,000.00
22)	Affordable Housing Project	MP Sunny Meadows, LLP	1,000,000.00	733,480.62	(C) RPTTF	-	-	733,480.62	-	-	-	\$ 733,480.62
23)	Home Owners Association-59 Del Rio Ct	Sea View Ranch	3,414.39	-	(C) RPTTF	-	-	-	-	-	-	\$ -
24)	Youth Homes Property Project Insurance Reserve	Home Owners	250,000.00	-	(C) RPTTF	-	-	-	-	-	-	\$ -
25)	20% Housing Fund Loan to RDA 80% Fund	City of Watsonville Successor Housing Fund	629,940.00	-	(C) RPTTF	-	-	-	-	-	-	\$ -
Totals- This Page			\$ 40,633,654.21	\$ 2,252,653.00		\$ 31,048.00	\$ 49,327.00	\$ 2,165,642.00	\$ 2,212.00	\$ 2,212.00	\$ 2,212.00	\$ 2,252,653.00
Totals - Page 2 (Administrative Cost Allowance)			\$ -	\$ 125,000.00		\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 125,000.00
Totals- All Pages			\$ 40,633,654.21	\$ 2,377,653.00		\$ 51,881.33	\$ 70,160.33	\$ 2,186,475.33	\$ 23,045.33	\$ 23,045.33	\$ 23,045.35	\$ 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 [LMHF]; (B) Administrative Cost Allowance [Admin]; (C) Redevelopment Property Tax Trust Fund [RPTTF]; (D) Bond Proceeds [Bonds]; 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.

EXHIBIT "A"
 Alternative 1
 Page 1 of 2

Reso 8-12 (OB)

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177 (1)

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Per AB 26 - Section 34177 ⁽¹⁾

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2)	2004 Tax Allocation, Series B1 & B2 (P&I)	US Bank	7,440,621.50	435,600.63	(C) RPTTF	-	-	435,600.63	-	-	-	\$ 435,600.63
3)	U S Bank trustee fees	US Bank	115,500.00	4,500.00	(C) RPTTF	-	-	4,500.00	-	-	-	\$ 4,500.00
4)	Project management projected time & costs for Bond Disclosure	City of Watsonville	281,948.76	-	(C) RPTTF	-	-	-	-	-	-	\$ -
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Totals- This Page			\$ 40,633,654.21	\$ 2,252,653.00		\$ 36,477.00	\$ 54,756.00	\$ 2,138,497.00	\$ 7,641.00	\$ 7,641.00	\$ 7,641.00	\$ 2,252,653.00
Totals - Page 2 (Administrative Cost Allowance)			\$ -	\$ 125,000.00		\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.35	\$ 125,000.00
Totals- All Pages			\$ 40,633,654.21	\$ 2,377,653.00		\$ 57,310.33	\$ 75,589.33	\$ 2,159,330.33	\$ 28,474.33	\$ 28,474.33	\$ 28,474.35	\$ 2,377,653.00

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Alternative 2
Page 1 of 2
Reso 8-12 (OB)

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177 (1)

	Project Name / Debt Obligation	Payee	Description	Project Area	Outstanding Debt/Obligation	7/1/12 to 12/31/12 Balance Due	Funding Source	Payments by Month						
								July	August	September	October	November	December	Total
1)	City of Watsonville administration	City of Watsonville	Reimburse the City of Watsonville for administration costs incurred from operations due to the Successor Agency of the Redevelopment Agency of the City of Watsonville.	All areas	Annual	125,000.00	(B) Admin	20,833.33	20,833.33	20,833.33	20,833.33	20,833.33	20,833.35	\$ 125,000.00
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Totals- This Page								\$ -	\$ 125,000.00	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.35

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Alternative 2
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2 (OB)