

## AGENDA ITEM NO. VII-4

## AGENDA REPORT

OVERSIGHT BOARD FOR THE CITY OF MAYWOOD  
AS SUCCESSOR AGENCY OF THE MAYWOOD  
COMMUNITY REDEVELOPMENT AGENCY

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**DATE:** JANUARY 27, 2016

**TO:** HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

**BY:** ANDRE DUPRET, PROJECT MANAGER

**SUBJECT:** REVIEW AND APPROVE A RESOLUTION ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017

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### RECOMMENDATION

That the Oversight Board for the City of Maywood ("Oversight Board") as Successor Agency of the Maywood Community Redevelopment Agency ("Successor Agency") approve the attached resolution adopting the Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 ("ROPS 16-17").

### FISCAL IMPACT

ROPS 16-17 will pay the Successor Agency's enforceable obligations and administrative expenses incurred from July 1, 2016 through June 30, 2017.

### BACKGROUND

On December 29, 2011, in the *CRA v. Matosantos* case, the Court upheld ABX1 26 and invalidated ABX1 27 thereby eliminating redevelopment agencies and the voluntary option to pay to continue redevelopment. All redevelopment agencies in California were dissolved effective February 1, 2012 with assets, properties, and documents transferred to the successor agencies.

Pursuant to the Dissolution Bills, the Successor Agency must submit a report of its enforceable obligations, ROPS 16-17, for the period July 1, 2016 through June 30, 2017, to the Oversight Board who must officially direct Successor Agency staff to transmit the approved ROPS to the State Department of Finance.

The new legislation also required that all successor agencies submit a report of their enforceable obligations, also known as ROPS, twice per fiscal year, based on two (2) six-month increments.

Beginning January 1, 2016, the Department of Finance (“DOF”) no longer requires that ROPS be submitted bi-annually. Successor agencies are now only required to submit their ROPS once per fiscal year, to be approved by their respective Oversight Boards and submitted by February 1, 2016. Should any modifications to the ROPS be necessary during the fiscal year, a successor agency has the ability to amend its ROPS at the half-way mark of the fiscal year with the approval of both the Successor Agency and the Oversight Board.

## **DISCUSSION**

To ensure that the Successor Agency receives funds from the State of California to pay its FY 2016-17 bond indebtedness and other obligation(s), such as administrative, legal and maintenance costs associated with Successor Agency dissolution activities, the DOF requires the Oversight Board to approve the ROPS. The ROPS being considered today, in the amount of \$1,505,400, is the tenth consecutive ROPS that has been brought before the Oversight Board for approval.

Before coming to the Oversight Board, the ROPS 16-17 was first sent to the Successor Agency for Action which occurred on January 15, 2016. The Successor Agency approved the ROPS and directed Successor Agency staff to transmit the document to the Oversight Board for final action as required by Dissolution Law. Should the Oversight Board approve the ROPS 16-17 today, the document, together with the adopting resolution, will be submitted to the California Department of Finance, the Los Angeles County Auditor-Controller and other agencies as required by the Dissolution Act for final review and action by the February 1, 2016 deadline.

Attachments: 1) Resolution  
2) ROPS 16-17

ATTACHMENT 1  
Resolution

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF MAYWOOD AS SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY ADOPTING THE TENTH RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE (“ROPS 16-17”) FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177**

**WHEREAS**, the Maywood Community Redevelopment Agency, Maywood, California (“Agency”) was formed for the purpose of revitalizing areas within the City of Maywood pursuant to Health and Safety Code Section 33000, et. seq.; and

**WHEREAS**, AB X1 26 and AB 1484 (“the Dissolution Bills”) dissolved all redevelopment agencies in the State of California; and

**WHEREAS**, the City of Maywood opted to serve as Successor Agency to the Maywood Community Redevelopment Agency (“Successor Agency”); and

**WHEREAS**, under the Dissolution Bills, the Successor Agency must submit a Recognized Obligation Payment Schedule (“ROPS”) that sets forth all of the Successor Agency’s financial obligations over a twelve month period (fiscal year); and

**WHEREAS**, on January 15, 2016, the City as Successor Agency to the Maywood Community Redevelopment Agency reviewed and approved a resolution adopting the Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17); and

**WHEREAS**, the Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 is due to the California Department of Finance on or before February 1, 2016.

**NOW THEREFORE, THE OVERSIGHT BOARD OF THE CITY OF MAYWOOD AS SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:**

**SECTION 1.** The Oversight Board of the City of Maywood as Successor Agency to the Maywood Community Redevelopment Agency (“Successor Agency”) finds that the above recitations are true and correct and, accordingly, are incorporated as a material part of this Resolution.

**SECTION 2.** The ROPS 16-17 for the period July 1, 2016 through June 30, 2017, and attached hereto as Attachment 2, are hereby approved, adopted, and incorporated by reference by the Maywood Oversight Board pursuant to Health & Safety Code Section 34177.

**SECTION 3.** The Maywood Oversight Board hereto authorizes staff to take all necessary administrative actions to comply with Health & Safety Code Section 34177.

**SECTION 4.** The Maywood Oversight Board Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED, APPROVED AND ADOPTED ON** this 27<sup>th</sup> day of January, 2016.

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Wesly Miguel Hernandez, Chair  
Oversight Board of the Successor Agency to the  
Maywood Community Redevelopment Agency

**ATTEST:**

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Cesar Hernandez  
Oversight Board Secretary

**I HEREBY CERTIFY** the foregoing resolution was duly adopted by the Oversight Board of the Successor Agency to the Maywood Community Redevelopment Agency at a special meeting held on the 27<sup>th</sup> day of January, 2016, by the following vote:

**AYES:**

**NAYES:**

**ABSENT:**

**ABSTAIN:**

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Cesar Hernandez  
Oversight Board Secretary

**ATTACHMENT 2**  
Recognized Obligations Payment Schedule (ROPS 16-17)  
For the Period July 1, 2016 through June 30, 2017

**Recognized Obligation Payment Schedule (ROPS 16-17) - Summary**  
 Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Maywood  
 County: Los Angeles

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>		<b>16-17A Total</b>	<b>16-17B Total</b>	<b>ROPS 16-17 Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>				
<b>A</b>	<b>Sources (B+C+D):</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	-	-	-
D	Other Funding	-	-	-
<b>E</b>	<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 1,014,100</b>	<b>\$ 491,300</b>	<b>\$ 1,505,400</b>
F	Non-Administrative Costs	910,125	387,325	1,297,450
G	Administrative Costs	103,975	103,975	207,950
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 1,014,100</b>	<b>\$ 491,300</b>	<b>\$ 1,505,400</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177 (o) of the Health and Safety code, I  
 hereby certify that the above is a true and accurate Recognized  
 Obligation Payment Schedule for the above named successor  
 agency.

\_\_\_\_\_  
 Name Title  
 /s/ \_\_\_\_\_  
 Signature Date

**Maywood Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances**  
**(Report Amounts in Whole Dollars)**

ursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available  
 r when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see CASH BALANCE TIPS SHEET.

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information by ROPS Period</b>	<b>Bonds issued on or before 12/31/10</b>	<b>Bonds issued on or after 01/01/11</b>	<b>Prior ROPS period balances and DDR RPTTF balances retained</b>	<b>Prior ROPS RPTTF distributed as reserve for future period(s)</b>	<b>Rent, grants, interest, etc.</b>	<b>Non-Admin and Admin</b>	<b>Comments</b>	
<b>ROPS 15-16A Actuals (07/01/15 - 12/31/15)</b>									
1	Beginning Available Cash Balance (Actual 07/01/15)						1,915,983		
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015						921,444		
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)						935,480		
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 15-16A RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,901,947		
<b>ROPS 15-16B Estimate (01/01/16 - 06/30/16)</b>									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F8, and H = 5 + 8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,901,947		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016								
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						452,845		
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,449,102		

Maywood Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K ROPS 16-17 Total	L 16-17A					M 16-17B					W 16-17B Total	
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
											16-17A Total											
1	2007 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	5/1/2007	8/1/2037	Wells Fargo Bank	Tax Allocation Bonds, Series 2007. On May 1, 2007 the CDC of the City of Maywood issued \$21,650,000 in Tax Allocation Bonds, Series 2007. The 2007 proceeds were used to refund the Commission's \$8,485,000 Variable Rate Demand Tax Allocation Bonds and certain redevelopment projects within the project area to finance and to pay bond issuance costs. The 2007 Bonds will mature on August 1, 2037. Interest payments are due on the February 1 and August 1 of each year. Principal payments commenced in FY 2010. The outstanding balance as of June 30, 2013 will be \$18,390,000.		\$ 17,172,250	N	\$ 1,505,400	\$ -	\$ -	\$ -	\$ 910,125	\$ 103,975	\$ 1,014,100	\$ -	\$ -	\$ -	\$ 367,325	\$ 103,675	\$ 491,000
2	Bank Trustee Admin Fee	Fees	7/1/2015	7/1/2016	Wells Fargo Bank	Annual bank trustee fee and administration fee for 2007 Bond Reserve Fund held at trustee bank		2,500	N	\$ 2,500										2,500		\$ 2,500
4	Legal Counsel	Admin Costs	7/1/2015	7/1/2016	Legal Counsel	Maywood Successor Agency Legal Expenses		130,000	N	\$ 130,000					65,000	\$ 65,000					65,000	\$ 65,000
5	Successor Agency Staff Administrative Costs	Admin Costs	7/1/2015	12/31/2015	City of Maywood	Administrative Costs-Staff		55,250	N	\$ 55,250					27,625	\$ 27,625					27,625	\$ 27,625
6	Maintenance & Improvement-CDC Agency-owned properties	Property Maintenance	7/1/2015	12/31/2015	City of Maywood	Maintenance & Improvement-CDC Agency-owned properties a. 5102 District Blvd. (commercial site) b. 5110 District Blvd. (commercial site) c. 5515 Maywood Ave. (pocket park site) d. 4901 E. Silsion Ave. (commercial site)		1,800	N	\$ 1,800				900		\$ 900				900		\$ 900
9	LRPMP Consultant	Fees	7/1/2015	12/31/2015	To be determined	Fees and expenses for dissolution-related activities of CDC-owned properties		22,700	N	\$ 22,700					11,350	\$ 11,350					11,350	\$ 11,350
10	Oversight Board Legal Counsel	Admin Costs	7/1/2015	12/31/2015	Colantuono & Levin	Estimated fees for Oversight Board legal counsel	deleted item		N	\$ -						\$ -						\$ -
11	Other - Due to LACDC	Third-Party Loans	7/1/2014	12/31/2015	LA CDC	Refund of receipt of payment from loan recipient of CDBG housing rehabilitation loan booked as Successor Agency revenue	deleted item		N	\$ -						\$ -						\$ -
12									N	\$ -						\$ -						\$ -
13									N	\$ -						\$ -						\$ -
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