

MONTEBELLO OVERSIGHT BOARD AGENDA STAFF REPORT

TO: Honorable Chair and Members of the Oversight Board

FROM: Francesca Tucker-Schuyler, Executive Director of Successor Agency

BY: Christopher G. Cardinale, Successor Agency Legal Counsel

SUBJECT: Consideration of Successor Agency's Recognized Obligations Payment Schedule for January 1 to June 30, 2015 (ROPS 14-15B).

DATE: September 10, 2014

OBJECTIVE

Obtain Oversight Board approval of the Successor Agency's Recognized Obligation Payment Schedule covering the January 1 to June 30, 2015 payment period ("**ROPS 14-15B**")

BACKGROUND

The Community Redevelopment Agency of the City of Montebello ("**Agency**") was dissolved effective February 1, 2012 by way of Assembly Bill ("**AB**") 1x 26 and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*. As authorized by AB 1x 26 (as subsequently amended by AB 1484, the "**Dissolution Act**"), the City Council of the City of Montebello ("**City**") adopted a resolution electing to serve as the "successor agency" to the dissolved Agency (the "**Successor Agency**"), and thereby assumed responsibility for winding down the Agency's affairs.

The Successor Agency's responsibilities include preparing a Recognized Obligations Payment Schedule ("**ROPS**") for each six (6) month fiscal period. The ROPS is required to list payments due on all "enforceable obligations" during the applicable payment period. To date, the Successor Agency has prepared six (6) ROPS documents, and hereby presents the seventh (7th) such document – **ROPS 14-15B** – for the Oversight Board's consideration.

The Oversight Board must approve ROPS 14-15B before it is deemed valid. It will thereafter be submitted to the Los Angeles County Auditor-Controller, the State Controller, and the Department of Finance ("**DOF**") for subsequent review and approval; with DOF having ultimate approval authority. The Successor Agency is required to submit an Oversight Board-approved ROPS 14-15B to DOF for review before October 3, 2014.

DISCUSSION

All items listed on ROPS 14-15B for which funding is requested are "hold-overs" from past ROPS; all items have been previously been approved by the Oversight Board and DOF. Successor Agency staff would highlight that Item Nos. 14, 38, and 46 (Reimbursement

Agreement for 2000 Certificates of Participation) are no longer obligations of the Successor Agency, with the City having assumed the obligation moving forward.

As all items have been previously presented to and approved by the Oversight Board, staff will not go through the items individually in this report. However, if the Oversight Board has any questions about individual items or the amount requested, staff is available to answer any questions and provide additional detail.

RECOMMENDATION

It is recommended that the Oversight Board adopt the attached resolution approving the ROPS 14-15B as attached.

ATTACHMENTS

Oversight Board Resolution Approving ROPS 14-15B

Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary
 Filed for the January 1, 2015 through June 30, 2015 Period

Name of Successor Agency: Montebello
Name of County: Los Angeles

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ 125,000
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		125,000
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 4,979,646
F Non-Administrative Costs (ROPS Detail)		4,979,646
G Administrative Costs (ROPS Detail)		-
H Current Period Enforceable Obligations (A+E):		\$ 5,104,646

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I Enforceable Obligations funded with RPTTF (E):	4,979,646
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	<u>(556,617)</u>
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 4,423,029

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L Enforceable Obligations funded with RPTTF (E):	4,979,646
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	4,979,646

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

Name	Title
/s/ _____	
Signature	Date

Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [https://rad.dof.ca.gov/rad-sa/pdf/Cash Balance Agency Tips Sheet.pdf](https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf).

A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources						Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin		
ROPS 13-14B Actuals (01/01/14 - 06/30/14)									
1	Beginning Available Cash Balance (Actual 01/01/14)	9,708,086		1,073,895		255,308			
2	Revenue/Income (Actual 06/30/14) RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014	25,818				232,330	4,794,247		
3	Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q					190,555	4,253,598		
4	Retention of Available Cash Balance (Actual 06/30/14) RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B								
5	ROPS 13-14B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S	No entry required						556,617	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	9,733,904	-	1,073,895	-	297,083	(15,968)		
ROPS 14-15A Estimate (07/01/14 - 12/31/14)									
7	Beginning Available Cash Balance (Actual 07/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	9,733,904	-	1,073,895	-	297,083	540,649		
8	Revenue/Income (Estimate 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014					135,000	5,230,951		
9	Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)								
10	Retention of Available Cash Balance (Estimate 12/31/14) RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	9,733,904	-	1,073,895	-	432,083	5,771,600		

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail
January 1, 2015 through June 30, 2015
 (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, L, M, N, O Funding Source					P Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
1	Hillside 1997 Refunding Bonds	Bonds Issued On or Before 12/31/10	3/1/1997	3/1/2019	Bank of New York	Land and Infrastructure Improvements	Montebello Hills	\$ 68,738,206	N	\$ -	\$ -	\$ 125,000	\$ 4,979,646	\$ -	\$ 5,104,646
2	1998 Series A Hillside Refunding Bonds	Bonds Issued On or Before 12/31/10	3/1/1998	3/1/2019	Bank of New York	Land and Infrastructure Improvements	Montebello Hills	1,797,515	N				508,880		508,880
3	Tax Allocation Parity Refunding Bonds 1998 Series B (Hillside)	Bonds Issued On or Before 12/31/10	3/1/1998	3/1/2019	Bank of New York	Land and Infrastructure Improvements	Montebello Hills	4,233,375	N				718,375		718,375
4	Tax Allocation Parity Refunding Bonds 1999 Series A (Hillside)	Bonds Issued On or Before 12/31/10	3/1/1999	3/1/2024	Bank of New York	Land and Infrastructure Improvements	Montebello Hills	1,937,781	N				340,519		340,519
5	Tax Allocation Parity Refunding Bonds 2007 Series A (Hillside)	Bonds Issued On or Before 12/31/10	3/1/2007	3/1/2024	Bank of New York	Land and Infrastructure Improvements	Montebello Hills	1,079,000	N				87,336		87,336
6	Tax Allocation Parity Bonds 2007 Series B (Hillside)	Bonds Issued On or Before 12/31/10	3/1/2007	3/1/2019	Bank of New York	Land and Infrastructure Improvements	Montebello Hills	2,270,301	N				370,900		370,900
7	Tax Allocation Bonds 2009 Series A (Hillside)	Bonds Issued On or Before 12/31/10	3/1/2009	3/1/2027	Bank of New York	Land and Infrastructure Improvements	Montebello Hills	3,667,004	N				291,224		291,224
8	Tax Allocation Parity Refunding Bonds So Ind 1999 Series A	Bonds Issued On or Before 12/31/10	3/1/1999	9/1/2022	Bank of New York	Infrastructure Improvements	South Industrial	9,514,694	N				747,824		747,824
9	Tax Allocation Parity Refunding Bonds So Ind 1999 Series B	Bonds Issued On or Before 12/31/10	3/1/1999	9/1/2022	Bank of New York	Infrastructure Improvements	South Industrial	2,213,380	N				119,063		119,063
10	Tax Allocation Parity Refunding Bonds So Ind 2007 Series A	Bonds Issued On or Before 12/31/10	9/1/2007	9/1/2022	Bank of New York	Infrastructure Improvements	South Industrial	2,535,963	N				52,993		52,993
11	1997 Housing Series B	Bonds Issued On or Before 12/31/10	9/1/1997	9/1/2019	Bank of New York	Low/Mod Senior Housing	MERP	5,683,618	N				134,943		134,943
12	2002 Housing Tax Allocation Parity Bonds MERP Housing)	Bonds Issued On or Before 12/31/10	9/1/2002	9/1/2024	Bank of New York	Low/Mod Senior Housing	MERP	4,773,539	N				65,335		65,335
13	2007 Housing Series A	Bonds Issued On or Before 12/31/10	9/1/2007	9/1/2019	Bank of New York	Low/Mod Senior Housing	MERP	2,755,565	N				128,888		128,888
14	Reimbursement Agreement Between City & Successor Agency pursuant to 2000 Certificates of Participation	Bonds Issued On or Before 12/31/10	10/27/2000	5/1/2014	City of Montebello	Long Term Lease Agreement per Reimbursement Agreements of 2000 COPs	Montebello Hills & South Industrial	7,580,094	N				68,416		68,416
15	Low Mod Housing Deferral	Unfunded Liabilities	1/28/2009	6/30/2028	City of Montebello Successor Housing Agency	Per 33333.6(g) of California Health and Safety Code	Montebello Hills		N						
16	Ostrom Cheverolet Note Payable	Third-Party Loans	2/1/2009	1/31/2030	Sevecherian	Purchase of Former Ostrom Cheverolet Property	MERP	5,236,160	N				168,890		168,890
17	Town Center Payments - Shops at Montebello	Miscellaneous	5/2/2000	5/2/2024	Aetna Life Insurance	Debt Obligation per Agreement # 1839	Montebello Hills	4,396,766	N						
18	Pension Obligations	Unfunded Liabilities	7/1/2012	6/30/2024	City of Montebello	Agency obligation of Employer Contributions	Agency		N						
19	Oversight Board Attorney - Litigation	Legal	7/1/2012	6/30/2014	Stradling, Yocca, Carlson, & Rauth	Successor Agency Attorney	Agency	15,000	N				10,000		10,000
20	Attorneys Fees - Litigation	Legal	7/1/2012	6/30/2014	Various	Attorney's Fees Directly Charged Sevecharian Litigation	MERP		N						
21	Administrative Transaction fee	Admin Costs	7/5/2012	6/30/2014	Various	Admin Overhead and other G&A Chgs	Agency		N			125,000			125,000
22	Arbitrage Calculation Costs on Bonds	Fees	3/1/1997	3/1/2027	Arbitrage Compliance Specialists	Preparation of Federal & State Arbitrage Compliance Computations	Agency	5,000	N				5,000		5,000
23	Agreed Upon Procedures - Housing	Dissolution Audits	10/15/2012	1/31/2013	Auditor to be determined	Successor Agency Housing review	Low/Mod		N						
24	Project Maintenance Costs	Property Maintenance	7/1/2012	6/30/2030	Various	Costs associated with maintaing property owned by SA	Montebello Hills	20,000	N				20,000		20,000
25	Due Diligence and audit of fye 6.30..	Dissolution Audits	6/30/2012	6/30/2014	Various	DDR and other professional accounting services	Agency		N						
26	fiscal agent fees	Fees	7/1/1997	3/1/2027	BNY Western Trust	BNY Western Trust	Agency	27,000	N				27,000		27,000
27	Litigation Settlement	Litigation	2/21/2013	6/30/2016	Severcherian	Settlement of lawsuit against former Redevelopment Agency	MERP	936,271	N				300,000		300,000
28	Property Management plan	Professional Services	7/1/2012	12/31/2014	Kosmont Realty	Preparation of Property management plan pursuant to AB 1484	Agency	25,000	N				15,000		15,000
29	Maintenance Costs on SA properties paid by City	Property Maintenance	2/1/2012	12/31/2014	City of Montebello	Maintenance Charges on City Hall, Acuna Park & Police Station	Montebello Hills		N						
30	Attorneys Fees - Litigation	Litigation	7/1/2012	6/30/2014	various	Litigation expenses per HSC 34171(b)	MERP		N						

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 (Report Amounts in Whole Dollars)

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										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										K Bond Proceeds	L Reserve Balance	M Other Funds	N Non-Admin	O Admin	
31	Attorneys Fees - Litigation	Litigation	7/1/2012	6/30/2014	Stradling Yocca Carlson & Ralph	Litigation expenses per HSC 34171(b)	MERP		N						
32	Arbitrage Calculation Costs on Bonds	Fees	7/1/1997	3/1/2027	Arbitrage Compliance Specialists	Arbitrage compliance computation for Federal & State Reporting requirements on bonds	Agency		N						
33	Agreed Upon Procedures - Housing	Dissolution Audits	6/30/2012	6/30/2014	Vasquez and Company	Successor Agency Housing Review	Agency		N						
34	Ostrom Cheverolet Note Payable	Third-Party Loans	2/1/2009	1/31/2030	Sevecherian	Purchase of Former Ostrom Cheverolet Property	MERP		N						
35	Montebello Hilton	Third-Party Loans	9/23/2004	12/1/2034	Bank of New York	Guarantee per Hotel Project Agreement that the Successor Agency will advance funds to cover debt service in the event that hotel operations cannot.	Montebello Hills	464,040	N				464,040		464,040
36	Low Mod Housing Deferral	Unfunded Liabilities	1/28/2009	6/30/2028	City of Montebello Successor Housing Agency	Per 33333.6(g) of California Health and Safety Code	Montebello Hills	6,411,972	N				105,010		105,010
37	SERAF	Unfunded Liabilities	7/1/2014	6/30/2017	City of Montebello Successor Housing Agency	SERAF repayment per 34191.4(b)(2)(B) and 34176 (e) (6) (B)	Agency	1,034,168	N				105,010		105,010
38	Reimbursement Agreement Between City & Successor Agency pursuant to 2000 Certificates of Participation	Bonds Issued On or Before 12/31/10	10/27/2000	5/1/2014	City of Montebello	Long Term Lease Agreement per Reimbursement Agreements of 2000 COPs	Agency		N						
39	Retirement Property Tax Increment FYE 6.30.12	Unfunded Liabilities	2/1/2012	6/30/2012	City of Montebello Retirement Special Revenue Fund	H&S Code sections 34171(d)(1)(C), 34183(a)(4) , 34188(b)			N						
40	Retirement Property Tax Increment FYE 6.30.13	Unfunded Liabilities	7/1/2012	6/30/2013	City of Montebello Retirement Special Revenue Fund	H&S Code sections 34171(d)(1)(C), 34183(a)(4) , 34188(b)			N						
41	Retirement Property Tax Increment FYE 6/30/14	Unfunded Liabilities	7/1/2013	6/30/2014	City of Montebello Retirement Special Revenue Fund	H&S Code sections 34171(d)(1)(C), 34183(a)(4) , 34188(b)			N						
42	Retirement Property Tax Increment FYE 6/30/15	Unfunded Liabilities	7/1/2014	6/30/2015	City of Montebello Retirement Special Revenue Fund	H&S Code sections 34171(d)(1)(C), 34183(a)(4) , 34188(b)			N						
43	Oversight Board Attorney - Litigation	Legal	7/1/2014	6/30/2015	Stradling, Yocca, Carlson, & Rauth	Successor Agency Attorney Litigation of RPTTF	Agency	25,000	N				25,000		25,000
44	Attorneys Fees - Litigation	Legal	7/1/2014	6/30/2015	Various	Attorney's Fees Litigation of RPTTF	Agency	100,000	N				100,000		100,000
45	AB 471 Allocation	Unfunded Liabilities	7/1/2014	6/30/2015	City of Montebello Successor Housing Agency	Payment pursuant to AB 471			N						
46	Reimbursement Agreement Between City & Successor Agency pursuant to 2000 Certificates of Participation	Bonds Issued On or Before 12/31/10	10/27/2000	5/1/2014	City of Montebello	Long Term Lease Agreement per Reimbursement Agreements of 2000 COPs	Agency		N						
47									N						
48									N						
49									N						
50									N						
51									N						
52									N						
53									N						
54									N						
55									N						
56									N						
57									N						
58									N						
59									N						
60									N						
61									N						

OVERSIGHT BOARD RESOLUTION NO. _____

A RESOLUTION OF THE MONTEBELLO OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE MONTEBELLO SUCCESSOR AGENCY FOR THE PERIOD FROM JANUARY 1, 2015 TO JUNE 30, 2015 (ROPS 14-15B)

WHEREAS, the former Community Redevelopment Agency of the City of Montebello (“Agency”) was a community redevelopment agency organized and existing under the California Redevelopment Law;

WHEREAS, the Agency was dissolved effective February 1, 2012, by way of Assembly Bill (“AB”) 1x26 (as subsequently amended by AB 1484, the “Dissolution Act”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231;

WHEREAS, the Dissolution Act created a “successor agency” for each dissolved redevelopment agency, and charged them with completing various tasks and obligations geared towards “winding down” the affairs of their respective redevelopment agency;

WHEREAS, the Dissolution Act also created an “oversight board” for each successor agency, and charged them with overseeing, reviewing, and approving enumerated successor agency actions;

WHEREAS, by resolution of the City Council, the City of Montebello serves as the successor agency to the dissolved Agency (“Successor Agency”), and the Montebello Oversight Board is the statutorily created oversight board for the Successor Agency (“Oversight Board”);

WHEREAS, the Dissolution Act requires the Successor Agency to prepare a “recognized obligation payment schedule” (“ROPS”) for each six (6) month fiscal period, listing all payments due on “enforceable obligations” during that fiscal period;

WHEREAS, after preparation by the Successor Agency, each ROPS must be submitted to and approved by the Oversight Board, and thereafter transmitted to the Los Angeles County Auditor-Controller, the State Controller, and the State Department of Finance for review; and

WHEREAS, the Successor Agency has timely prepared and submitted its proposed ROPS covering the January 1, 2015 to June 30, 2015 payment period (“ROPS 14-15B”), and the Oversight Board has duly considered the ROPS 14-15B and all enforceable obligations and payment sources listed thereon, and is satisfied that the

ROPS 14-15B as approved by this Resolution complies with the statutory mandates of the Dissolution Act.

NOW THEREFORE, THE MONTEBELLO OVERSIGHT BOARD HEREBY FINDS, DECLARES, AND RESOLVES AS FOLLOWS:

SECTION 1. The foregoing Recitals are incorporated into this Resolution by this reference, and constitute a material part hereof.

SECTION 2. The Oversight Board hereby approves the Recognized Obligation Payment Schedule for the January 1, 2015 to June 30, 2015 payment period (“ROPS 14-15B”), as such ROPS 14-15B is attached hereto this Resolution.

SECTION 3. The Oversight Board hereby authorizes and directs Successor Agency staff to submit the attached ROPS 14-15B to the Los Angeles County Auditor-Controller, the State Controller, and the California State Department of Finance for review, and to take such further action(s) as required to ensure that all “enforceable obligations” listed on ROPS 14-15B, as such is subsequently approved by the Department of Finance, are timely paid and performed.

SECTION 4. The Oversight Board Secretary shall certify to the passage and adoption of this resolution, which shall become effective immediately upon adoption.

PASSED, APPROVED and ADOPTED this 10th day of September, 2014.

Richard Bruckner, Chairman

ATTEST:

Secretary to the Montebello Oversight Board

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City of Montebello Oversight Board at a special meeting held on the 26th day of February, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

VACANT: Chancellor of the California Community Colleges Appointee

Secretary to the Montebello Oversight Board