

"INTERACTIVE AGENDA" Click on the agenda item in the index to the left for agenda item details.



**AGENDA  
OVERSIGHT BOARD  
FOR THE SUCCESSOR AGENCY TO THE  
FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE**  
City of Oroville Council Chambers  
1735 Montgomery Street  
Adjourned Meeting

**WEDNESDAY, JANUARY 25, 2017 – 10:00 A.M.**

*This meeting may be broadcast remotely via audio and/or video conference at the following addresses:  
Cota Cole, LLP, 3401 Centrelake Drive, Suite 670, Ontario, CA 91761*

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**ROLL CALL**

Chairperson:	Larry Grundmann	Appointed member of the General Public
Vice Chairperson:	Victoria Smith	Feather River Recreation and Parks District Board Member
Board Members:	Scott Thomson	Oroville City Council Member
	Tad Alexander	Assistant Superintendent, Butte County Office of Education
	Bill Connelly	Butte County Supervisor, District 1
	Amy Bergstrand	Management Analyst III of the City of Oroville
	Vacant	Butte-Glenn Community College

**PLEDGE OF ALLEGIANCE**

**RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS**

*Anyone in the audience wishing to address the Board on a matter that is on the agenda should complete a Speaker Form available at the entrance of the Council Chambers. Please deliver the Speaker Form to the City Clerk, who is acting as the Oversight Board Secretary prior to the agenda item being heard by the Oversight Board. When at the podium, you are encouraged to state your name for the record. Following your remarks, Board and/or staff may respond to your comments or questions. The Government Code does allow for **presentations to be limited to three minutes per person.***

## CONSENT AGENDA

1. **APPROVAL OF THE MINUTES OF THE JANUARY 27, 2016 MEETING OF THE OVERSIGHT BOARD**  
- minutes attached.

## REGULAR BUSINESS

2. **ADOPTION OF THE JULY 1, 2017 – JUNE 30, 2018 RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET**– staff report

The Oversight Board may consider approving the Recognized Obligation Payment Schedule (ROPS 17-18) for July 1, 2017 – June 30, 2018, as well as the Successor Agency Administrative Budget. **(Rick Farley, RDA Coordinator)**

Commission Action Requested:

1. **Adopt Resolution No. 01-17 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF THE OROVILLE ADOPTING THE JULY 1, 2017 – JUNE 30, 2018 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 17 – 18) PURSUANT TO HEALTH AND SAFETY SECTION 34177 (M); and**
2. **ADOPT RESOLUTION NO. 02-17 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 1, 2017 THROUGH JUNE 30, 2018 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (J).**

## CORRESPONDENCE

- Department of Finance letter dated March 15, 2016 (ROPS)
- Department of Finance letter dated March 15, 2016 (Bond Expenditure Agreement)

## HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

*This is the time the Chairperson will invite anyone in the audience wishing to address the Board on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.2, The Board is prohibited from taking action except for a brief response by the Board or staff to a statement or question relating to a non-agenda item.*

## ADJOURNMENT

The meeting will be adjourned. A regular meeting of the Oversight Board will be held on Wednesday, March 22, 2017, at 10:00 a.m., at the City of Oroville City Hall, Council Chambers, located at 1735 Montgomery Street, Oroville, California.

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*Accommodating Those Individuals with Special Needs* – In compliance with the Americans with Disabilities Act, the Oversight Board of the Oroville Successor Agency encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to

attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at Oroville City Hall, 1735 Montgomery Street, Oroville, California.

**OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER OROVILLE  
REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE  
MEETING MINUTES – JANUARY 27, 2016**

*This meeting was broadcast remotely via audio and/or video conference at the following addresses:  
Cota Cole, LLP, 3401 Centrelake Drive, Suite 670, Ontario, CA 91761*

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The agenda for the January 27, 2016, adjourned meeting of the Oversight Board for the Successor Agency to the former Oroville Redevelopment Agency (Oversight Board) was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at [www.cityoforoville.org](http://www.cityoforoville.org) on Thursday, January 21, 2016, at 4:10 p.m.

The January 27, 2016 adjourned meeting of the Oversight Board was called to order by Chairperson Grundmann at 10:01 a.m.

**ROLL CALL**

Present: Board Members Alexander, Bergstrand, Connelly, Pittman, Vice Chairperson Coots, Chairperson Grundmann

Absent: Board Member Stewart

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**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Chairperson Grundmann.

**RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS**

Ya-Yin Isle – Item No. 2

**CONSENT AGENDA**

A motion was made by Vice Chairperson Coots, seconded by Board Member Bergstrand, to approve the following Consent Calendar:

**1. APPROVAL OF THE MINUTES OF THE DECEMBER 16, 2015 MEETING OF THE OVERSIGHT BOARD - minutes attached.**

The motion was passed by the following vote:

Ayes: Board Members Bergstrand, Connelly, Pittman, Vice Chairperson Coots, Chairperson Grundmann  
Noes: None  
Abstain: Board Member Alexander  
Absent: Board Member Stewart

## REGULAR BUSINESS

### 2. **ADOPTION OF THE JULY 1, 2016 – JUNE 30, 2017 RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET– staff report**

The Oversight Board considered approving the Recognized Obligation Payment Schedule (ROPS 16-17) for July 1, 2016 – June 30, 2017, as well as the Successor Agency Administrative Budget. **(Rick Farley, RDA Coordinator)**

Ya-Yin Isle, Rosenow Spevacek Group, spoke to the Board in regards to the Recognized Obligation Payment Schedule.

Following further discussion, a motion was made by Vice Chairperson Coots, seconded by Board Member Connelly, to:

1. **Adopt Resolution No. 01-16 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF THE OROVILLE ADOPTING THE JULY 1, 2016 – JUNE 30, 2017 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16 – 17) PURSUANT TO HEALTH AND SAFETY SECTION 34177 (M); and**
2. **ADOPT RESOLUTION NO. 02-16 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 1, 2016 THROUGH JUNE 30, 2017 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (J).**

The motion was passed by the following vote:

Ayes: Board Members Alexander, Bergstrand, Connelly, Pittman, Vice Chairperson Coots, Chairperson Grundmann  
Noes: None  
Abstain: None  
Absent: Board Member Stewart

## CORRESPONDENCE

- Department of Finance email, dated December 21, 2015

## ADJOURNMENT

The meeting was adjourned at 10:27 a.m. An adjourned meeting of the Oversight Board will be held on Wednesday, March 22, 2016 at 10:00 a.m.

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Donald Rust, Acting Secretary

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Larry Grundmann, Chairperson

**OVERSIGHT BOARD  
STAFF REPORT**

**TO: CHAIRPERSON AND BOARD MEMBERS**

**FROM: RICK FARLEY, RDA COORDINATOR**

**RE: ADOPTION OF THE JULY 2017 THROUGH JUNE 2018 ANNUAL  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 17-  
18) AND THE SUCCESSOR AGENCY ADMINISTRATIVE  
BUDGET**

**DATE: JANUARY 25, 2017**

**SUMMARY**

The Oversight Board may consider approving the Recognized Obligation Payment Schedule (ROPS 17-18) for the July 1, 2017 – June 30, 2018, as well as the Successor Agency Administrative Budget.

**DISCUSSION**

Assembly Bill x1 26, amended by AB 1484 and codified in the California Health & Safety Code required Oversight Boards to adopt a Recognized Obligation Payment Schedule (ROPS) before each fiscal period. On September 22, 2015, Governor Brown signed Senate Bill 107 (“SB 107”), which went into effect immediately. SB 107 made several key changes to the Health and Safety Code sections that establish the ROPS process, including submittal of an annual ROPS. A discussion of these changes are summarized below:

***Annual ROPS Submission Beginning for Fiscal Year 2017-18***

Beginning in 2016, ROPS will be due to the Department of Finance (“DOF”) annually by February 1<sup>st</sup>, instead of biannually as in previous years. ROPS periods will cover July 1<sup>st</sup> to June 30<sup>th</sup>, and the first annual ROPS covered the period of June 1, 2016 through July 31, 2017 (ROPS 16-17). The ROPS projects necessary payments for each enforceable obligation of the former Oroville Redevelopment Agency for the one-year period. Upon Oversight Board approval, the ROPS will be immediately submitted to the Department of Finance (DOF) for review. ROPS 17-18 will also be transmitted to the State Controller’s Office and the Butte County Auditor-Controller for their review.

Once per ROPS period, but not later than October 1<sup>st</sup>, successor agencies may submit to their oversight board and DOF one amendment to the DOF-approved ROPS if the oversight board makes a finding that the revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period.

### ***Bifurcation of ROPS and Prior Period Adjustment Processes***

Previously on ROPS, successor agencies provided both an itemized list of payments of enforceable obligations for the upcoming ROPS period and an itemized list of differences between actual payments and past estimated obligations for the preceding ROPS period (“Prior Period Adjustment”). SB 107 specifies that, beginning in 2018, the Prior Period Adjustment process will be handled separately from the ROPS by county auditor-controllers and on an annual basis, instead of biannually as in previous years. Successor agencies will provide information regarding their Prior Period Adjustment to county auditor-controllers on October 1, 2018, and each October 1<sup>st</sup> thereafter. DOF has indicated that they are working on a new annual Prior Period Adjustment form to be introduced during the ROPS 17-18 period. As such, ROPS 17-18 does not include the Prior Period Adjustment tab.

### ***Administrative Cost Allowance***

Previously, the administrative cost allowance for each fiscal year was the greater of \$250,000 or three percent of the RPTTF funding that the successor agency received during the fiscal year. Beginning in Fiscal Year 2016-17, the administrative cost allowance for each fiscal year is the greater of \$250,000 or three percent of the RPTTF funding that the successor agency received during the *prior* fiscal year; however, it cannot exceed 50 percent of the total RPTTF funding distributed to pay enforceable obligations in the preceding fiscal year, less the administrative cost allowance and any loan repayments to the city or county. Based on the new change in calculation of the administrative cost allowance, the Oroville Successor Agency would still receive \$250,000 for the 17-18 fiscal year. SB 107 also specifies that while administrative budgets still require Oversight Board approval, they are no longer required to be submitted to DOF for approval.

### ***Last and Final ROPS***

Beginning January 1, 2016, successor agencies may submit a Last and Final ROPS for approval by the oversight board and DOF if all of the following conditions are met:

1. Remaining debt includes only administrative costs and enforceable obligations with set payment schedules, such as debt service, loan agreements, and contracts;
2. All remaining obligations have been previously listed on a ROPS and approved by DOF; and
3. The successor agency has no outstanding or unresolved litigation.

Once DOF approves a successor agency’s Last and Final ROPS, the successor agency may submit up to two requests to amend it. **This does not yet apply to the Oroville Successor Agency.**

### ***ROPS 17-18***

The majority of the enforceable obligations on the ROPS remain unchanged from prior periods. ROPS 17-18 items requiring funding are as follows:

- Bond fiscal agent fees;
- Administrative cost allowance;
- Robert Taylor Participation Agreement;
- Debt service payments on the 2015 Tax Allocation Refunding Bonds;
- 2015 Tax Allocation Revenue Bonds (TARB) Continuing Disclosure Fee

While DOF continues to deny the Housing Administrative Allowance and the City Loan Repayment items on the ROPS, the Successor Agency is in disagreement with DOF on those items and will continue to request them.

### ***DOF Review***

Upon submittal of an Oversight Board-approved ROPS (due to DOF by February 1, 2017), DOF has until April 15, 2017 to make its determination on enforceable obligations, including amounts and funding sources. Meet and Confers are still available with the exception of items that are the subject of litigation disputing DOF's previous or related determination. The RPTTF distribution dates for ROPS 17-18 are June 1, 2017 and January 2, 2018.

### ***Administrative Budget***

Pursuant to Health and Safety Code Section 34177(j), the Successor Agency is required to prepare a proposed administrative budget and submit it for approval to the Oversight Board. The administrative budget is required to include estimated amounts for Successor Agency administrative costs for the ROPS period as well as the source of payment for the administrative costs. The attached Administrative Budget covers the entire 2017-18 fiscal year and shows \$125,000 of administrative costs for July through December, 2016; and \$125,000 for the January through June, 2017, with the Redevelopment Property Tax Trust Fund as the source of payment.

### **FISCAL IMPACT**

Adoption and transmittal of the Recognized Obligation Payment Schedule is necessary to receive money from the Redevelopment Property Tax Trust Fund (RPTTF) to pay ongoing bond payments and other enforceable obligations of the former Redevelopment Agency for the time period of July 2017 through June 2018. It is anticipated that there will be enough RPTTF to pay for enforceable obligations for this ROPS 17-18 period.

### **RECOMMENDATIONS**

1. Adopt Resolution No. 01-17 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 2017 THROUGH JUNE 2018 RECOGNIZED OBLIGATION



PAYMENT SCHEDULE (ROPS 17-18) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (M).

2. Adopt Resolution No. 02-17 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 1, 2017 THROUGH JUNE 30, 2018 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (J).

**ATTACHMENTS**

Resolution No. 01-17  
Recognized Obligation Payment Schedule (ROPS 17-18)  
Resolution No. 02-17  
Administrative Budget for FY 17-18

**OVERSIGHT BOARD  
RESOLUTION NO. 01-17**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 17-18) FOR JULY 1, 2017 THROUGH JUNE 30, 2018 PURSUANT TO HEALTH AND SAFETY CODE SECITON 34177 (m)**

**WHEREAS**, pursuant to Health and Safety Code Section 34177 (m) the Oversight Board is required to approve the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2017 through June 30, 2018, and

**WHEREAS**, upon Oversight Board approval of the ROPS, the Successor Agency is required to submit the ROPS to the Department of Finance and the County Auditor-Controller, no fewer than 90 days before the date of the property tax distribution, and

**BE IT HEREBY RESOLVED** by the Oversight Board as follows:

**SECTION 1.** The Oversight Board of the Oroville Successor Agency approves the Recognized Obligation Payment Schedule for the period of July 1, 2017 through June 30, 2018.

**SECTION 2.** The Secretary shall attest to the adoption of this Resolution.

**PASSED and ADOPTED** by the Oversight Board of the Successor Agency to the Oroville Redevelopment Agency at a regular meeting on January 25, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

\_\_\_\_\_  
Larry Grundmann, Chairperson

\_\_\_\_\_  
Jamie Hayes, Assistant Secretary

**Recognized Obligation Payment Schedule (ROPS 17-18) - Summary**

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Oroville  
 County: Butte

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	\$ 1,132,049	\$ 1,746,694	\$ 2,878,743
F RPTTF	857,049	1,621,694	2,478,743
G Administrative RPTTF	275,000	125,000	400,000
<b>H Current Period Enforceable Obligations (A+E):</b>	\$ 1,132,049	\$ 1,746,694	\$ 2,878,743

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.

Larry Grundmann Chairperson  
 Name Title  
 /s/ \_\_\_\_\_ 1/25/2017  
 Signature Date



Oroville Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q					W					
																17-18A (July - December)						17-18B (January - June)				
																Fund Sources						Fund Sources				
																17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF	17-18B Total	Bond Proceeds	Reserve Balance	Other Funds
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total				
80									N	\$ -						\$ -							\$ -			
81									N	\$ -						\$ -							\$ -			
82									N	\$ -						\$ -							\$ -			
83									N	\$ -						\$ -							\$ -			
84									N	\$ -						\$ -							\$ -			
85									N	\$ -						\$ -							\$ -			
86									N	\$ -						\$ -							\$ -			
87									N	\$ -						\$ -							\$ -			
88									N	\$ -						\$ -							\$ -			
89									N	\$ -						\$ -							\$ -			
90									N	\$ -						\$ -							\$ -			
91									N	\$ -						\$ -							\$ -			
92									N	\$ -						\$ -							\$ -			
93									N	\$ -						\$ -							\$ -			
94									N	\$ -						\$ -							\$ -			
95									N	\$ -						\$ -							\$ -			

**Oroville Recognized Obligation Payment Schedule (ROPS 17-18) - 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 [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>		
		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	<b>Comments</b>	
<b>Cash Balance Information by ROPS Period</b>									
<b>ROPS 15-16B Actuals (01/01/16 - 06/30/16)</b>									
1	<b>Beginning Available Cash Balance (Actual 01/01/16)</b>					62,009	39,630		
2	<b>Revenue/Income (Actual 06/30/16)</b> RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during June 2016					11,843	1,637,130		
3	<b>Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)</b>					35,635	450,696		
4	<b>Retention of Available Cash Balance (Actual 06/30/16)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						1,226,064	For the 9/15/16 Bond debt service payment.	
5	<b>ROPS 15-16B RPTTF Balances Remaining</b>	No entry required							
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 38,217	\$ -		



**Oroville Recognized Obligation Payment Schedule (ROPS 17-18) - Notes July 1, 2017 through June 30, 2018**

<b>Item #</b>	<b>Notes/Comments</b>



**OVERSIGHT BOARD  
RESOLUTION NO. 02-17**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 1, 2017 THROUGH JUNE 30, 2018 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (j)**

**WHEREAS**, pursuant to Health and Safety Code Section 34177 (j) the Oversight Board is required to approve the Successor Agency Administrative Budget; and

**WHEREAS**, the Administrative Budget shall include 1) an estimate of the twelve month fiscal period, 2) sources of payment for the costs identified, and 3) arrangements for administrative and operations services provided by the City or other agency; and

**BE IT HEREBY RESOLVED** by the Oversight Board as follows:

**SECTION 1.** The Oversight Board of the Oroville Successor Agency approves the Successor Agency Administrative Budget for the period of July 1, 2017 through June 30, 2018.

**SECTION 2.** The Secretary shall attest to the adoption of this Resolution.

**PASSED and ADOPTED** by the Oversight Board of the Successor Agency to the Oroville Redevelopment Agency at a regular meeting on January 25, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Larry Grundmann, Chairperson

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Jamie Hayes, Assistant Secretary

**OROVILLE SUCCESSOR AGENCY  
ADMINISTRATIVE BUDGET  
FISCAL YEAR 2017-18  
FOR JULY 1, 2017 to JUNE 30, 2018**

<b>Expense Category</b>	<b>17-18 FY Proposed Budget</b>
<b>Successor Agency Personnel</b>	
Salaries, benefits and payroll taxes – July-Dec 2017	\$96,000
Salaries, benefits and payroll taxes – Jan-June 2018	\$96,000
<b>TOTAL</b>	<b>\$192,000</b>
<b>Maintenance and Operation</b>	
Contracted Services – July-Dec 2017	\$20,000
Contracted Services – Jan-June 2018	\$20,000
Legal Services – July-Dec 2017	\$9,000
Legal Services – Jan-June 2018	\$9,000
<b>TOTAL</b>	<b>\$58,000</b>
<b>Total Expenditures – July-Dec 2017</b>	
	<b>\$125,000</b>
<b>Total Expenditures – Jan-June 2018</b>	
	<b>\$125,000</b>
<b>TOTAL EXPENDITURES FY 2017-18</b>	
	<b>\$250,000</b>

The funding source is the Successor Agency’s Administrative Cost Allowance from the Redevelopment Property Tax Trust Fund.



March 15, 2016

Mr. Jim Simon, Consultant  
City of Oroville  
309 W. Fourth Street  
Santa Ana, CA 92701

Dear Mr. Simon:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Oroville Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 28, 2016. Finance has completed its review of the ROPS 16-17.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 21 – City loan repayment in the amount of \$466,750 is not allowed. HSC section 34191.4 (b) (3) (A) allows repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the preceding fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the County Auditor-Controller's report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal years 2012-13 and 2015-16 are \$5,599,723 and \$2,839,406, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 16-17 period is zero. Therefore, the \$466,750 requested is not eligible for Redevelopment Property Tax Trust Funds (RPTTF) funding on this ROPS. The Agency may be eligible for additional funding on a future ROPS.

- Item No. 22 – Housing Successor Entity Administrative Cost Allowance in the total outstanding balance of \$500,000 is not allowed. Pursuant to HSC section 34171 (p), the housing entity administrative cost allowance is applicable only in cases where the city, county, or city and county that authorized the creation of the redevelopment agency (RDA) elected to not assume the housing functions and that the housing functions were transferred to a local housing authority in the territorial jurisdiction of the RDA. Here, however, the City of Oroville (City) elected to be the housing entity to the RDA and retained the housing assets by submitting the housing asset transfer form to Finance on August 1, 2012. Therefore, the City is not eligible for the housing entity administrative costs allowance of \$150,000 requested for the ROPS 16-17 period.

- Item No. 24 – Pre Disposition Costs in the amount of \$95,700 is not allowed. Pursuant to HSC 34177.3 (b), except as required by an enforceable obligation, allowable winding down costs does not include project startup costs, such as site remediation, development, or improvements. Based on documentation provided by the Agency, the Central Valley Regional Water Quality Control Board issued a “No Further Action Required” letter for the property related to the estimated pre-disposition costs. Furthermore, Finance approved the Agency’s Long-Range Property Management Plan (LRPMP) on March 5, 2015. The Agency should work towards disposing Agency owned properties expeditiously without starting new project work. Therefore, the item is not an enforceable obligation and the requested \$95,700 is not eligible for RPTTF funding.

Except for the items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance’s determination with respect to any items on your ROPS 16-17, except for those items which are the subject of litigation disputing Finance’s previous or related determinations, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance’s website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Therefore, with the Agency’s concurrence, the funding source for the following item has been reclassified to Other Funds and in the amount specified below:

Item No. 27 – ROPS 15-16B PPA Correction in the amount of \$59,896. The Agency requests \$70,999 of RPTTF; however, Finance is reclassifying \$59,896 to Other Funds. This item is an enforceable obligation for the ROPS 16-17 period. However, the obligation does not require payment from property tax revenues and the Agency has \$59,896 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$11,103 and the use of Other Funds in the amount of \$59,896, totaling \$70,999 for the ROPS 16-17 period.

The Agency’s maximum approved RPTTF distribution for the reporting period is \$1,871,897 as summarized in the Approved RPTTF Distribution table on page 3 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance’s approved amounts. Since Finance’s determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to

HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

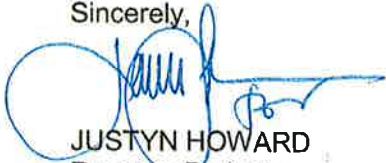
<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Cindie Lor, Supervisor, or Satveer Ark, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Rick Farley, Business Assistance Coordinator, City of Oroville  
Ms. Maria Solis, Auditor - Accountant, Butte County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2016 through June 2017</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>Total</b>
Requested RPTTF (excluding administrative obligations)	\$ 635,649	\$ 1,608,594	\$ 2,244,243
Requested Administrative RPTTF	275,000	125,000	400,000
<b>Total RPTTF requested for obligations on ROPS 16-17</b>	<b>910,649</b>	<b>1,733,594</b>	<b>\$ 2,644,243</b>
<b>Total RPTTF Requested</b>	<b>635,649</b>	<b>1,608,594</b>	<b>2,244,243</b>
<u>Denied Items</u>			
Item No. 21	(466,750)	0	(466,750)
Item No. 24	(95,700)	0	(95,700)
<u>Reclassified Item</u>			
Item No. 27	(59,896)	0	(59,896)
	(59,896)	0	(59,896)
<b>Total RPTTF authorized</b>	<b>13,303</b>	<b>1,608,594</b>	<b>\$ 1,621,897</b>
<b>Total Administrative RPTTF requested</b>	<b>275,000</b>	<b>125,000</b>	<b>400,000</b>
<u>Denied Item</u>			
Item No. 22	(150,000)	0	(150,000)
<b>Total Administrative RPTTF authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>\$ 250,000</b>
<b>Total RPTTF approved for distribution</b>	<b>138,303</b>	<b>1,733,594</b>	<b>\$ 1,871,897</b>



March 15, 2016

Mr. Jim Simon, Consultant  
City of Oroville  
309 W. Fourth Street  
Santa Ana, CA 92701

Dear Mr. Simon:

Subject: Approval of Oversight Board Action

The City of Oroville Successor Agency (Agency) notified the California Department of Finance (Finance) of its December 16, 2015 Oversight Board (OB) resolution on February 2, 2016. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution No. 08-15, approving a Bond Expenditure Agreement (Agreement) between the Agency and the City of Oroville (City), is approved.

The Agency desires to transfer approximately \$3,483,240 in unexpended bond proceeds available from the Series 1995, 2002, and 2004 A and B Tax Allocation Revenue Bonds to the City. The Agreement states the proceeds will be used in a manner consistent with original bond covenants. Further, the Agreement is listed as Item No. 26 on the Agency's Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017. Our approval is specifically limited to the use of excess pre-2011 bond proceeds per HSC 34191.4 (c) (1). Such approval, however, should not be construed as approval of the various projects themselves as enforceable obligations.

This is our determination with respect to the OB action taken.

Please direct inquiries to Cindie Lor, Supervisor or Satveer Ark, Lead Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Rick Farley, Business Assistance Coordinator, City of Oroville  
Ms. Maria Solis, Auditor - Accountant, Butte County