

**OROVILLE SUCCESSOR AGENCY
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
CHAIRPERSON AND COMMISSIONERS**

**FROM: G. HAROLD DUFFEY, CITY ADMINISTRATOR
THOMAS S. FITZPATRICK, PROGRAM SPECIALIST**

**RE: ENFORCEMENT OBLIGATION PAYMENT SCHEDULE AMENDMENT
AND DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
APPROVAL**

DATE: MARCH 20, 2012

SUMMARY

The Successor Agency will consider amending the Enforcement Obligation Payment Schedule and approving the draft Recognized Obligation Payment Schedule.

BACKGROUND

On December 29, 2011, the Court upheld ABX1 26, the Dissolution Act, which as of February 1, 2012; all redevelopment agencies in California were dissolved.

On January 9, 2012, staff presented and the Council voted on various actions and recommendations to prepare for the dissolution of the Redevelopment Agency.

At the January 30, 2012, Joint City Council/Redevelopment Agency meeting, the City Council adopted an amendment to the Enforceable Obligations Payment Schedule (EOPS). As the City is the Successor Agency to the former Redevelopment Agency, the Successor Agency can only make payments required pursuant to an EOPS until a Recognized Obligation Payment Schedule (ROPS) becomes operative. The EOPS may be amended by the Successor Agency prior to the formation of the Oversight Board.

DISCUSSION

ENFORCEMENT OBLIGATION PAYMENT SCHEDULE (EOPS)

Staff is requesting that the Successor Agency consider amending the EOPS. Since the January 30, 2012, City Council meeting and the approval of the first amendment to the EOPS, staff has made material changes to the schedule to more accurately reflect administrative costs associated with the winding-down of the Oroville Redevelopment Agency.

Such changes to the EOPS include:

- Updating the Successor Agency Administrative Overhead
- Updating the Successor Agency Operational Staffing Costs
- Asset Disposition (funding set-aside for appraisal services)
- Grant Match

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

Staff is requesting that the Successor Agency consider approving the draft Recognized Obligation Payment Schedule (ROPS). It is called a draft until the Oversight Board approves it. *[NOTE: By that time, it is anticipated that the audit by the County Auditor-Controller's Office will be completed].*

The ROPS is virtually identical to the EOPS, except that it is the document that will need to be approved by the Successor Agency Oversight Board. Upon approval by the Oversight Board, the ROPS will be the governing document in which tax increment will be allocated to fulfill the legal obligations on the ROPS on a six-month basis. The Successor Agency will prepare a new ROPS every six months for Oversight Board approval.

This initial draft ROPS will cover February 1 – June 30. The EOPS will continue to be your operative payment schedule until the ROPS takes effect May 1, if it is approved by the oversight board and sent to the DOF/SCO by April 15. So in reality, it functionally addresses May 1 – June 30.

Property Tax Allocation 1 – Based on ROPS, the County Auditor-Controller is scheduled to make its first allocation of property taxes to your Redevelopment Obligation Retirement Fund on May 16th to cover the months of May and June.

Staff will have to come back to the Successor Agency and Oversight Board with the second ROPS to cover July 1 – December 31. Based on that second ROPS, the County Auditor-Controller is scheduled to make its second allocation of property taxes to your Redevelopment Obligation Retirement Fund on June 1st to cover the months of July through December. From then on, the allocations will always be January and June.

FISCAL IMPACT

N/A

RECOMMENDATION

Adopt Resolution No. 02-12 – A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY APPROVING AN AMENDMENT TO THE ENFORCEABLE OBLIGATION

PAYMENT SCHEDULE AND DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE.

ATTACHMENTS

Resolution No. 02-12
Amended Enforceable Obligation Payment Schedule
Draft Recognized Obligation Payment Schedule

**OROVILLE SUCESSOR AGENCY
RESOLUTION NO. 02-12**

A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY APPROVING AN AMENDMENT TO THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AND DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE

WHEREAS, the following Enforceable Obligation Payment Schedule (EOPS) is an amendment to the EOPS that was prepared and adopted by the Oroville Redevelopment Agency on January 30, 2012. The EOPS is important as it becomes the governing document to the Successor Agency to fund debt and other legal obligations.

WHEREAS, the following draft Recognized Obligation Payment Schedule (ROPS) is required to be administratively prepared and adopted by the Oroville Successor Agency by March 1, 2012. The draft ROPS is important as it becomes the official governing document to the Oversight Board of the Successor Agency to fund debt and other legal obligations.

NOW, THEREFORE, THE OROVILLE SUCCESSOR AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of EOPS and Draft ROPS. The Oroville Successor Agency hereby approves and adopts the amended Enforceable Obligation Payment Schedule pursuant to AB 1X 26 (see Exhibit "A") and the draft Recognized Obligation payment Schedule (see Exhibit "B").

Section 3. Posting; Transmittal to Appropriate Agencies. The Executive Director is hereby authorized and directed to fulfill all necessary public notifications for the amended EOPS and draft ROPS in accordance with AB 1X 26. The Executive Director is further authorized and directed to transmit, by mail or electronic means, to the Butte County Auditor-Controller, the state Controller and the California Department of Finance such notification as required by AB 1X 26.

Section 4. The Secretary shall adopt to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville Successor Agency at a regular meeting on March 20, 2012 by the following vote:

AYES: Commissioners Andoe, Berry, Bunker, Pittman, Simpson, Vice
Chairperson Wilcox, Chairperson Dahlmeier

NOES: None

ABSTAIN: None

ABSENT: None

Linda L. Dahlmeier, Chairperson

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, Agency Counsel

G. Harold Duffey, Secretary

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PER AB 1X 26
JANUARY THROUGH JUNE 2012

	Project Name / Debt Obligation	Payee	Funding Source	Description	Projected Payment Dates	Projected Payment Amounts	Obligation Expiration Date	Fiscal Year 2011/2012							
								PAYMENT BY MONTH						TOTAL	
								Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012		
1	2002 Tax Allocation Bonds	Union Bank	Fund Balance	Bonds issue to fund non-housing projects	3/1/2012	Refer to Debt Service Schedule	9/15/2030			335,109					335,109.00
2	2004 Tax Allocation Bonds, Series A	Union Bank	Fund Balance	Bonds issue to fund non-housing projects	3/1/2012	Refer to Debt Service Schedule	9/15/2026			206,403					206,403.00
3	2004 Tax Allocation Bonds, Series B	Union Bank	Fund Balance	Bonds issue to fund non-housing projects	3/1/2012	Refer to Debt Service Schedule	9/15/2026			34,129					34,129.00
4	Fiscal Agent Fees and Bond Disclosure	Union Bank - Consultant / Underwriter	Fund Balance	Fees for fiscal agent services / Continuing disclosure reporting for tax allocation bonds	3/1/2012	Varies annually	9/15/2030			4,320					4,320.00
5	Housing Set Aside	City of Oroville	Low and Moderate Income Housing Fund	Funding to implement Regional Housing Needs Analysis housing requirements for the City of Oroville	Monthly expense	Monthly expense	7/1/2034	123,234	123,234	123,234	123,234	123,234	123,234	123,234	739,404.00
	City of Oroville Loan Reimbursement	City of Oroville	Fund Balance	City Loan entered into on February 7, 1995. Current principal is \$1,800,000. Agency to repay City.	1/30/2012	One-time Payment	1/30/2012	1,800,000							1,800,000.00
6	Feb - Apr 2012: Successor Agency Administrative Overhead	City of Oroville	Fund Balance	Staffing costs overhead, building, insurance, utility costs, equipment, etc	Monthly expense	Varies monthly	7/1/2034	86,641	20,000	20,000	20,000				146,641.00
7	May - Jun 2012: Successor Agency Administrative Overhead	City of Oroville	Administrative Cost Allowance	Staffing costs overhead, building, insurance, utility costs, equipment, etc	Monthly expense	Varies monthly	7/1/2034					20,000	20,000		40,000.00
8	Feb - Apr 2012: Successor Agency Operational Staffing Costs	Employees of the Successor Agency	Fund Balance	Staffing costs for ongoing administration and operation of successor agency, including salaries and benefits	Monthly expense	Monthly expense	6/1/2034		29,403	29,403	29,403				88,209.00
9	May - Jun 2012: Successor Agency Operational Staffing Costs	Employees of the Successor Agency	Administrative Cost Allowance	Staffing costs for ongoing administration and operation of successor agency, including salaries and benefits	Monthly expense	Monthly expense	6/1/2034					29,403	29,403		58,806.00
10	US EPA Brownfields Assessment Grant	Brown and Caldwell, Inc.	Fund Balance	Cooperative Agreement for Fed Brownfield Program	Monthly expense	Varies monthly	10/1/2013	54,293	54,293	54,293	54,293	54,293	54,293	54,293	325,758.00
11	Orange Tree Senior Housing Project	Petaluma Ecumenical Properties	Low and Moderate Income Housing Fund	Development Agreement to construct senior affordable housing	Dependent on Developer	Dependent on Developer	1/18/2013							1,000,000	1,000,000.00
12	Orange Tree Senior Housing Project Management	City of Oroville	Low and Moderate Income Housing Fund	Staffing costs for ongoing management of the project / Labor Consultation + Administrative Sub Contractor	Monthly expense	Monthly expense	1/18/2014							100,000	100,000.00
13	Staffing costs to administer Housing Programs	City of Oroville	Low and Moderate Income Housing Fund	Housing Program, Loan Portfolio, Administrative, Maintenance, and Management Costs	Monthly expense	Monthly expense	6/30/2017	15,958	15,958	15,958	15,958	15,958	15,958	15,958	95,748.00
14	Hillview Ridge Apartments, Phase II Project Management	City of Oroville	Low and Moderate Income Housing Fund	Staffing costs for ongoing management of construction of the project	Monthly expense	Monthly expense	6/30/2013				12,500	12,500			25,000.00
15	Minor Home Repair Program	R.D Prater Contract	Low and Moderate Income Housing Fund	Professional Services Agreement for minor home repair program	Monthly expense	Monthly expense	1/18/2014			3,750	3,750	3,750	26,250		37,500.00
16	Multi-Family Housing Compliance Monitoring Program Management	City of Oroville	Low and Moderate Income Housing Fund	Annual Long Term Housing Compliance Monitoring	Monthly expense	Monthly expense	7/1/2034							40,000	40,000.00
17	Project and Grant Administration	R.L Hastings, Inc. Contract	Low and Moderate Income Housing Fund	Professional Services Agreement for Hillview Ridge, New Construction Projects, Labor Standards Compliance	Monthly expense	Monthly expense	6/30/2013			1,500	1,500	1,500	1,500		6,000.00
18	Landscaping Services	Skipper Clark Contract	Fund Balance, Redevelopment Property Tax Trust Fund	Professional Services Agreement for landscaping of agency properties that will transfer to the successor agency	Monthly expense	Monthly expense	6/30/2017			5,940					5,940.00
19	Consulting for Project/Financial Administration	Rosenow, Spevecek Group Contract	Fund Balance, Redevelopment Property Tax Trust Fund	Professional Services Agreement to help implement RDA/Successor Agency transition	Varies monthly	Varies monthly	12/31/2012			2,500	2,500	2,500	2,500		10,000.00
20	Table Mountain Golf Club House	Table Mountain Golf Club, Inc.	Fund Balance, Redevelopment Property Tax Trust Fund	Table Mountain Golf Club, Inc Loan Agreement	Monthly expense	Varies monthly	12/31/2012		50,000	50,000	50,000	50,000	50,000	50,000	250,000.00
21	Oroville Enterprise Zone	City of Oroville	Fund Balance, Redevelopment Property Tax Trust Fund	State of California - HCD Agreement for the City to perform Enterprise Zone Activities	Monthly expense	Monthly expense	6/31/2021	13,917	13,917	13,917	13,917	13,917	13,917	13,917	83,502.00
22	Home Grant (Housing)	City of Oroville	Low and Moderate Income Housing Fund	Matching Funds for HOME Grant	Monthly expense	Monthly expense	12/30/2014			7,500	7,500	7,500	7,500		30,000.00
23	Musselman Pictures	Chris Smith	Fund Balance, Administrative Cost Allowance	Video of Successor Agency meetings	Monthly expense	Monthly expense	Until terminated by either party			287	287	287	287		1,148.00
24	Successor Agency Legal Services	Legal Services	Fund Balance	Legal Services for Code Enforcement actions	Monthly expense	Varies monthly	6/30/2012			3,830					3,830.00
25	Anticipated Legal Services	Legal Services for Successor Agency	Fund Balance, Administrative Cost Allowance	Anticipated Legal Services for Implementation of Successor Agency	Monthly expense	Varies monthly	N/A		10,000	10,000	10,000	10,000	10,000	10,000	50,000.00
26	Asset Disposition	Successor Agency	Fund Balance, Redevelopment Property Tax Trust Fund	Cost to dispose of Agency assets (environmental review, title reports, etc.)	Monthly expense	Monthly expense	N/A	20,000	20,000	20,000	20,000	20,000	20,000	20,000	120,000.00
27	Cota Cole Professional Services - Legal Services	Cota Cole	Fund Balance	Legal Services for Code Enforcement actions	Monthly expense	Monthly expense	2/1/2012	266	3,830						4,096.00
28	Pep Housing Acquisition Loan	Petaluma Ecumenical Properties	Low and Moderate Income Housing Fund	Developer Arrangement for cost of purchasing property to construct affordable housing	Monthly expense	Monthly expense	1/18/2013							275,000	275,000.00
29	Cal Home Grant (Housing)	City of Oroville	Low and Moderate Income Housing Fund	Matching Funds for HOME Grant	Monthly expense	Monthly expense	12/30/2014			7,500	7,500	7,500	7,500		30,000.00
30	Grant Match	City of Oroville	Fund Balance, Redevelopment Property Tax Trust Fund	Grant Match funding for various grant projects and programs as required by the funding sources	Monthly expense	Monthly expense	12/31/2014							500,000	500,000.00
31	Levee Investigation - HDR Professional Services	HDR Engineering	Fund Balance, Redevelopment Property Tax Trust Fund	Levee Investigation - Feather River	Monthly expense	Varies monthly	12/30/2012	24,640	24,640	24,640	24,640	24,640	24,640	24,640	147,840.00
TOTAL ROPS COST								2,138,949	365,275	974,213	396,982	396,982	2,321,982	6,594,383.00	

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE - PER AB 1X 26

FEBRUARY THROUGH JUNE 2012

	Project Name / Debt Obligation	Payee	Funding Source	Description	Total Outstanding Debt or Obligation	Projected Payment Dates	Projected Payment Amounts	Obligation Expiration Date	Total Due During Fiscal Year (Feb - June)	Fiscal Year 2011/2012						
										PAYMENT BY MONTH					TOTAL	
										Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012		
1	2002 Tax Allocation Bonds	Union Bank	Fund Balance	Bonds issue to fund non-housing projects	\$ 22,498,826	3/1/2012	Refer to Debt Service Schedule	9/15/2030	335,109		335,109					335,109.00
2	2004 Tax Allocation Bonds, Series A	Union Bank	Fund Balance	Bonds issue to fund non-housing projects	\$ 10,481,955	3/1/2012	Refer to Debt Service Schedule	9/15/2026	206,403		206,403					206,403.00
3	2004 Tax Allocation Bonds, Series B	Union Bank	Fund Balance	Bonds issue to fund non-housing projects	\$ 1,495,023	3/1/2012	Refer to Debt Service Schedule	9/15/2026	34,129		34,129					34,129.00
4	Fiscal Agent Fees and Bond Disclosure	Union Bank - Consultant / Underwriter	Fund Balance	Fees for fiscal agent services / Continuing disclosure reporting for tax allocation bonds	\$ 159,120	3/1/2012	Varies annually	9/15/2030	4,320		4,320					4,320.00
5	Housing Set Aside	City of Oroville	Low and Moderate Income Housing Fund	Funding to implement Regional Housing Needs Analysis housing requirements for the City of Oroville	\$ 22,695,595	Monthly expense	Monthly expense	7/1/2034	616,170	123,234	123,234	123,234	123,234	123,234	616,170.00	
6	Feb - Apr 2012: Successor Agency Administrative Overhead	City of Oroville	Fund Balance	Staffing costs overhead, building, insurance, utility costs, equipment, etc	\$ 60,000	Monthly expense	Varies monthly	7/1/2034	200,000	20,000	20,000	20,000				60,000.00
7	May - Jun 2012: Successor Agency Administrative Overhead	City of Oroville	Administrative Cost Allowance	Staffing costs overhead, building, insurance, utility costs, equipment, etc	\$ 5,080,000	Monthly expense	Varies monthly	7/1/2034	40,000				20,000	20,000	40,000.00	
8	Feb - Apr 2012: Successor Agency Operational Staffing Costs	Employees of the Successor Agency	Fund Balance	Staffing costs for ongoing administration and operation of successor agency, including salaries and benefits	\$ 88,209	Monthly expense	Monthly expense	6/1/2034	294,030	29,403	29,403	29,403				88,209.00
9	May - Jun 2012: Successor Agency Operational Staffing Costs	Employees of the Successor Agency	Administrative Cost Allowance	Staffing costs for ongoing administration and operation of successor agency, including salaries and benefits	\$ 7,468,362	Monthly expense	Monthly expense	6/1/2034	58,806				29,403	29,403	58,806.00	
8	US EPA Brownfields Assessment Grant	Brown and Caldwell, Inc.	Fund Balance	Cooperative Agreement for Fed Brownfield Program	\$ 271,465	Monthly expense	Varies monthly	10/1/2013	271,465	54,293	54,293	54,293	54,293	54,293	271,465.00	
10	Orange Tree Senior Housing Project	Petaluma Ecumenical Properties	Low and Moderate Income Housing Fund	Development Agreement to construct senior affordable housing	\$ 1,000,000	Dependent on Developer	Dependent on Developer	1/18/2013	1,000,000					1,000,000	1,000,000.00	
11	Orange Tree Senior Housing Project Management	City of Oroville	Low and Moderate Income Housing Fund	Staffing costs for ongoing management of the project / Labor Consultation + Administrative Sub Contractor	\$ 100,000	Monthly expense	Monthly expense	1/18/2014	100,000					100,000	100,000.00	
12	Staffing costs to administer Housing Programs	City of Oroville	Low and Moderate Income Housing Fund	Housing Program, Loan Portfolio, Administrative, Maintenance, and Management Costs	\$ 1,037,270	Monthly expense	Monthly expense	6/30/2017	79,790	15,958	15,958	15,958	15,958	15,958	79,790.00	
13	Hillview Ridge Apartments, Phase II Project Management	City of Oroville	Low and Moderate Income Housing Fund	Staffing costs for ongoing management of construction of the project	\$ 25,000	Monthly expense	Monthly expense	6/30/2013	25,000			12,500	12,500		25,000.00	
14	Minor Home Repair Program	R.D Prater Contract	Low and Moderate Income Housing Fund	Professional Services Agreement for minor home repair program	\$ 41,250	Monthly expense	Monthly expense	1/18/2014	37,500		3,750	3,750	3,750	26,250	37,500.00	
15	Multi-Family Housing Compliance Monitoring Program Management	City of Oroville	Low and Moderate Income Housing Fund	Annual Long Term Housing Compliance Monitoring	\$ 2,152,000	Monthly expense	Monthly expense	7/1/2034	40,000					40,000	40,000.00	
16	Project and Grant Administration	R.L Hastings, Inc. Contract	Low and Moderate Income Housing Fund	Professional Services Agreement for Hillview Ridge, New Construction Projects, Labor Standards Compliance	\$ 7,500	Monthly expense	Monthly expense	6/30/2013	6,000		1,500	1,500	1,500	1,500	6,000.00	
17	Landscaping Services	Skipper Clark Contract	Fund Balance, Redevelopment Property Tax Trust Fund	Professional Services Agreement for landscaping of agency properties that will transfer to the successor agency	\$ 77,220	Monthly expense	Monthly expense	6/30/2017	5,940		5,940				5,940.00	
18	Consulting for Project/Financial Administration	Rosenow, Spevecek Group Contract	Fund Balance, Redevelopment Property Tax Trust Fund	Professional Services Agreement to help implement RDA/Successor Agency transition	\$ 12,500	Varies monthly	Varies monthly	12/31/2012	10,000		2,500	2,500	2,500	2,500	10,000.00	
19	Table Mountain Golf Club House	Table Mountain Golf Club, Inc.	Fund Balance, Redevelopment Property Tax Trust Fund	Table Mountain Golf Club, Inc Loan Agreement	\$ 250,000	Monthly expense	Varies monthly	12/31/2012	250,000	50,000	50,000	50,000	50,000	50,000	250,000.00	
20	Oroville Enterprise Zone	City of Oroville	Fund Balance, Redevelopment Property Tax Trust Fund	State of California - HCD Agreement for the City to perform Enterprise Zone Activities	\$ 1,572,621	Monthly expense	Monthly expense	6/31/2021	69,585	13,917	13,917	13,917	13,917	13,917	69,585.00	
21	Home Grant (Housing)	City of Oroville	Low and Moderate Income Housing Fund	Matching Funds for HOME Grant	\$ 150,000	Monthly expense	Monthly expense	12/30/2014	30,000		7,500	7,500	7,500	7,500	30,000.00	
22	Musselman Pictures	Chris Smith	Fund Balance, Administrative Cost Allowance	Video of Successor Agency meetings	\$ 2,296	Monthly expense	Monthly expense	Until terminated by either party	1,148		287	287	287	287	1,148.00	
23	Successor Agency Legal Services	Cota Cole	Fund Balance	Legal Services for Code Enforcement actions	\$ 3,830	Monthly expense	Varies monthly	6/30/2012	3,830		3,830				3,830.00	
24	Anticipated Legal Services	Legal Services for Successor Agency	Fund Balance, Administrative Cost Allowance	Anticipated Legal Services for Implementation of Successor Agency	\$ 110,000	Monthly expense	Varies monthly	N/A	50,000	10,000	10,000	10,000	10,000	10,000	50,000.00	
25	Asset Disposition	Successor Agency	Fund Balance, Redevelopment Property Tax Trust Fund	Cost to dispose of Agency assets (environmental review, title reports, etc.)	\$ 200,000	Monthly expense	Monthly expense	N/A	100,000	20,000	20,000	20,000	20,000	20,000	100,000.00	
26	Pep Housing Acquisition Loan	Petaluma Ecumenical Properties	Low and Moderate Income Housing Fund	Developer Arrangement for cost of purchasing property to construct affordable housing	\$ 275,000	Monthly expense	Monthly expense	1/18/2013	275,000					275,000	275,000.00	
27	Cal Home Grant (Housing)	City of Oroville	Low and Moderate Income Housing Fund	Matching Funds for HOME Grant	\$ 115,000	Monthly expense	Monthly expense	12/30/2014	30,000		7,500	7,500	7,500	7,500	30,000.00	
28	Grant Match	City of Oroville	Fund Balance, Redevelopment Property Tax Trust Fund	Grant Match funding for various grant projects and programs as required by the funding sources	\$ 927,444	Monthly expense	Monthly expense	12/31/2014	500,000					500,000	500,000.00	
29	Levee Investigation - HDR Professional Services	HDR Engineering	Fund Balance, Redevelopment Property Tax Trust Fund	Levee Investigation - Feather River	\$ 123,200	Monthly expense	Varies monthly	12/30/2012	123,200	24,640	24,640	24,640	24,640	24,640	123,200.00	
TOTAL ROPS COST					\$ 78,480,686					4,797,425	361,445	974,213	396,982	396,982	2,321,982	4,451,604.00