

OVERSIGHT BOARD FOR SUCCESSOR AGENCY  
TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY

AGENDA

City Council Chambers  
Montclair Civic Center  
5111 Benito Street  
Montclair, CA

Regular Meeting  
Wednesday, June 13, 2012  
6:00 p.m.

*As a courtesy, please silence your cell phones, pagers, and other electronic devices while the meeting is in session. Thank you.*

William Ruh – Chairman, Montclair Mayor Paul Eaton Appointee  
Tenice Johnson – Vice Chairperson, County of San Bernardino Citizen Appointee  
Terry Catlin – Inland Empire Utilities Agency Appointee  
Kim Erickson – Chaffey Community College District Appointee  
Janet Kulbeck – City of Montclair Employee Organization Appointee  
John Richardson – County of San Bernardino Appointee  
Kim Stallings – Ontario-Montclair School District Appointee

Page No.

I. PRELIMINARY MATTERS

- A. Call to Order
- B. Roll Call

II. PUBLIC COMMENT

*Any person wishing to address the Oversight Board on any matter, whether or not it appears on this agenda, is requested to complete a "Speaker Request" form, available at the door. The form should be completed and submitted to the Secretary prior to the beginning of this meeting or prior to an individual agenda item being heard by the Oversight Board. Each speaker will be afforded five minutes to address the Oversight Board. No action will be taken on any item not listed on the agenda pursuant to the Ralph M. Brown Act.*

III. APPROVAL OF MINUTES

- A. Minutes of the Special Oversight Board Meeting of April 25, 2012

IV. BUSINESS ITEMS

- A. Consider Receiving and Filing Information Regarding the Disposition of the Mission Boulevard Joint Redevelopment Project Area Tax Allocation Note Issue of 2008

- B. Consider Department of Finance Comments Regarding the City of Montclair Successor Agency Recognized Obligation Payment Schedule for January 1, 2012, Through June 30, 2012, and Direct Staff to Resubmit Said Recognized Obligation Payment Schedule Without Change 7
  - C. Consider Adoption of Resolution No. 12-09, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving a Revised Recognized Obligation Payment Schedule for July 1, 2012, Through December 31, 2012, Pursuant to California Health and Safety Code Section 34179, Division 24, Part 1.85, and Authorizing Posting and Transmittal Thereof 34
  - D. Consider Adoption of Resolution No. 12-10, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving the Successor Agency's Proposed Administrative Budget for July 1, 2012, Through December 31, 2012, Pursuant to Health and Safety Code Section 34177(j) 53
  - E. Consider Authorizing Successor Agency to the City of Montclair Redevelopment Agency to Enter Into Agreement No. 12-49, an Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan for Existing and Subsequent Fiscal Years 59
- V. COMMUNICATIONS
- A. Staff
  - B. Chairman and Members
- VI. ADJOURNMENT

*The above actions of the Oversight Board shall not become effective for three business days, pending any request for review by the DOF. If DOF requests review of the above Board actions, it will have ten days from the date of the request to approve the Oversight Board action or return it to the Oversight Board for reconsideration; and the action, if subject to review by DOF, will not be effective until approved by DOF.*

*The next regularly scheduled Oversight Board meeting will be held on July 11, 2012, at 6:00 p.m. in the City Council Chambers.*

*Reports, backup materials, and additional materials related to any item on this Agenda distributed to the Successor Agency Board after distribution of the Agenda packet are available for public inspection in the Office of the Secretary located at 5111 Benito Street, Montclair, California, between 7:00 a.m. and 6:00 p.m., Monday through Thursday.*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary at (909) 625-9416. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)*

*I, Yvonne L. Smith, Secretary, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 72 hours prior to this meeting on the bulletin board adjacent to the south door of Montclair City Hall on June 7, 2012.*

## AGENDA REPORT

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<b>SUBJECT:</b> CONSIDER RECEIVING AND FILING INFORMATION REGARDING THE DISPOSITION OF THE MISSION BOULEVARD JOINT REDEVELOPMENT PROJECT AREA TAX ALLOCATION NOTE ISSUE OF 2008	<b>DATE:</b> June 13, 2012 <b>SECTION:</b> BUSINESS ITEMS <b>ITEM NO.:</b> A <b>FILE I.D.:</b> OBO050 <b>DEPT.:</b> OVERSIGHT BOARD
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**REASON FOR CONSIDERATION:** Staff seeks to apprise the Oversight Board of the disposition of the Mission Boulevard Joint Redevelopment Project Area Tax Allocation Notes of 2008 that required defeasement by June 1, 2012.

**BACKGROUND:** On May 9, 2012, the Oversight Board adopted Resolution No. 12-06, approving the Successor Agency's appropriation of former Redevelopment Agency project funds and the use of unspent Mission Boulevard Joint Redevelopment Project Area Tax Allocation Notes of 2008 to defease the Mission Boulevard Joint Redevelopment Project Area Tax Allocation Notes of 2008 subject to approval by the appropriate local and state agencies. The Redevelopment Agency had issued approximately \$7.9 million in interest-only tax allocation notes in 2008 to fund improvements to Mission Boulevard. The principal amount of the notes had to be defeased by June 1, 2012.

As Oversight Board Members will recall, with the passage of ABX1 26, the repayment of the Mission Boulevard Tax Allocation Notes was called into question. The legislation allowed for the issuance of bonds in certain situations but the legislation lacked clarity about the provisions for repayment of the debt because tax increment, as a source of bond repayment, would no longer exist. Agency Bond Counsel developed several scenarios for the issuance of bonds. Issuing a traditional tax allocation-type bond issue would mean the bond issue would require validation by the court. Given the June 1, 2012 time frame for defeasement of the tax allocation notes, the notes would default before a validation action could be affirmed or denied by the court. Another scenario developed by Bond Counsel involved issuance of tax allocation bonds by the Montclair Financing Authority and having this debt placed on the Recognized Payment Obligation Schedule.

In winding down former Redevelopment Agency activity and addressing matters of accounting, staff determined that there would be adequate funds available from various Redevelopment Project Areas to address repayment of the Tax Allocation Note debt. These funds were available from three separate Redevelopment Project Areas. These funds include the following:

- Project Area No. III - \$4.6 million (to be combined with bond proceeds to be used for land acquisition, including the Montclair Transcenter, for the North Montclair Downtown Specific Plan)

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Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>Yvonne L. Smith</u>	Presented by: _____

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- Project Area No. IV – \$700,000
- Project Area No. V – \$500,000

Taken together with the \$2.2 million available from the note proceeds, the revenue listed above could be made available to defease the notes without issuing new debt.

The outstanding issue with use of the funds from Project Areas Nos. III, IV, and V to defease the notes came from the fact that redevelopment law does not allow funding from one project area to be combined or comingled with revenue from another distinct project area. In order to use funds from other project areas to defease the notes, the Successor Agency needed to seek approval from the Oversight Board, the County of San Bernardino, and the Department of Finance.

The County of San Bernardino approved the use of project funds and note proceeds to defease the notes. On May 16, 2012, DOF officials responded to staff's emails and phone messages, indicating in writing that use of the Project funds and Note proceeds to defease the Tax Allocation Note Issue was acceptable.

Staff remitted \$7,799,984.76 to the trustee for the Mission Boulevard Joint Redevelopment Project Area Tax Allocation Note Issue of 2008 on May 17, 2012, as shown in Exhibit A.

**FISCAL IMPACT:** There is no fiscal impact related to receiving and filing information regarding the Mission Boulevard Joint Redevelopment Project Area Tax Allocation Note Issue of 2008.

**RECOMMENDATION:** Staff recommends the Oversight Board receive and file information regarding the disposition of the Mission Boulevard Joint Redevelopment Project Area Tax Allocation Note Issue of 2008.

Securities Servicing

The Bank of New York Mellon  
Trust Company, N.A.

700 South Flower Street  
Suite 500  
Los Angeles, CA 90017-4124



April 18, 2012

REVISED: 5/7/2012

VIA FACSIMILE (909) 621-1584

Mr. Michael Piotrowski  
Senior Accountant  
City of Montclair  
5111 Benito Street  
Montclair, California 91763

Re: \$7,800,000.00 City of Montclair Redevelopment Agency  
Mission Boulevard Joint Redevelopment Project  
2008 Taxable Allocation Notes

Dear Mr. Piotrowski:

Pursuant to Section 4.2(G) of the Indenture of Trust, the Agency shall pay to the Trustee for deposit in the Debt Service Fund all Pledged Tax Revenues for the payment of debt service due **June 1, 2012**:

Interest Payment:	\$ 195,000.00
Principal Payment:	\$ 7,800,000.00
Less Balance in Interest Acct:	< 1.60>
Less Balance in Debt Service Fund:	< 2.09>
Less Excess Reserve in Reserve Acct:	< <u>195,011.55</u> >
<b>Total Due by May 18, 2012</b>	<b><u>\$7,799,984.76</u></b>

*sent wire  
5/17/12*

Funds should be sent to the following:

**BY WIRE**

The Bank of New York Mellon  
ABA#: 021200018  
GLA: 111-565  
Cust. A/C No.: 109720  
Cust. A/C Name: Montclair RDA 08 Debt Serv Fd

*6161*

Should you have any questions, please feel free to contact me at (213) 630-6249.

Sincerely,

Teresa Fructuoso  
Vice President



May 17, 2012 11:02:01 AM ET  
 Customer ID: CITYO763  
 Operator ID: PIOTM763

**CITY OF MONTCLAIR**  
**Detail Wire Transfer Activity Report**  
 From 05/17/2012 Through 05/17/2012

Wire Transfer

**Wire Transfer Activity Detail**

**Debit Currency:** USD  
**Debit Bank Name:** WELLS FARGO BANK, N.A.  
**Debit Account Name:** City of Montclair Redevelopmen

**Account Number:** 984002113

**Debit Amount:** 7,799,984.76 USD

**Value Date:** 05/17/2012

**Execution Date:** 05/17/2012

**Template Name:**  
 Freeform  
**Type:** Domestic

**CEO® Tracking Number:** 000414  
**Fed/SWIFT Confirmation Number:**  
 051711B7031R012772  
**Transaction Reference Number:**  
 120517000334

**Status:** Confirmed

**Beneficiary Account Information:**

**Account Number:** GLA: 111-565  
**Account Name:** Montclair RDA 08 Debt Serv Fd  
**Account Address:** Customer acct 109720

**Beneficiary Bank Information:**

**Bank ID:** 021000018  
**Bank Name:** The Bank of New York Mellon

**Form of Notification:** None

**Originator to Beneficiary Information:**

**Teresa Fructuoso**  
**Phone** 213-630-6249

**Originator Information:**

**Name:** CITY OF MONTCLAIR  
**Address:** 5111 Benito St  
 Montclair, CA 91763 US  
**ID / Account Number:**

**Internal Reference:**

**Intermediary Bank Information:**

Data Not Provided

**Audit Trail Information:**

**Created By:** PIOTM763 May 16, 2012 09:06:51 PM ET.  
**Verified By:** KULBJ763 May 16, 2012 09:16:49 PM ET.  
**Verify-3 By:**  
**Rejected By:** N/A

**Last Modified By:** PIOTM763 May 16, 2012 09:06:51 PM ET.

**Verify-2 By:**

**Verify-4 By:**

**Total By Status**

	Total Debits USD	Total Credits USD	Total Transactions
<b>Status: Confirmed</b>	7,799,984.76	0.00	1
<b>Grand Total:</b>	7,799,984.76	0.00	1

[\[Privacy, Security & Legal\]](#)

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## AGENDA REPORT

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<b>SUBJECT:</b> CONSIDER DEPARTMENT OF FINANCE COMMENTS REGARDING THE CITY OF MONTCLAIR SUCCESSOR AGENCY RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY 1, 2012, THROUGH JUNE 30, 2012, AND DIRECT STAFF TO RESUBMIT SAID RECOGNIZED OBLIGATION PAYMENT SCHEDULE WITH- OUT CHANGE	<b>DATE:</b> June 13, 2012 <b>SECTION:</b> BUSINESS ITEMS <b>ITEM NO.:</b> B <b>FILE I.D.:</b> OB050 <b>DEPT.:</b> OVERSIGHT BOARD
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**REASON FOR CONSIDERATION:** The State Department of Finance (DOF) has responded to the revised City of Montclair Successor Agency Recognized Obligation Payment Schedule (ROPS) for January 1, 2012, through June 30, 2012, that was approved by the Oversight Board on May 9, 2012. Staff recommends the Oversight Board continue its approval of the ROPS for January 1, 2012, through June 30, 2012, as presented to the Oversight Board on May 9, 2012.

Copies of the ROPS for January 1, 2012, through June 30, 2012, and the response to DOF submitted by the Successor Agency and Oversight Board dated May 21, 2012, are attached. A copy of DOF's letter dated May 25, 2012, responding to the revised ROPS is also attached.

**BACKGROUND:** As part of the Dissolution Act as reformed by the Supreme Court, each Successor Agency was to adopt a draft Recognized Obligation Payment Schedule (ROPS) before March 1, 2012. The ROPS, as defined by the Dissolution Act, means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period. As the Oversight Board knows, the initial ROPS was supplied to the County and State on April 15, 2012. The Oversight Board took action to approve the initial ROPS on April 25, 2012. In light of comments made by DOF and required corrections, the Oversight Board approved a revised ROPS for the period from January 1, 2012, through June 30, 2012, on May 9, 2012. This revised ROPS and a response to DOF's initial ROPS review were sent to DOF on May 21, 2012.

The Successor Agency received correspondence from DOF dated May 25, 2012. DOF comments regarding the January 1 through June 30, 2012 ROPS largely contain the same issues expressed in their initial comments. These items include the following:

- Exception to Page 1, Item 17 Monument Sign Repairs for \$2,000 – DOF suggests this item was an agreement signed after June 27, 2011. The repairs to a residential monument sign remain uncompleted at this time. This matter involves Foundation Area 11 improvements to which the DOF has approved the fence repairs (Item 18), which remain to be completed as well.

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Prepared by: <u>M. STAATS</u>	Reviewed and Approved by:	<u>M. STAATS</u>
Proofed by: <u>Monroe L Smith</u>	Presented by:	_____

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- Exception to Page 2, Item 1 Rehabilitation Loan for \$1,000,000 – The DOF indicates that this item was signed after June 27, 2011. The Promissory Note was signed on July 1, 2011. However, the Redevelopment Agency Board of Directors approved this matter on June 20, 2012. The document happened to be signed on July 1, 2012. Staff believes this item should be recognized as an obligation. There is money available in the Housing Fund reserve to fund this loan.
- Exception to Page 1, Items 9, 10, 14, and 20 through 32 for \$388,137.40 – DOF contends that these items are administrative costs. DOF further contends the Agency has exceeded its allocation of administrative expenses. The Oversight Board approved these expenses on May 9, 2012, as eligible for reimbursement through the Redevelopment Property Tax Trust Fund. Staff contends these items related to legal costs, bond trustee costs, employee costs, graffiti abatement, etc., are all legitimate project or program costs.

Staff recommends the Oversight Board return the ROPS to the DOF unchanged with a letter appealing its conclusions.

**FISCAL IMPACT:** Commitment of the Oversight Board to the ROPS for January 1, 2012, through June 30, 2012, may allow the Successor Agency to be eligible to recover costs from the Redevelopment Property Tax Trust Fund for former redevelopment projects or programs.

**RECOMMENDATION:** Staff recommends that the Oversight Board consider comments from the Department of Finance regarding the Successor Agency Recognized Obligation Payment Schedule for January 1, 2012, through June 30, 2012, and direct staff to resubmit said Recognized Obligation Payment Schedule without change.



City of Montclair as Successor to the Redevelopment Agency  
 RDA Project Area All

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Per AB 28 - Section 34169 (f)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt on Obligation	Funding Source	Payments by month					Total	
						Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012		Jun 2012
1) 1997 Taxable Tax Allocation Bonds	Bank of New York Mellon	Bond issue to fund non-housing projects	Project Area 1	318,360.00	RPTIF			8,923.00			23,820.00	\$ 32,640.00
2) 2007A Tax Allocation Refunding Bonds	Bank of New York Mellon	Bond issue to fund non-housing projects	Project Area 3	40,549,098.85	RPTIF		54,693.75				1,039,953.75	\$ 1,094,647.50
3) 2007B Taxable Tax Allocation Bonds	Bank of New York Mellon	Bond issue to fund non-housing projects	Project Area 4	4,814,242.50	RPTIF		89,841.75				214,641.75	\$ 264,483.50
4) 2004 Tax Allocation Bonds	Bank of New York Mellon	Bond issue to fund non-housing projects	Project Area 3	7,392,100.00	RPTIF			113,997.50			253,997.50	\$ 367,975.00
5) 2001 Tax Allocation Bonds	Bank of New York Mellon	Bond issue to fund non-housing projects	Project Area 5	14,558,845.00	RPTIF			236,480.00			530,480.00	\$ 766,960.00
6) 2006A Tax Allocation Bonds	Bank of New York Mellon	Bond issue to fund non-housing projects	Project Area 5	12,187,950.00	RPTIF			188,894.75			368,489.50	\$ 556,974.25
7) 2006B Tax Allocation Bonds	Bank of New York Mellon	Bond issue to fund non-housing projects	Project Area 5	6,131,167.50	RPTIF			77,900.00			155,800.00	\$ 213,700.00
8) 2008 Tax Allocation Notes	Bank of New York Mellon	Mission Blvd-Notes issue to fund non-housing projects	Project Area 6	7,995,000.00	RPTIF				7,995,000.00			\$ 7,995,000.00
9) Employees Costs	Employers of Agency	Project Management Costs	All Areas	306,896.56	RPTIF	31,120.83						\$ 31,120.83
10) Advertising for Bond costs	Source Media	Publication of Bond Call Notice	All Areas	4,500.00	RPTIF							\$ 4,500.00
11) Utility Costs	Southern California Edison Co	Temporary utility costs for properties	Project Area 3	2,304.00	RPTIF	192.00						\$ 192.00
12) Contract for Professional Service	Southern California Landscapa	Temporary Foundation 11 landscape maintenance services	Project Area 3	18,000.00	RPTIF	3,000.00						\$ 3,000.00
13) Contract for Professional Service	Southern California Landscapa	Foundation Area 11 required repairs/replacement	Project Area 3	20,000.00	RPTIF							\$ 20,000.00
14) Contract for Legal Services	Stradling, Yocca, Carlson & Rumm	Agency legal services	All Areas	62,100.00	RPTIF	10,350.00						\$ 10,350.00
15) Commercial Rehabilitation Loan Agreement	Lena Maria Campbell & Dennis Sienko	Commercial Rehabilitation Loan	Project Area 4	287,853.00	RPTIF	7,500.00						\$ 7,500.00
16) Contract for Construction	Earth Tek Engineering Corp	Alma Hoffman Park Improvement Project	Project Area 1	128,392.00	RPTIF	12,639.20						\$ 12,639.20
17) Monument Sign Repairs	Sign 'A' Farms	Foundation Area 11 required repairs	Project Area 3	2,000.00	RPTIF							\$ 2,000.00
18) Maintenance Contract	Lendinick Fence	Foundation Area 11 and 12 required repairs	Project Area 3	10,000.00	RPTIF							\$ 10,000.00
19) Title Report Costs	Chicago Title	Title Report RE FA 11	Project Area 3	600.00	RPTIF							\$ 600.00
20) Contract for Bond Trustee Service	Bank of New York Mellon	Annual bond trustee fees/costs	All Areas	141,250.00	RPTIF	11,771.00						\$ 11,771.00
21) Contract for Local Services	Best Best & Kistner LLP	Agency legal services	Project Area 3	13,500.00	RPTIF	13,500.00						\$ 13,500.00
22) Contract for Bond Services	Bondright LLC	Bond Consulting Disclosure services	All Areas	10,500.00	RPTIF							\$ 10,500.00
23) Contract for Bond Services	Southern California Association of Governments	Cost to participate in Compass 2 present Strategy Program	Project Area 3	6,600.00	RPTIF							\$ 6,600.00
24) Contract for consulting services	Monradar Chamber of Commerce	Costlier Subscription	All Areas	4,118.00	RPTIF			1,029.60				\$ 1,029.60
25) Agency Subscription costs	Monradar Chamber of Commerce	Economic Development and Business retention services	All Areas	14,116.00	RPTIF							\$ 14,116.00
26) Economic development costs	Monradar Chamber of Commerce	Office rent	Proj Area 1, 3, 4, 5	25,668.00	RPTIF	2,133.80						\$ 2,133.80
27) Rent of Office Space	Monradar Chamber of Commerce	Office rent	Project Area 3	12,755.00	RPTIF	2,127.50						\$ 2,127.50
28) Utility costs	Monradar Chamber of Commerce	Temporary water services	All Areas	10,000.00	RPTIF	833.34						\$ 833.34
29) Contract for Professional Service	Monradar Chamber of Commerce	Financial Oversight Services	All Areas	3,761.05	RPTIF							\$ 3,761.05
30) Grant/Abatement Costs	City of Montclair	Removal of graffiti in RDA areas	All Areas	600.00	RPTIF							\$ 600.00
31) Office Supplies	Staples/Office Depot	Office supplies	All Areas	5,000.00	RPTIF							\$ 5,000.00
32) Contract for Legal Services	Robbins and Hollaway	Legal Services	All Areas	5,000.00	RPTIF							\$ 5,000.00
33)												\$ -
34)												\$ -
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42)												\$ -
43)												\$ -
44)												\$ -
45)												\$ -
46)												\$ -
Totals - This Page (RPTIF Funding)				\$ 95,015,315.97	N/A	\$ 93,545.37	\$ 721,132.74	\$ 695,246.98	\$ 59,917.63	\$ 8,052,255.56	#####	\$ 12,241,094.10
Totals - Page 2 (Other Funding)				\$ 1,528,484.51	N/A	\$ 53,857.21	\$ 53,357.21	\$ 55,007.21	\$ 55,007.21	\$ 55,007.21	#####	\$ 1,328,547.26
Totals - Page 3 (Administrative Cost Allowance)				\$ 1,287,048.19	N/A	\$ 87,023.20	\$ 115,493.20	\$ 99,893.18	\$ 85,843.18	\$ 55,493.18	#####	\$ 584,739.12
Totals - Page 4 (Pass Thru Payments)				\$ 83,009,733.07	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	#####	\$ 3,123,872.00
Grand Total - All Pages				\$ 100,641,581.74		\$ 234,425.78	\$ 888,983.15	\$ 760,289.07	\$ 6,202,765.95	\$ 8,202,765.95	#####	\$ 17,278,192.48

The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/12/2012 by the successor agency, and subsequently be approved by the oversight board and audited by the County.

All totals due during fiscal year and payment amounts are projected.

Funding sources from the successor agency. For fiscal 2011-12 only, references to RPTIF could also mean tax increment allocated to the Agency prior to February 1, 2012.

For bond issues, includes payments required to be made from June and those due on the bonds to the end of the bond year.

\*\*\* This is the principal maturity and interest due on the notes due 6/1 (maturity date). If sufficient resources are not available for repayment, these will be in default.

RPTIF - Redevelopment Property Tax Trust Fund

LMIHF - Low and Moderate Income Housing Fund

Admin - Successor Agency Administrative Allowance

Bonds - Bond proceeds

Other - reserves, rents, interest earnings, etc

Name of Redevelopment Agency: City of Montclair as Successor to the Redevelopment Agency  
 Project Area(s): RDA Project Area All

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Per AB 26 - Section 34169 (\*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Funding Source	Payments by month						Total	
						Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012		
1) Rehabilitation Loan Agreements	Montclair Housing Corporation	Rehabilitation loan for replacement housing obligation/other	All Areas	1,000,000.00	LMHF			1,000,000.00					\$ 1,000,000.00
2) Housing Improvement Costs	Neighborhood Partnership Housing	Safe Homes for Seniors costs	All Areas	30,000.00	LMHF	2,000.00		3,000.00		3,000.00			\$ 16,000.00
3) Housing Improvement Loans	Neighborhood Partnership Housing	Single family housing rehabilitation loans	All Areas	270,000.00	LMHF	30,000.00		30,000.00		30,000.00			\$ 180,000.00
4) Homebuyer Assistance Program Agreement	US Bank	Shared Appreciation costs on Homebuyer Assistance Program	Project Area 4 & 5	2,000.00	LMHF			1,600.00					\$ 2,000.00
5) Homebuyer Assistance Program Agreement	US Bank	Homebuyer Assistance program sendoff fees	Project Area 4 & 5	304.00	LMHF								\$ 304.00
6) Contract for Professional Service	Landscapes Maintenance Unlimited	Asset Maintenance	Project Area 5	4,000.00	LMHF			333.00					\$ 333.00
7) Employee Costs	Employees of Agency	Affordability Monitoring & Project Mgmt Costs	All Areas	136,488.51	LMHF	11,374.21		11,374.21		11,374.21			\$ 69,246.26
8) Contract Legal Services	Shradling, Yeager, Carlson & Rauth	Legal Services	All Areas	49,000.00	LMHF	4,000.00		4,000.00		4,000.00			\$ 24,000.00
9) Office Supplies	Staples/Office Depot	Office Supplies	All Areas	400.00	LMHF	33.34		33.33		33.33			\$ 200.00
10) Housing Improvement Costs	Neighborhood Partnership Housing	Service fees for Senior grants	All Areas	3,300.00	LMHF	450.00		600.00		600.00			\$ 3,300.00
11) Housing Improvement costs	Neighborhood Partnership Housing	Service fees for Rehab loans	All Areas	30,000.00	LMHF	5,000.00		5,000.00		5,000.00			\$ 30,000.00
12) Contract Legal Services	Robbins and Holdaway	Legal Services	All Areas	2,000.00	LMHF	166.66		166.67		166.67			\$ 1,000.00
13) Maintenance Contract	Buchbinder Maintenance Inc.	Maintenance Repairs	Project Area 5	3,000.00	LMHF	500.00		500.00		500.00			\$ 1,500.00
14)													\$ -
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33)													\$ -
Totals - LMHF				\$ 1,529,484.51		\$ 53,857.21	\$ 53,357.21	\$ 1,056,007.21	\$ 54,507.21	\$ 55,007.21	\$ 55,811.21	\$ 1,268,547.26	\$ 90.00
Totals - Bonds													\$ 0.00
Totals - Other													\$ 0.00
Grand total - This Page				\$ 1,529,484.51		\$ 53,857.21	\$ 53,357.21	\$ 1,056,007.21	\$ 54,507.21	\$ 55,007.21	\$ 55,811.21	\$ 1,268,547.26	\$ 90.00

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board and audited by the County.  
 \*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency (for fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 \*\*\*\* Amount of obligation under section 33334.2 is shown at the request of interested parties and has yet to be determined as valid under existing law. The successor entities present do not acknowledge these obligations at present until their validity and funding is determined by subsequent legislation and/or judicial actions.  
 \*\*\*\*\* This is the principal maturity and interest due on the notes due 6/1 (maturity date). If sufficient resources are not available for repayment, these will be in default.  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMHF - Low and Moderate Income Housing Fund  
 Bonds - Bond proceeds  
 Other - reserves, rents, interest earnings, etc  
 Admin - Successor Agency Administrative Allowance

Name of Redevelopment Agency: City of Montclair as Successor to the Redevelopment Agency  
 Project Area(s): RDA Project Area All

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Per AB 26 - Section 34168 (\*)

Project Name / Debt Obligation	Payees	Description	Project Area	Total Outstanding Debt or Obligation	Funding Source **	Payable from the Administrative Allowance Allocation						Total
						Payments by month						
						Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	
1) Employee Costs	Employees of Agency / Successor Agency	Payroll for employees	All Areas	485,938.11	Admin	40,494.93	40,494.93	40,494.93	40,494.93	40,494.93	40,494.93	\$ 242,669.58
2) Contract for Legal Services	Robbins & Holdaway	Legal services	All Areas	20,000.00	Admin	1,667.00	1,667.00	1,667.00	1,667.00	1,667.00	1,667.00	\$ 10,002.00
3) Agency vocational training costs	California Redevelopment Association	Training on Administration of Successor Agency	All Areas	1,000.00	Admin	1,000.00						\$ 1,000.00
4) Agency Insurance Costs	Kessler-Alair Insurance Services	Public Employee's Bond	All Areas	175.00	Admin	14.50	14.50	14.50	14.50	14.50	14.50	\$ 87.00
5) Agency Delivery Service	Federal Express Corp	Delivery Service	All Areas	500.00	Admin	41.67	41.67	41.67	41.67	41.67	41.67	\$ 250.02
6) Contract for Professional Service	Teamah, Ramirez and Smith, Inc.	Audit and compliance services	All Areas	15,900.00	Admin							\$ 15,900.00
7) Contract for Professional Service	Hifi Coren & Cone	Press Through Calculations	All Areas	10,000.00	Admin							\$ 10,000.00
8) Overhead Costs	City of Montclair	Overhead Costs	All Areas	31,926.00	Admin	2,660.50	2,660.50	2,660.50	2,660.50	2,660.50	2,660.50	\$ 15,963.00
9) Contract for Professional Service	Donald Parker, CPA	Financial Oversight Services	All Areas	40,000.00	Admin	3,333.34	3,333.34	3,333.33	3,333.33	3,333.33	3,333.33	\$ 20,000.00
10) Contract for Legal Services	Stradling, Yocum, Carlson & Rauth	Legal services	All Areas	120,000.00	Admin	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	\$ 60,000.00
11) Contract for Professional Service	Lance, Soil & Loughard LLP	Audit and compliance services	All Areas	1,180.00	Admin	1,180.00						\$ 1,180.00
12) Office Supplies	Stokes/Office Depot	Office Supplies	All Areas	400.00	Admin	33.34	33.34	33.33	33.33	33.33	33.33	\$ 200.00
13) Agency Insurance Costs	California Insurance Pool Authority	General Liability Insurance	All Areas	194,916.00	Admin	605.00	605.00	605.00	605.00	605.00	605.00	\$ 3,630.00
14) Agency Insurance Costs	California Insurance Pool Authority	Earthquake/Flood Insurance	All Areas	9,248.00	Admin	771.00	771.00	771.00	771.00	771.00	771.00	\$ 4,629.00
15) Agency Insurance Costs	Kessler-Alair Insurance Services	Fire Insurance	All Areas	1,753.00	Admin	146.00	146.00	146.00	146.00	146.00	146.00	\$ 876.00
16) Employee Costs	Employees of Agency / Successor Agency	Mileage/Auto Allowance	All Areas	26,820.00	Admin	2,235.00	2,235.00	2,235.00	2,235.00	2,235.00	2,235.00	\$ 13,410.00
17) Employee Costs	City of Montclair	Indirect Staff Charges	All Areas	17,957.00	Admin	17,957.00	17,957.00	17,957.00	17,957.00	17,957.00	17,957.00	\$ 107,742.00
18) Retirement Costs	City of Montclair	Retiree pension and benefits	All Areas	34,481.06	Admin	2,873.42	2,873.42	2,873.42	2,873.42	2,873.42	2,873.42	\$ 17,240.52
19) Member Fee	Gold Line Construction Authority	Gold Line Membership	Project Area 3	30,000.00	RPTTF		30,000.00					\$ 30,000.00
20) Contract for Professional Service	First American Data Tree	Property search services	Project Area 3	1,500.00	RPTTF		1,500.00					\$ 1,500.00
21) Contract for Professional Service	Group 1 Productions	Video assistance	Proj Area 1, 3, 4, 5	12,900.00	RPTTF		12,900.00					\$ 12,900.00
22) Overhead Costs	City of Montclair	Overhead utility costs	All Areas	31,926.00	RPTTF	2,660.50	2,660.50	2,660.50	2,660.50	2,660.50	2,660.50	\$ 15,963.00
23) Contract for Saftekeeping Services	First Tennessee Bank Saftekeeping	Investment Saftekeeping services	Project Area 3	1,400.00	RPTTF	350.00						\$ 350.00
24)												\$ -
25)												\$ -
26)												\$ -
27)												\$ -
28)												\$ -
29)												\$ -
30)												\$ -
31)												\$ -
32)												\$ -
33)												\$ -
34)												\$ -
35)												\$ -
36)												\$ -
Totals - This Page				\$ 1,287,048.19		\$ 87,023.20	\$ 115,463.20	\$ 99,893.18	\$ 85,843.18	\$ 85,493.18	\$ 100,953.18	\$ 694,735.12

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board and audited by the County.  
 \*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMIHF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance  
 Bonds - Bond proceeds  
 Other - reserves, rents, interest earnings, etc

Name of Redevelopment Agency: City of Montclair as Successor to the Redevelopment Agency  
 Project Area(s): RDA Project Area A1

OTHER OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34189 (\*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Source of Funding**	Payments by month					Total	
						Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012		Jun 2012
1) Statutory Payments	Chaffey Community College	Payments per CRL 33607.5 and .7	Proj Area 1.4, MB	37,257.00	RPTTF						37,257.00	\$ 37,257.00
2) Statutory Payments	Chaffey Joint Union High School	Payments per CRL 33607.5 and .7	Proj Area 1.4, MB	135,774.00	RPTTF						135,774.00	\$ 135,774.00
3) Statutory Payments	Chino Basin Water Conservation District	Payments per CRL 33607.5 and .7	PA 1.3, 4, 5, MB	6,577.00	RPTTF						6,577.00	\$ 6,577.00
4) Statutory Payments	San Bernardino County Treasurer	Payments per CRL 33607.5 and .7	Proj Area 1.5, MB	31,807.00	RPTTF						31,807.00	\$ 31,807.00
5) Statutory Payments	Inland Empire Utilities Agency	Payments per CRL 33607.5 and .7	Proj Area 1.4, MB	7,171.00	RPTTF						7,171.00	\$ 7,171.00
6) Statutory Payments	Monte Vista Water District	Payments per CRL 33607.5 and .7	PA 1.3, 5, MB	346.00	RPTTF						346.00	\$ 346.00
7) Statutory Payments	Ontario-Montclair Elementary School District	Payments per CRL 33607.5 and .7	Proj Area 1.4, MB	167,977.00	RPTTF						167,977.00	\$ 167,977.00
8) Statutory Payments	San Bernardino County Office of Education	Payments per CRL 33607.5 and .7	Proj Area 1.4, MB	4,421.00	RPTTF						4,421.00	\$ 4,421.00
9) Statutory Payments	San Bernardino County Library District	Payments per CRL 33607.5 and .7	Proj Area 1.5, MB	6,290.00	RPTTF						6,290.00	\$ 6,290.00
10) Statutory Payments	County of San Bernardino	Payments per CRL 33607.5 and .7	Proj Area 1.5, MB	10,245.00	RPTTF						10,245.00	\$ 10,245.00
11) Statutory Payments	Inland Empire Utility Agency	Payments per former CRL 33401	Proj Area 3, 4, 5	6,752,695.83	RPTTF						6,752,695.83	\$ 6,752,695.83
12) Pass Through Agreements	County of San Bernardino	Payments per former CRL 33401	Proj Area 3, 4, 5	35,825,644.83	RPTTF						35,825,644.83	\$ 35,825,644.83
13) Pass Through Agreements	Chaffey Community College	Payments per former CRL 33401	Proj Area 3, 5	1,836,663.97	RPTTF						1,836,663.97	\$ 1,836,663.97
14) Pass Through Agreements	Chaffey Joint Union High School	Payments per former CRL 33401	Proj Area 3, 5	6,657,742.92	RPTTF						6,657,742.92	\$ 6,657,742.92
15) Pass Through Agreements	Ontario-Montclair Elementary School District	Payments per former CRL 33401	Proj Area 3, 5	8,258,158.92	RPTTF						8,258,158.92	\$ 8,258,158.92
16) Pass Through Agreements	San Bernardino County Office of Education	Payments per former CRL 33401	Proj Area 3, 5	326,214.58	RPTTF						326,214.58	\$ 326,214.58
17) Pass Through Agreements	Monte Vista Water District	Payments per former CRL 33401	Proj Area 3	2,743,168.02	RPTTF						2,743,168.02	\$ 2,743,168.02
18) Pass Through Agreements	County of San Bernardino	Administrative Charges in connection with Tax Increment	All Areas	175,800.00	RPTTF						175,800.00	\$ 175,800.00
19) Statutory Payments												
20)												
21)												
22)												
23)												
24)												
25)												
26)												
27)												
28)												
29)												
Totals - Other Obligations				\$ 83,039,733.07		\$	\$	\$	\$	\$	\$ 3,123,972.00	\$ 3,123,972.00

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board and audited by the County.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund

LMWHF - Low and Moderate Income Housing Fund

Other - Bond proceeds

Admin - Successor Agency Administrative Allowance

Other - reserves, rents, interest earnings, etc



MONTCLAIR

May 21, 2012

Mr. Robert Scott  
Ms. Jennifer Whitaker  
Department of Finance  
State of California  
915 L Street  
Sacramento, CA 95814-3716

Dear Ms. Whitaker and Mr. Scott:

Pursuant to Health and Safety Code Section 34179(h), this letter requests reconsideration of the Department of Finance's April 28, 2012 determination that certain items in the Successor Agency's Recognized Obligation Payment Schedule for the period of January 1, 2012 to June 30, 2012 ("ROPS") did not meet the definition of an enforceable obligation provided by ABX1 26 or were categorized as administrative expenses. *Please note that in your letter to the Successor Agency dated April 26, 2012, Department of Finance indicates in the second bulleted item that Page 2, items 18 and 37 are loans to the City totaling \$68,738. These items are not located on Page 2. The Successor Agency presumes you meant to reference Page 1, items 17 and 37 which total \$68,738.*

The items requested for reconsideration by the Successor Agency and Oversight Board are:

Page 2, Item 1-Rehabilitation Loan to Montclair Housing Corporation  
Page 1, Item 20-Monument Sign Repair  
Page 1, Item 37-Contract with Donald Parker, CPA  
Page 1, Item 9-Employee Costs for Projects  
Page 1, Item 14-Contract for Legal Services Stradling, Yocca, Carlson & Rauth  
Page 1, Items 10, 23, 25, 26-Items Related to Bond trustee fees, arbitrage, and disclosures services  
Page 1, Item 24-Legal Services for Best Best Krieger  
Page 1, Item 27-Contract for Consulting Services with Southern California Associated Governments  
Page 1, Item 32, 33, 34-Related to Montclair Chamber of Commerce

CITY OF MONTCLAIR Redevelopment Agency

5111 Benito Street, P.O. Box 2308, Montclair, CA 91763 (909) 625-9411 FAX (909) 621-1584

Chairman Paul M. Eaton • Vice-Chairperson Carolyn Raft • Agency Directors: Leonard Paulitz, J. John Dutrey, Bill Ruh • Executive Director Edward C. Starr

Page 1, Item 39-Graffiti Abatement  
Page 1, Item 40-Office Supplies  
Page 1, Item 41-Contract for Legal Services-Robbins and Holdaway  
Page 2, Item 3-Contract with Neighborhood Partnership Housing Services  
Page 2, Item 8-Employee Costs related to Housing Affordability Monitoring  
Page 2, Item 9-Legal Services Stradling, Yocca, Carlson & Rauth

Attached are justifications and/or documentation supporting the Agency's contention that each of these items is an enforceable obligation or a cost incurred related to an enforceable obligation.

In view of Department of Finance comments, the following items have been moved into the Administrative Expense category:

Page 1, Item 18-Member Fee  
Page 1, Item 28-First American Data Tree  
Page 1, Item 29-Safekeeping Fees  
Page 1, Item 31-Group 1 Productions  
Page 1, Item 36-Overhead Costs  
Page 1, Item 38-Delivery Services

The Successor Agency and the Oversight Board do not object to the removal of the following items from the ROPS from January 1, 2012 through June 30, 2012:

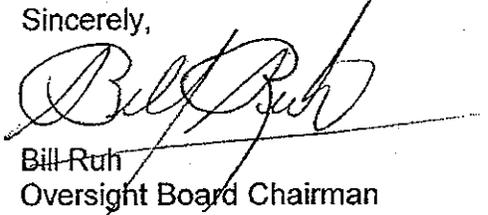
Page 1, Item 17-Loan from the City to the Agency-\$58,738  
Page 1, Item 19-Gold Line Construction Authority-\$160,000  
Page 1, Item 30-Voluntarily removal of Contract with Fleener Associates-\$40,000  
Page 2, Item 2-Contract with National Community Renaissance-\$1,900,000

In general, Department of Finance has disallowed \$791,487 in administrative costs. However, Health and Safety Code Section 34171 (b) does not limit the amount of administrative costs that a successor agency may incur to the percentage specified; it merely indicates that any administrative allowance will be limited to that amount. In the transition period, the Successor Agency has indicated costs that were presently being paid while the agency was reducing its labor force. The Oversight Board has approved an administrative budget which is a substantial reduction in the Successor Agency original submission on the ROPS. However, the Successor Agency and Oversight Board do disagree with the disapproval of several items the Department of Finance indicates should be administrative costs as cited above. It was clearly indicated by Department of Finance and the State Controller's Office that costs incurred which relate to enforceable obligations should be claimed as enforceable obligations.

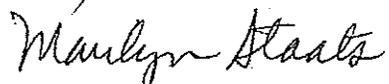
On May 9, 2012, the Oversight Board for the Successor Agency authorized submittal of the above items for reconsideration and approved the revised ROPS for January 1, 2012 through June 30, 2012.

If you have any questions, please contact Marilyn Staats, Director of Public Works/Successor Agency Staff Member at (909) 625-9412 or Donald Parker, Interim Finance Director at (909) 625-9418.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Ruh". The signature is written in black ink and is positioned above a horizontal line.

Bill Ruh  
Oversight Board Chairman

A handwritten signature in cursive script, appearing to read "Marilyn Staats". The signature is written in black ink and is positioned above the typed name.

Marilyn Staats  
Director of Redevelopment/Public Works  
Staff to Successor Agency

CC: Mr. Larry Walker, San Bernardino County Auditor-Controller  
Members of the Oversight Board  
Members of the Successor Agency  
City Manager Starr

## **Item No. 1, Page 2 Rehabilitation loan to the Montclair Housing Corporation-\$1 million**

**DOF Determination dated April 28, 2012**

*HSC Section 34163(b) prohibits new contracts after June 27, 2011.*

### **Background**

In 2008, the Redevelopment Agency approved an agreement with the nonprofit National Community Renaissance of California (National CORE) to develop a 75-unit affordable senior housing project located on land owned by the Redevelopment Agency. Through a Disposition and Development Agreement, the Agency sold the land to National CORE for the project. The land was undeveloped and contained a deteriorated commercial building and two duplex units. While National CORE was charged with the responsibility for relocation of tenants on the land, National CORE was not charged with the responsibility for the replacement housing obligation of the two duplex units. Replacement housing units must be comparable on a bedroom for bedroom basis. All the units in the senior project are one bedroom units while the duplex units were two bedrooms.

The Montclair Housing Corporation is a nonprofit 501(c) (3) public benefit corporation created in June 1994 for the purpose of providing and sustaining affordable housing units in the City of Montclair. The Redevelopment Agency charged the Montclair Housing Corporation with the obligation to meet the replacement housing obligations for the Redevelopment Agency. The \$1million loan from the Redevelopment Agency to the Housing Corporation was done to facilitate completion of the Agency Replacement Housing obligation.

### **Response**

The loan to the Montclair Redevelopment Agency was made in the form of a Promissory Note. The Note happened to contain the date of July 1, 2011. However, the action to approve the Note by the Redevelopment Agency Board of Directors was taken on June 20, 2011 prior to the Governor's signature of ABX1 26 on June 27, 2011. Indebtedness obligations are defined in Section 34171 (e) to mean "bonds, notes, certificates of participation or other evidence of indebtedness, issued or delivered by the redevelopment agency or by a joint powers authority created by the redevelopment agency", to third parties. Such action was delivered by the Redevelopment Agency Board of Directors on June 20, 2011. The action to approve the Note was legally valid and binding on June 20, 2011. In this case, it should not matter that the Note was not signed until July 1, 2011.

### **Supporting Documentation**

- Staff Report and Minutes for June 20, 2011 Meeting of the Redevelopment Agency Board of Directors and Montclair Housing Corporation Approving the Loan and Note
- Agreement No. 11-65 Montclair Housing Corporation Promissory Note

**Item No. 20, Page 1 Monument Sign Repair to Foundation  
Area 11-\$2,000**

**DOF Determination dated April 28, 2012**

*HSC Section 34163(b) prohibits new contracts after June 27, 2011.*

**Background**

The City of Montclair and City of Montclair Redevelopment Agency developed the "Foundation Area" concept in late 1980's. The concept involves working with the property owners of older multifamily units in one-block areas where physical deterioration is present and high police presence is demanded. Most of these areas contain older four-plex units. Agency staff works with the property owners to form a "Multifamily Property Owners Association" similar to a condominium owners association so that property owners begin to take greater responsibility for their property and tenant screening. In return for becoming a member of the "Owners Association," the property owners are typically provided with an incentive which could include common landscaping improvements or gating off public alleys to control access (becoming private alleys). These improvements become common area improvements for which the association is responsible. The property owners execute Covenants, Conditions, and Restrictions (CCR's) which run with the land and ensure owners meet regularly to discuss neighborhood problems and ensure common area maintenance. The program has worked successfully in the City for a number of years in the areas it has been implemented.

Foundation Area 11 (Castlerock Villas) is a project nearing its conclusion. There are 31 separate properties with a total of 124 apartments in Foundation Area 11 and xx property owners. There are items of maintenance which need to be completed regarding the project. The restoration of existing on-site monument signs is one element of work remaining to be completed.

**Response**

The \$2,000 expense for restoration of the monument sign for the monument sign is located on-site. It is not a City sign. It is a repair to an existing community entry sign. Other items on the ROPS related to Foundation Area 11 repairs were not determined to be new contracts by DOF. It is inconsistent for this item to be excluded when the other items were allowed.

## **Item 37, Page 1 Contract with Donald Parker CPA-\$10,000**

**DOF Determination Dated April 28, 2012**

*HSC Section 34171 (d) (2) states that agreements between the City and the former RDA are not enforceable obligations.*

### **Background**

The City of Montclair retained the services of Donald Parker, CPA on January 3, 2012 to act as Interim Finance Director for the City of Montclair. The services of Mr. Parker were retained because the City's former Assistant Finance Director had retired. The City did not have the position of Finance Director. A portion of the salary of the Assistant Finance Director position had historically been paid by the Redevelopment Agency because this position was chiefly responsible for Redevelopment Agency finances and accounting.

The Redevelopment Agency was legally prohibited from entering into an agreement for services with Mr. Parker because of the effective date of ABX126. The City retained Mr. Parker, not only administer the City's financial concerns, but to take on the task of working through the Redevelopment Agency dissolution process. Of particular concern to the Successor Agency was the possibility of default on its 2008 Mission Boulevard Joint Redevelopment Project Area Tax Allocation Note Issue. Therefore, it was imperative to have financial assistance in determining how the Successor Agency was to handle this issue.

### **Response**

The Redevelopment Agency faced the possibility of default of its 2008 Mission Boulevard Joint Redevelopment Project Area Tax Allocation Note Issue because the principal amount of Notes were due to be repaid in June 2012. On May 18, 2012, the Trustee for the Note Issue was owed approximately \$8 million. With the assistance of Redevelopment Agency Bond Counsel, funds were found to prevent default after a series of alternative were examined by the Interim Finance Director. Therefore, the Successor Agency and the Oversight Board see the cost of Mr. Parker's services as directly related to prevention of default relative to the Tax Allocation Note issue. As such, Mr. Parker's costs relate to the Successor Agency's enforceable obligation of the 2008 Mission Boulevard Joint Redevelopment Project Area Tax Allocation Note Issue.

## **Item 9, Page 1 Employee Costs \$170,086**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

### **Background**

Employee costs listed on Page 1, Item 9 directly relate to one of three projects:

- Tax Allocation Bonds
- Completion of Foundation Area 11 Project
- Wind down of former Redevelopment Agency involvement with Chamber of Commerce Economic Development Activities.

### **Response**

It was clearly indicated by the Department of Finance and the State Controller's Office that costs incurred which relate to enforceable obligations should be claimed as enforceable obligations and not as general administrative costs. Therefore, employee costs related to the enforceable obligations cited above should be payable from the property tax trust fund and be general administrative costs subject to the administrative cost allowance.

**Item 14, Page 1 Bond Counsel Services Stradling, Yocca,  
Carlson & Rauth \$62,100**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

**Background**

Stradling, Yocca, Carson & Rauth acted as bond counsel for the 2008 Mission Boulevard Joint Redevelopment Project Area Tax Allocation Note Issue. The Successor Agency required the assistance of Bond Counsel to determine how a defeasement of the 2008 Tax Allocation Notes could be legally accomplished.

**Response**

The Redevelopment Agency faced the possibility of default of its 2008 Mission Boulevard Tax Allocation Note Issue because the principal amount of Notes were due to be repaid in June 2012. On May 18, 2012, the Trustee for the Note Issue was owed approximately \$8 million. Analysis of various methods to defease the 2008 Tax Allocation Notes was an obvious necessity that required the expertise of former Redevelopment Agency Bond Counsel. DOF has publically stated on several occasions that repayment of bonded indebtedness was a state priority. The services of bond counsel were directly related to prevention of default of this debt and should not be characterized as an administrative expense.

**Items 10, 23, 25, and 26 Related to Bond Trustee Fees, Arbitrage Calculations and Disclosure Requirements \$47,800**

DOF Determination dated April 26, 2012

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

**Background**

The Successor Agency currently has seven outstanding tax allocation bond issues. Requirements of the issues involve payment of service fees to the trustee of each tax allocation bond issue. In addition, certain bond issues require publication of bond call notices and some have annual requirements for disclosure and arbitrage calculations.

**Response**

The payment of trustee fees for tax allocation bonds, the payment of publication of bond call notices and the annual requirements for disclosure and arbitrage calculations are not administrative costs. If these items are not performed, the bonds will suffer a technical default. These items are inextricably related to the bonded indebtedness as much as the payment of the bond premiums is related to the bonded indebtedness. The services are provided for and required by the bond indentures providing for the issuance of the bonds.

## **Item 24, Page 1 Legal Services with Best Best Krieger \$70,672**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

### **Background**

The City of Montclair and City of Montclair Redevelopment Agency developed the "Foundation Area" concept in late 1980's. The concept involves working with the property owners of older multifamily units in one-block areas where physical deterioration is present and high police presence is demanded. Most of these areas contain older four-plex units. Agency staff works with the property owners to form a "Multifamily Property Owners Association" similar to a condominium owners association so property owners begin to take greater responsibility for their properties and for tenant screening. In return for becoming a member of the "Owners Association," the property owners are typically provided with an incentive which could include common landscaping improvements or gating off public alleys to control access (becoming private alleys). These improvements become common area improvements for which the association is responsible. The property owners execute Covenants, Conditions, and Restrictions (CCR's) which run with the land and ensure owners meet regularly to discuss neighborhood problems and ensure common area maintenance. The program has worked successfully in the City for a number of years in the areas it has been implemented.

Foundation Area 11 (Castlerock Villas) is a project nearing its conclusion. There are 31 separate properties with a total of 124 apartments in Foundation Area 11 and 17 property owners. Forming a Property Owners Association requires legal services to draft the necessary documents and explain such documents to the property owners.

### **Response**

There is an obvious necessity to have CCR documents and other related documents prepared when the project involves formation of a legal entity. In addition, it is necessary to have legal assistance in explaining the documents to the involved property owners. The fees related to the preparation of the CCR's for Foundation Area No. 11 are the most integral part of the project. These fees are definite project costs.

### **Supporting Documentation**

- Conditions, Covenants and Restrictions for Castlerock Villas prepared by Best Best Krieger
- Bylaws prepared by Best Best Krieger
- Flow Chart prepared by Best Best Krieger
- Certificate of Incumbency prepared by Best Best Krieger

**Item 27, Page 1 Contract with Southern California Association of Governments \$6,800**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

**Background**

The City of Montclair Redevelopment Agency applied for and received the award of a \$47,999 grant from Southern California Association of Governments (SCAG) in January 2006. The grant, the *Compass 2% Strategy Demonstration Project*, was awarded to agencies promoting mixed-use transit oriented development within certain areas of Southern California. The Redevelopment Agency was then in the process of completing a Specific Plan for North Montclair which incorporated pedestrian friendly access to rail and bus transit in a mixed-use higher-density residential setting. The grant provided a parking analysis and some visual simulations of what the completed project could become. SCAG delivered the parking analysis and visual simulations pursuant to the terms of the grant. There was \$6,800 matching requirement to the grant. To date, SCAG has not billed the Successor Agency for the match to this grant.

**Response**

The Redevelopment Agency entered into a binding agreement with SCAG in 2006 to provide certain technical services. The former Redevelopment Agency was required to provide a \$6,800 match. SCAG has not yet billed the Successor Agency for this match. Staff contacted SCAG regarding this matter but has not heard back from them to date.

**Supporting Documentation**

- Staff Report and Agreement No. 06-34 form March 20, 2006
- Copy of Resolution No. 06-01.

## **Items 32, 33, and 34 Related to the Montclair Chamber of Commerce \$21,921.20**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

### **Background**

The former City of Montclair Redevelopment Agency had over a 30 year history of participating with the Chamber of Commerce in the economic development of the City's Redevelopment Project Areas. The former Agency assisted the Chamber of Commerce pay for a CoStar subscription to identify available retail and industrial properties in the City so the Agency and Chamber could assist in advancing these locations. The Chamber of Commerce and the Redevelopment Agency co-facilitated events which benefited the business community on a regular basis. Furthermore, for over 28 years, the Redevelopment Agency leased space in a shopping center for the Chamber of Commerce office. With the dissolution of the redevelopment, the responsibility for this lease rests with the Successor Agency.

### **Response**

The Successor Agency's responsibility to complete economic development activities with the Chamber of Commerce is not an administrative cost. Furthermore, Health and Safety Code Section 34171 (d) (1) (E) defines an enforceable obligation as any legally binding contract. In so much as the lease for the Chamber of Commerce office space was paid by the former Redevelopment Agency to Montclair Town Center, LLC, it is an enforceable obligation. This office space is not used by the Successor Agency; the space was leased for the Chamber to conduct economic development programs on behalf of the Agency.

### **Supporting Documentation**

- Agreement No.10-93 Second Amendment to Chamber Lease Agreement
- Agreement No. 07-66 First Amendment to Chamber Lease Agreement
- Agreement No. 04-17 Chamber Lease Agreement

## **Item 39, Page 1 Graffiti Abatement \$3,761.05**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

### **Background**

The Health and Safety Code was amended by the Legislature in 1994 to provide that a redevelopment agency may take any actions that the redevelopment agency determines are necessary to remove graffiti from public or private property within a redevelopment project area upon making a finding that, because of the magnitude and severity of the graffiti within the redevelopment project area, the action is necessary to effectuate the purposes of the redevelopment plan and that the action will assist with the elimination of blight as defined in Health and Safety Code Section 33031.

The expenditure of Agency funds for the City's graffiti abatement program, in an amount directly attributable to the cost of graffiti abatement completed within the Redevelopment Project Areas, was found to be in the best interests of the Agency and the City and the health, safety, and welfare of its residents and in accord with the public purposes and provisions of applicable State and local law requirements.

### **Response**

The graffiti abatement charges shown on the ROPS were incurred by the Redevelopment Agency in January 2012. The Agency was not dissolved until February 2012. The Successor Agency did not continue to place graffiti charges on the ROPS after January. Furthermore, the physical act of graffiti removal from surfaces in the project areas was not an administrative activity. The charges for graffiti abatement do not include an administrative component. They represent work conducted in the field to eradicate graffiti and the tools and/or materials used to eradicate such graffiti. The attached book represents the locations in the Project Areas where graffiti was removed for January 2011.

### **Supporting Documentation**

*Graffiti Abatement in Project Areas January 2012*

**Item 40, Page 1 Staples Office Supplies \$600**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

**Background**

Office supplies are required in the transaction of business.

**Response**

Office supplies are attributable to administration of enforceable obligations. Therefore, those supplies relating to enforceable obligations should not be general administrative expenses.

**Item 41, Page 1 Contract for Legal Services Robbins and Holdaway \$2,500**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

**Background**

Robbins and Holdaway have been general Agency Counsel many years. As general Agency Counsel, Robbins and Holdaway attended all meeting of the Redevelopment Agency Board of Directors and now act as general legal counsel to the Successor Agency. Their services related to enforceable obligations were to review and advise the Successor Agency on matters related to the enforceable obligations that were discussed at public meetings.

**Response**

Robbins and Holdaway supplied legal services to the Successor Agency as general Successor Agency Counsel related to enforceable obligations.

**Item 3, Page 2 Neighborhood partnership Housing Services  
Senior Grant Program \$16,000**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

**Background**

The Redevelopment Agency entered into an agreement in 2007 with Neighborhood Partnership Housing Services to supply grants to income-qualifying senior citizens for minor home repairs such as water heater replacement, installation of grab bars in bathrooms, handicapped ramps for access, repair of leaking plumbing, etc. The grant was renewed annually by the Redevelopment Agency Board of Directors. The total amount of the grant to each qualifying senior is \$1,500. Neighborhood Partnership Housing Services (NPHS) is a nonprofit 501 (c) (3) public benefit corporation affiliated with the federal NeighborWorks Network. The Agency is charged \$300 per loan by NPHS as the service fee for the grant program

**Response**

The grant program with NPHS is an enforceable obligation. It is included in the same agreement (Agreement No. 07-122) as the Single Family Rehabilitation Loan Program which DOF approved. In addition, DOF approved the service fees for the Senior Grant Program.

**Supporting Documentation**

Staff Report for Agreement No. 07-122  
Agreement No. 07-122 Funding and Administrative Services Agreement with NPHS  
Agreement No. 11-73 Third Amendment to Funding and Administrative Agreement with NPHS

**Item 8, Page 2 Employees Costs for Affordability  
Monitoring/Project Management \$68,245.26**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d) (2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

**Background**

Employees of the Successor Agency are charged with administration of the housing programs of the former Agency. Calculations must be made regarding payoff of former Homebuyer Assistance Loans and the Agency is responsible for administration of affordability covenants of all former housing projects involving Redevelopment Agency participation.

**Response**

Prior advice from DOF and the State Controller's Office indicated that costs relating to enforceable obligations and/or housing affordability should not be considered as general administrative costs.

**Item 9, Page 2 Legal Costs Stradling, Yocca, Carlson & Rauth-**  
**\$24,000**

**DOF Determination dated April 26, 2012**

*HSC Section 34171 (d)(2) limits administrative costs to five percent of the property tax allocated to the successor agency or \$250,000 whichever is greater. Cost is considered an administrative expense and exceeds allocation.*

**Background**

Stradling, Yocca, Carlson & Rauth have been engaged as Redevelopment Agency Special Counsel for 30 years. This legal firm has supplied the Agency and now supplies the Successor Agency with advice regarding affordable housing.

**Response**

The Successor Agency has had to engage the assistance of Agency Special Counsel in severing and preparing to sever relationships with nonprofit housing providers which remain outstanding. In addition, advice from Agency Special Counsel is needed regarding the disposition of housing assets. It is the Successor Agency's understanding that such costs are not general administrative charges.



May 25, 2012

Marilyn J. Staats, Redevelopment Director  
City of Montclair  
5111 Benito Street  
Montclair, CA 91763

Dear Ms Staats:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Montclair Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 21, 2012 for period January to June 2012 and on May 10, 2012 for the period July to December 2012. Finance is assuming appropriate oversight board approval.

Finance completed its review of your ROPS, which included obtaining clarification for certain items. The items listed in both ROPSs are approved with exception of the following:

- HSC section 34163 (b) prohibits and RDA from entering into new contracts after June 27, 2011. The following items have contracts signed after June 27, 2011.
  - Page 1: item 27 (January to June) and line 14 (July to December) for \$2,000
  - Page 2, item 1 (January to June), Page 3, line 1 (July to December), Rehabilitation Loan Agreements for \$1 million.
- For the January through July period, HSC section 34171(b) limits administrative costs to five percent of property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of property tax allocated equals \$592,601. The administrative costs claimed from RPTTF totaled \$972,663 from the following line items, creating an overage claim of \$380,062:
  - Page 1, lines 9, 10, 14, 20 through 32
  - Page 3, all lines 1 through 23
- For the July through December period, HSC section 34171(b) limits administrative costs to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. Three percent of property tax allocated equals \$114,616. The administrative costs claimed from RPTTF totaled \$865,959 from the following line items, creating an overage claim of \$615,959:
  - Page 1, lines 9, 10, 12, 17 through 20
  - Page 2, all lines 1 through 4
  - Page 3, all lines 1-18

This letter supersedes prior letter sent from this office. Our determination is with respect to any items funded from the Redevelopment Property Tax Trust Fund for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any

Ms. Staats  
May 25, 2012  
Page 2

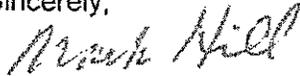
items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) for the amount of Redevelopment Property Tax Trust Fund (RPTTF) that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. 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 in the RPTTF.

Please direct inquiries to Jennifer Whitaker or Robert Scott at (916) 322-2985.

Sincerely,



MARK HILL  
Program Budget Manager

cc: Mr. Larry Walker, San Bernardino County Auditor-Controller

## AGENDA REPORT

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<b>SUBJECT:</b> CONSIDER ADOPTION OF RESOLUTION NO. 12-09, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING A REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2012, THROUGH DECEMBER 31, 2012, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179, DIVISION 24, PART 1.85, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF	<b>DATE:</b> June 13, 2012 <b>SECTION:</b> BUSINESS ITEMS <b>ITEM NO.:</b> C <b>FILE I.D.:</b> OBO050 <b>DEPT.:</b> OVERSIGHT BOARD
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**REASON FOR CONSIDERATION:** Pursuant to Section 34177 of the Health and Safety Code, the Successor Agency is required to submit its Recognized Obligation Payment Schedule (ROPS) to the Oversight Board for consideration and approval.

The Oversight Board approved the ROPS for the period from July 1, 2012, through December 31, 2012, on May 9, 2012. On May 25, 2012, staff received comments from the Department of Finance (DOF) on the submittal. The letter from DOF (Exhibit A) is attached for review by the Oversight Board with the original ROPS (Exhibit B) submitted to DOF. Staff has also attached a revised copy of the ROPS (Exhibit C) for consideration by the Oversight Board.

**BACKGROUND:** As explained, DOF has commented on the ROPS submitted for the period from July 1, 2012, through December 31, 2012, in its letter dated May 25, 2012. Staff comments regarding the DOF review letter include the following:

- Exception to Page 1, Item 14 Monument Sign Repairs for \$2,000 - DOF suggests this item was an agreement signed after June 27, 2011. The repairs to a residential monument sign remain uncompleted at this time. This matter involves Foundation Area 11 improvements to which the DOF has approved the fence repairs (Item 18), which remain to be completed as well.
- Exception to Page 3, Item 1 for \$1,000,000 - The DOF indicates that this item was signed after June 27, 2011. The Promissory Note was signed on July 1, 2011. However, the Redevelopment Agency Board of Directors approved this matter on June 20, 2011. The document happened to be signed on July 1, 2011. Staff believes this item should be recognized as an obligation. There is money available in the Housing Fund reserve to fund this loan.

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Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>George L Smith</u>	Presented by: _____

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- Exception to Page 1, items 9, 10, 12, 17 through 20, Page 2 Items 1 through 4, and Page 3, Items 1 through 18 for \$886,863.18 – DOF contends the selected items on Pages 1 and 2 are administrative costs. DOF further contends the Agency has exceeded its allocation of administrative expenses. The Oversight Board approved these expenses as eligible for reimbursement through the Redevelopment Property Tax Trust Fund on May 9, 2012. Staff asserts that these items, related to legal costs, bond trustee costs, employee costs, graffiti abatement, etc., are all legitimate project or program costs. Furthermore, DOF indicates that the Successor Agency administrative costs listed on Page 3 exceed the limits on administrative costs. Staff is aware that the amount listed for administrative costs may be exceeded but contends the Successor Agency is merely attempting to provide an accurate representation of these costs. The Successor Agency reimbursement for administrative costs may well be limited to a lesser amount. However, staff does not believe that showing actual costs would impact the amount of reimbursement. Additional costs will have to be borne by other available funding sources.

The revised ROPS for July 1, 2012, through December 31, 2012, as recommended by staff includes the following changes:

- The Mission Boulevard Tax Allocation Notes Issue of 2008 was eliminated. (Exhibit B – ROPS, Page 1, Item 8)
- The amount of employee costs shown on Page 1 was revised downward from \$205,740.30 to \$136,809.96 in keeping with the January through June 2012 ROPS submittal. (Exhibit B – ROPS, Page 1, Item 9)
- The amount of the matching grant between Southern California Association of Governments and the Redevelopment Agency was determined to be \$6,500. (Exhibit B – ROPS, Page 1, Item 20)

**FISCAL IMPACT:** Commitment of the Oversight Board to the revised ROPS from July 1, 2012, through December 30, 2012, may allow the Successor Agency to be eligible to recover costs from the Redevelopment Property Tax Trust Fund for former redevelopment projects or programs.

**RECOMMENDATION:** Staff recommends the Oversight Board adopt Resolution No. 12-09, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency approving a revised Recognized Obligation Payment Schedule for July 1, 2012, through December 31, 2012, pursuant to California Health and Safety Code Section 34179, Division 24, Part 1.85, and authorizing posting and transmittal thereof.

RESOLUTION NO. 12-09

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY ADOPTING A REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2012, THROUGH DECEMBER 31, 2012, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179, DIVISION 24, PART 1.85, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

**WHEREAS**, The City of Montclair Redevelopment Agency ("Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL") and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Montclair ("City"); and

**WHEREAS**, Assembly Bill XI 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies ("Dissolution Act"); and

**WHEREAS**, on December 29, 2011, in the petition *California Redevelopment Association v. Matasantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012, under the dates in the Dissolution Act that were reformed and extended thereby; and

**WHEREAS**, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

**WHEREAS**, by Resolution considered and approved by the City Council at an open public meeting the City chose to become and serve as the "Successor Agency" to the dissolved Agency under the Dissolution Act; and

**WHEREAS**, as of and on and after February 1, 2012, the City serves and acts as the Successor Agency and is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

**WHEREAS**, pursuant to Section 34179, the Successor Agency's Oversight Board has been formed and the initial meeting occurred on April 25, 2012; and

**WHEREAS**, on February 21, 2012, the Successor Agency adopted Resolution No. 12-02 approving the initial recognized obligation payment schedule ("ROPS") pursuant to Section 34177 of the Dissolution Act and has submitted such ROPS to the Oversight Board; and

**WHEREAS**, the Oversight Board received, reviewed, and approved the initial ROPS for the period from July 1, 2012, through December 31, 2012, on May 9, 2012, and authorized the Successor Agency to post the ROPS on the City/Successor Agency website and to transmit the ROPS to the County Auditor-Controller, the State Department of Finance ("DOF"), and the State Controller's Office; and

**WHEREAS**, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for three (3) business days pending any request for review by the Department of Finance; and if the DOF requests review hereof, DOF will have ten days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by Department of Finance; and

**WHEREAS**, the DOF has made comments on the ROPS submitted by staff on May 25, 2012, and now the Oversight Board seeks to receive, review and approve a revised ROPS on May 9, 2012.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency does hereby find and determine as follows:

**Section 1.** The Oversight Board finds and determines that the foregoing recitals incorporated into this Resolution by this reference are true and correct and constitute a material part of this Resolution.

**Section 2.** The Oversight Board approves a Revised ROPS for the period of July 1, 2012 through December 31, 2012.

**Section 3.** The Oversight Board authorizes the Successor Agency to transmit the Revised ROPS to the County Auditor-Controller, the DOF, and the State Controller's Office.

**Section 4.** The Secretary of the Successor Agency or her authorized designee is directed to post the Revised ROPS on the City/Successor Agency website pursuant to the Dissolution Act.

**Section 5.** This Resolution shall become effective after transmittal of this Resolution with the Revised ROPS attached to the DOF and the expiration of three (3) business days pending a request for the review of the DOF within the time periods set forth in the Dissolution Act; in this regard, if the DOF requests review hereof it will have ten days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by the DOF.

**Section 6.** The Secretary of the Oversight Board shall certify to the adoption of this Resolution and shall maintain this Resolution on file as a public record and the ROPS as approved hereby.

**APPROVED AND ADOPTED** this XX day of XX, 2012.

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Chairman

**ATTEST:**

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Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 12-09 was duly adopted by the Oversight Board at a regular meeting thereof held on the XX day of XX, 2012, and that it was adopted by the following vote, to-wit:

AYES: XX  
NOES: XX  
ABSTAIN: XX  
ABSENT: XX

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Yvonne L. Smith  
Secretary



May 25, 2012

Marilyn J. Staats, Redevelopment Director  
City of Montclair  
5111 Benito Street  
Montclair, CA 91763

Dear Ms Staats:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Montclair Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 21, 2012 for period January to June 2012 and on May 10, 2012 for the period July to December 2012. Finance is assuming appropriate oversight board approval.

Finance completed its review of your ROPS, which included obtaining clarification for certain items. The items listed in both ROPSs are approved with exception of the following:

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This letter supersedes prior letter sent from this office. Our determination is with respect to any items funded from the Redevelopment Property Tax Trust Fund for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any

Ms. Staats  
May 25, 2012  
Page 2

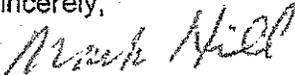
items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) for the amount of Redevelopment Property Tax Trust Fund (RPTTF) that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. 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 in the RPTTF.

Please direct inquiries to Jennifer Whitaker or Robert Scott at (916) 322-2985.

Sincerely,



MARK HILL  
Program Budget Manager

cc: Mr. Larry Walker, San Bernardino County Auditor-Controller

RECOGNIZED OBLIGATION PAYMENT SCHEDULE - FINAL  
 FILED FOR THE JULY TO DEC 2012 PERIOD

Name of Successor Agency City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 96,476,968.87	\$ 15,502,863.26
Outstanding Debt or Obligation	Total Due for Six Month Period	
	\$ 14,125,950.44	
Available Revenues other than anticipated funding from RPTTF	\$ 1,165,547.26	
Enforceable Obligations paid with RPTTF	\$ 12,486,409.10	
Administrative Cost paid with RPTTF	\$ 473,994.08	
Pass-through Payments paid with RPTTF	\$	
Administrative Allowance (greater of 3% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 374,592.27	

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

Bill Ruh  
 Name   
 Title Chairperson  
 Signature  
 Date 5/9/2012

84FT RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 28 - Section 34177 (1)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt as of 2/13/12	Total Due During 2012-2013**	Funding Source	Payments by month					Total		
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012		Dec 2012	
1) 1997 Taxable Tax Allocation Bonds	7/1/97	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 1	309,640.00	30,010.00	RPTTF		13,620.00					30,010.00	
2) 2007A Tax Allocation Refunding Bonds	09/27/07	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 2	42,003,725.11	1,574,263.75	RPTTF		1,038,883.25					1,574,263.75	
3) 2007B Tax Allocation Refunding Bonds	09/27/07	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 2	4,724,600.75	301,042.25	RPTTF		214,641.75					301,042.25	
4) 2008 Tax Allocation Bonds	03/23/08	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 4	7,278,112.50	365,174.50	RPTTF		263,897.40					365,174.50	
5) 2008A Tax Allocation Bonds	07/26/08	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 5	14,303,362.00	743,545.00	RPTTF		530,860.00					743,545.00	
6) 2008B Tax Allocation Bonds	09/18/08	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 4	11,989,482.75	553,025.00	RPTTF		368,884.25					553,025.00	
7) 2008C Tax Allocation Bonds	07/26/08	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 5	6,053,287.50	159,800.00	RPTTF		77,600.00					159,800.00	
8) 2008 Tax Allocation Bonds	07/26/08	Empire State Bank	Mission, Branches loans to Fund Non-Housing Projects	Project Area 6	8,180,000.00	9,271,000.00	RPTTF		34,200.00					9,271,000.00	
9) Employee Costs	As needed	State of Massachusetts	Publication of Bond Call Notice	All Areas	4,450.00	411,489.55	RPTTF		34,200.00					411,489.55	
10) Advertising for Bond Costs	As needed	State of Massachusetts	Publication of Bond Call Notice	All Areas	4,450.00	411,489.55	RPTTF		34,200.00					411,489.55	
11) Contract for Professional Services	Month to Month & on Project Completion	Shawmut Design & Construction	Foundation Area 11 Remedial Investigation/Remediation	Project Area 3	20,000.00	20,000.00	RPTTF		20,000.00					20,000.00	
12) Contract for Legal Services	02/08/81	Shawmut Design & Construction	Contract for Legal Services	All Areas	85,102.00	724,299.00	RPTTF		10,350.00					724,299.00	
13) Contract for Rehabilitation Loan Agreement	06/18/01	Jana Maria Campbell & Family, SLPs	Foundation Area 11 Remedial Investigation/Remediation	Project Area 4	337,453.00	26,009.00	RPTTF		2,000.00					26,009.00	
14) Maintenance Contract	For project completion	Sign A Barre	Foundation Area 11 Remedial Investigation/Remediation	Project Area 3	2,000.00	2,000.00	RPTTF		2,000.00					2,000.00	
15) Contract for Bond Services	Related to Bond Issues above	Landmark Source	Foundation Area 11 and 12 Remedial Investigation/Remediation	Project Area 3	10,000.00	10,000.00	RPTTF		10,000.00					10,000.00	
16) Contract for Bond Services	Related to Bond Issues above	Bank of New York Mellon	Annual Bond Trustee Fees/Commissions	Project Area 3	13,200.00	9,680.00	RPTTF		9,680.00					9,680.00	
17) Contract for Bond Services	Related to Bond Issues above	Bank of New York Mellon	Agency Legal Services	All Areas	11,771.00	11,771.00	RPTTF		11,771.00					11,771.00	
18) Contract for Bond Services	Related to Bond Issues above	Bank of New York Mellon	Bond Continuing Disclosure Services	All Areas	11,771.00	11,771.00	RPTTF		11,771.00					11,771.00	
19) Contract for Bond Services	Related to Bond Issues above	Bank of New York Mellon	Bond Affirmative Covenants Calculation Services	All Areas	11,771.00	11,771.00	RPTTF		11,771.00					11,771.00	
20) Contract for Consulting Services	03/20/05	Southam California Association of Government	Cost to Participate in Compress 2 Payment Strategy Program	Project Area 3	25,000.00	25,000.00	RPTTF		25,000.00					25,000.00	
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Totals - This Page (RPTTF Funding)															
Totals - Additional Page (RPTTF Funding)															
Totals - Page 2 (Other Funding)															
Totals - Page 3 (Administrative Cost Allowance)															
Totals - Page 4 (Past Due Payments)															
Grand Total - All Pages															

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/12/12 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance.

\*\* All totals are during fiscal year and payment amounts are projected.

\*\*\* If not previously paid.

RPTTF - Redevelopment Property Tax Trust Fund

LMHF - Low and Moderate Income Housing Fund

Other - reserves, rents, interest earnings, etc.

Bonds - Bond proceeds

Admin - Successor Agency Administrative Allowances

Payments required to be made in the first six months of the next calendar year.

Name of Redevelopment Agency: Agency for the City of Montreal, Redevelopment Agency  
 Project Area(s): RDA Project Area All

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (1)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligations	Total Due During Fiscal Year** 2012-2013**	Funding Source	Payments by month						Total
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	
1) Rent of Office Space	09/1/07	Montclair Town Center, LLC	Office Rent	Proj Area 1, 3, 4, 5	25,605.00	25,605.00	RPTTF	2,133.80	2,133.80	2,133.80	2,133.80	2,133.80	2,133.80	12,802.80
2) Contract for Professional Services	01/03/12	Donald Parker, CPA	Financial Oversight Services/Replace Finance Director	All Areas	10,000.00	10,000.00	RPTTF	833.34	833.34	833.33	833.33	833.33	833.33	5,000.00
3) Office Supplies		Staples/Office Depot	Office Supplies	All Areas	600.00	1,200.00	RPTTF	100.00	100.00	100.00	100.00	100.00	100.00	600.00
4) Contract for Legal Services	03/01/03	Roberts and Hobbaway	Legal Services	All Areas	5,000.00	5,000.00	RPTTF	416.67	416.67	416.67	416.67	416.67	416.67	2,500.00
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Table - This Page (RPTTF Funding)  
 \* The Preliminary Credit Recognition Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance.  
 \*\* All totals due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LWHFF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance  
 Other - reserves, rents, interest earnings, etc.  
 Payments required to be made in the first six months of the next fiscal year.

City of Mendocino, as Successor Agency for the City of Mendocino, Redevelopment Agency  
 Project Area(s)  
 RGA Project Area All

AFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source	Payments by month					Total		
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012		Dec 2012	
1) Rehabilitation Loan Agreements	08/20/11	Mendocino Housing Corporation	Rehabilitation Loan for Replacement Housing / Other	All Areas	1,000,000.00	1,000,000.00	LMIHF	1,000,000.00							\$ 1,000,000.00
2) Hazard Mitigation Costs	08/21/11	Neighborhood Partnership Housing	Stair Ranges for Staircase Costs	All Areas	4,000.00	4,000.00	LMIHF	4,000.00							\$ 4,000.00
3) Rental Improvement Loans	08/21/11	Neighborhood Partnership Housing	Single Family Housing Rehabilitation Loans	All Areas	270,000.00	270,000.00	LMIHF	270,000.00							\$ 270,000.00
4) Homebuyer Assistance Program Agreement	12/20/93	US Bank	Shared Appreciation Costs on Homebuyer Assistance Program	Project Area 4 & 5	2,000.00	2,000.00	LMIHF	2,000.00							\$ 2,000.00
5) Homebuyers Assistance Program Agreement	12/20/93	US Bank	Homebuyer Assistance Program Stacking Fees	Project Area 4 & 5	304.00	698.00	LMIHF	698.00							\$ 1,000.00
6) Contract for Professional Service	Month to Month	Landscape Maintenance Unlimited	Asset Maintenance	Project Area 5	4,000.00	4,000.00	LMIHF	333.00	333.00	333.00	333.00	333.00	333.00	333.00	\$ 3,999.00
7) Employee Costs	12/09/81	Employees of Agency	Affordability Monitoring & Project Mgmt Costs	All Areas	136,490.51	136,490.51	LMIHF	11,374.21	11,374.21	11,374.21	11,374.21	11,374.21	11,374.21	11,374.21	\$ 1,389,000.00
8) Contract Legal Services		Strategic, Yocco, Carlson & Reuth	Legal Services	All Areas	48,000.00	48,000.00	LMIHF	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	\$ 24,000.00
9) Office Supplies		Supplies/Office Depot	Office Supplies	All Areas	600.00	600.00	LMIHF	33.34	33.34	33.34	33.34	33.34	33.34	33.34	\$ 200.00
10) Contract Legal Services	03/07/03	Robbins and Holdaway	Legal Services	All Areas	2,000.00	2,000.00	LMIHF	166.67	166.67	166.67	166.67	166.67	166.67	166.67	\$ 1,666.67
11) Maintenance Contract	06/27/11	Neighborhood Partnership Housing	Building Maintenance	Project Area 5	3,000.00	3,000.00	LMIHF	500.00	500.00	500.00	500.00	500.00	500.00	500.00	\$ 4,500.00
12) Housing Improvement Fees	06/27/11	Neighborhood Partnership Housing	Service Fees for Grants	All Areas	3,900.00	3,900.00	LMIHF	3,900.00							\$ 3,900.00
13) Housing Improvement Fees	06/27/11	Neighborhood Partnership Housing	Service Fees for Loans	All Areas	30,000.00	30,000.00	LMIHF	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	\$ 30,000.00
14)															\$ -
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Totals - LMIHF					\$ 1,508,484.51	\$ 1,507,798.51		\$ 1,063,702.21	\$ 15,907.21	\$ 15,907.21	\$ 15,907.21	\$ 15,907.21	\$ 15,907.21	\$ 15,907.21	\$ 1,955,547.26
Totals - Bond Proceeds															\$ 50.00
Totals - Other															\$ 50.00
Grand total - This Page					\$ 1,508,484.51	\$ 1,507,798.51		\$ 1,063,702.21	\$ 15,907.21	\$ 15,907.21	\$ 15,907.21	\$ 15,907.21	\$ 15,907.21	\$ 15,907.21	\$ 1,955,547.26

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 31/02/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agency Upon Procedures Audit be completed before submitting the final ROPS (not Approved ROPS) to the State Controller and State Department of Finance.  
 \*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 \*\*\*\* If not previously paid.  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMIHF - Low and Moderate Income Housing Fund  
 Bonds - Bond Proceeds  
 Admin. - Successor Agency Administrative Allowance  
 Other - reserves, rents, interest earnings, etc

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source **	Payable from the Administrative Allowance Allocation ****					Total
							Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	
1) Employee Costs	Employees of Agency / Successor Agency	Payroll for Employees	All Areas	381,355.11	381,355.11	Admin	31,779.59	31,779.59	31,779.59	31,779.59	31,779.59	190,877.54
2) Contract for Legal Services	Robbins & Holdaway	Legal Services	All Areas	20,000.00	20,000.00	Admin	1,667.00	1,667.00	1,667.00	1,667.00	1,667.00	10,000.00
3) Agency Vocational Training Costs	League of California Cities	Successor Agency Vocational Training	All Areas	1,000.00	2,500.00	Admin	14.50	14.50	14.50	14.50	14.50	87.00
4) Agency Insurance Costs	Keasler-Alair Insurance Services	Public Employees Bond	All Areas	750.00	175.00	Admin	41.87	41.87	41.87	41.87	41.87	260.02
5) Agency Delivery Service	Federal Express Corp.	Delivery Service	All Areas	10,000.00	500.00	Admin	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	20,000.00
6) Contract for Professional Service	Hill Caram & Cobb	Pass Through Check/Orders	All Areas	400.00	400.00	Admin	3,333.34	3,333.34	3,333.34	3,333.34	3,333.34	20,000.00
7) Contract for Legal Services	Donald Parlier, CPA	Financial Oversight Services	All Areas	120,000.00	120,000.00	Admin	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	60,000.00
8) Contract for Professional Service	Stradling, Yocum, Carlson & Rauth	Legal Services	All Areas	400.00	400.00	Admin	33.34	33.34	33.34	33.34	33.34	200.00
9) Office Supplies	Staples/Office Depot	Office Supplies	All Areas	924.00	194,916.00	Admin	605.00	605.00	605.00	605.00	605.00	3,500.00
10) Agency Insurance Costs	California Insurance Pool Authority	General Liability Insurance	All Areas	9,240.00	1,753.00	Admin	146.00	146.00	146.00	146.00	146.00	4,626.00
11) Agency Insurance Costs	California Insurance Pool Authority	Earthquake/Offroad Insurance	All Areas	31,926.00	31,926.00	Admin	2,660.50	2,660.50	2,660.50	2,660.50	2,660.50	15,963.00
12) Agency Insurance Costs	Keasler-Alair Insurance Services	Fire Insurance	All Areas	215,484.00	215,484.00	Admin	17,957.00	17,957.00	17,957.00	17,957.00	17,957.00	107,742.00
13) Overhead Costs	City of Montclair	Overhead Utility Costs	All Areas	1,753.00	1,753.00	Admin	2,873.42	2,873.42	2,873.42	2,873.42	2,873.42	17,240.92
14) Employee Costs	City of Montclair	Retiree Pension and Benefits	All Areas	34,481.08	34,481.08	Admin	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
15) Retirement Costs	City of Montclair	Gold Line Membership	Project Area 3	1,500.00	1,500.00	Admin	500.00	500.00	500.00	500.00	500.00	1,000.00
16) Member Fee	City of Montclair	Property Search Services	Project Area 3	1,500.00	1,500.00	Admin	350.00	350.00	350.00	350.00	350.00	700.00
17) Contract for Professional Service	Frost American Data Tree	Investment Software/Support Services	Project Area 3	1,400.00	1,400.00	Admin						
18) Contract for Professional Service	Frost American Data Tree	Investment Software/Support Services	Project Area 3	1,400.00	1,400.00	Admin						
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Totals - This Page				\$ 1,094,138.19	\$ 1,105,138.19		\$ 101,892.36	\$ 72,732.36	\$ 82,882.34	\$ 71,892.34	\$ 72,732.34	\$ 473,994.08

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final Oversight Approved ROPS to the State Controller and State Department of Finance.  
 \*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency: For fiscal 2011-12 only, referencess to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LHMIF - Low and Moderate Income Housing Fund  
 \*\*\*\* - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.  
 - If not previously paid.  
 Bonds - Bond proceeds  
 Admin - Successor Agency Administrative Allowance  
 Other - reserves, rents, interest earnings, etc

FORM D - Pass-Through Payments

Name of Redevelopment Agen: City of Mendocino as Successor Agency for the City of Mendocino Redevelopment Agency  
 Project Area(s): ROA Project Area All

OTHER OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt, or Obligation	Total Due During Fiscal Year 2011-2012*	Source of Fund**	Pass Through and Other Payments					Total	
							Payments by month						
							Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	
1) Statutory Payments	Charley Community College	Payments per CRL 33607.5 and 7	Proj Area 1, 4, MB	37,257.00	37,257.00	RPTTF			37,257.00				\$ 37,257.00
2) Statutory Payments	Charley Joint Union High School	Payments per CRL 33607.5 and 7	Proj Area 1, 4, MB	135,774.00	135,774.00	RPTTF			135,774.00				\$ 135,774.00
3) Statutory Payments	Chico Basin Water Conservation District	Payments per CRL 33607.5 and 7	PA 1, 3, 4, 5, MB	8,577.00	8,577.00	RPTTF			8,577.00				\$ 8,577.00
4) Statutory Payments	San Bernardino County Treasurer	Payments per CRL 33607.5 and 7	Proj Area 1, 5, MB	31,607.00	31,607.00	RPTTF			31,607.00				\$ 31,607.00
5) Statutory Payments	Inland Empire Utilities Agency	Payments per CRL 33607.5 and 7	Proj Area 1, 4, MB	7,171.00	7,171.00	RPTTF			7,171.00				\$ 7,171.00
6) Statutory Payments	Inland Empire West Resource Conservation District	Payments per CRL 33607.5 and 7	PA 1, 3, 5, MB	346.00	346.00	RPTTF			346.00				\$ 346.00
7) Statutory Payments	Monte Vista Water District	Payments per CRL 33607.5 and 7	PA 1, 4, 5, MB	21,778.00	21,778.00	RPTTF			21,778.00				\$ 21,778.00
8) Statutory Payments	Ontario-Monterey Elementary School District	Payments per CRL 33607.5 and 7	Proj Area 1, 4, MB	167,977.00	167,977.00	RPTTF			167,977.00				\$ 167,977.00
9) Statutory Payments	San Bernardino County Office of Education	Payments per CRL 33607.5 and 7	Proj Area 1, 4, MB	4,421.00	4,421.00	RPTTF			4,421.00				\$ 4,421.00
10) Statutory Payments	San Bernardino County Library District	Payments per CRL 33607.5 and 7	Proj Area 1, 5, MB	5,290.00	5,290.00	RPTTF			5,290.00				\$ 5,290.00
11) Statutory Payments	County of San Bernardino	Payments per former CRL 33401	Proj Area 3, 4, 5	10,245.00	10,245.00	RPTTF			10,245.00				\$ 10,245.00
12) Pass Through Agreements	Inland Empire Utility Agency	Payments per former CRL 33401	Proj Area 3, 4, 5	6,752,696.83	355,938.00	RPTTF			355,938.00				\$ 355,938.00
13) Pass Through Agreements	County of San Bernardino	Payments per former CRL 33401	Proj Area 3, 4, 5	55,025,644.83	1,381,390.00	RPTTF			1,381,390.00				\$ 1,381,390.00
14) Pass Through Agreements	Charley Community College	Payments per former CRL 33401	Proj Area 3, 4, 5	1,638,663.87	45,149.00	RPTTF			45,149.00				\$ 45,149.00
15) Pass Through Agreements	Charley Joint Union High School	Payments per former CRL 33401	Proj Area 3, 4, 5	6,657,742.92	483,167.00	RPTTF			483,167.00				\$ 483,167.00
16) Pass Through Agreements	Ontario-Monterey Elementary School District	Payments per former CRL 33401	Proj Area 3, 5	8,259,159.82	202,265.00	RPTTF			202,265.00				\$ 202,265.00
17) Pass Through Agreements	San Bernardino County Office of Education	Payments per former CRL 33401	Proj Area 3, 5	326,214.55	6,466.00	RPTTF			6,466.00				\$ 6,466.00
18) Pass Through Agreements	Monte Vista Water District	Admin. Chrgs. For Tax Increment	All Areas	2,743,188.02	83,168.00	RPTTF			83,168.00				\$ 83,168.00
19) Statutory Payments	County of San Bernardino	Admin. Chrgs. For Tax Increment	All Areas	175,800.00	175,800.00	RPTTF			175,800.00				\$ 175,800.00
<b>Totals - Other Obligations</b>									\$ 3,123,972.00	\$ 3,123,972.00			\$ 3,123,972.00

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agency perform resources audit for completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources for the agency: For fiscal 2011-12 only, references to RPTTF credit also mean tax increment allocated to the Agency prior to February 1, 2012.

RPTTF - Redevelopment Priority Tax Increment Fund  
 LMHF - Low and Moderate Income Housing Fund  
 \*\*\* - Only the January through June 2012 ROPS should include expenditures for through payments. Starting with the July through December 2012 ROPS, per HSC section 34182 (a) (1), the county auditor controller will make the required pass-through payments prior to transferring money into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.

**REVISED  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE - FINAL  
FILED FOR THE JULY to DEC 2012 PERIOD**

**Name of Successor Agency** City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 88,139,108.23	\$ 7,073,102.62
Outstanding Debt or Obligation	Total Due for Six Month Period	
Available Revenues other than anticipated funding from RPTTF	\$ 5,756,620.10	
Enforceable Obligations paid with RPTTF	\$ 1,165,547.26	
Administrative Cost paid with RPTTF	\$ 4,127,078.76	
Pass-through Payments paid with RPTTF	\$ 463,994.08	
<b>Administrative Allowance</b> (greater of 3% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 123,812.36	

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

**Bill Ruh**  
Name

**Chairperson**  
Title

Signature

Date

SAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34.177 (\*)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt as of 2/12/2012	Total Due During 2012-2013**	*** Ending Street	Payments by month					Total			
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012		Dec 2012		
1) 1097 Tax Allocation Bonds	11/01/07	Bank of New York Mellon	Bond Issuance to Fund Non-Housing Projects	Project Area 1	308,540.00	32,010.00	RPTTF			23,250.00			6,180.00	32,010.00		
2) 2027A Tax Allocation Refunding Bonds	09/27/07	Bank of New York Mellon	Bond Issuance to Fund Non-Housing Projects	Project Area 3	40,803,175.11	1,874,258.75	RPTTF		1,039,893.75					551,375.00	1,574,268.75	
3) 2007B Tax Allocation Bonds	09/27/07	Bank of New York Mellon	Bond Issuance to Fund Non-Housing Projects	Project Area 3	4,724,800.75	301,052.23	RPTTF		214,947.15					86,105.08	351,052.23	
4) 2007 Tax Allocation Bonds	07/20/04	Bank of New York Mellon	Bond Issuance to Fund Non-Housing Projects	Project Area 4	2,775,113.50	265,175.00	RPTTF			53,081.50				11,487.50	351,750.00	
5) 2001 Tax Allocation Bonds	07/20/04	Bank of New York Mellon	Bond Issuance to Fund Non-Housing Projects	Project Area 5	14,303,985.00	758,685.00	RPTTF			53,045.00				228,105.00	758,685.00	
6) 2005A Tax Allocation Bonds	09/16/08	Bank of New York Mellon	Bond Issuance to Fund Non-Housing Projects	Project Area 5	11,988,665.75	583,095.00	RPTTF			58,595.75				191,114.25	583,095.00	
7) 2005B Tax Allocation Bonds	09/16/08	Bank of New York Mellon	Bond Issuance to Fund Non-Housing Projects	Project Area 5	8,053,297.50	158,800.00	RPTTF			27,850.00				77,950.00	158,800.00	
8) Employee Costs	As needed	Employees of Agency	Project Management Costs	All Areas	273,619.92	23,616.92	RPTTF		22,801.66					22,801.66	136,609.96	
9) Advertising for Bond Costs	As needed	Sources Media	Publication of Bond Call Notice	All Areas	4,500.00	8,000.00	RPTTF							4,500.00	4,500.00	
10) Contract for Professional Services	Month to Month & or Project Completion	Southern California Lenders	Foundation Area 11 Specialist Support/Refinement	Project Area 3	20,000.00	20,000.00	RPTTF							20,000.00	20,000.00	
11) Contract for Legal Services	12/29/01	Shelton, Vecchi, Carlson & Rauch	Agency Legal Services	All Areas	92,100.00	14,200.00	RPTTF		10,350.00					10,350.00	92,100.00	
12) Commercial Rehabilitation Loan Agreement	09/16/01	Jana Murk Campbell & Dennis Sfriso	Commercial Rehabilitation Loan	Project Area 4	267,853.00	20,000.00	RPTTF							20,000.00	20,000.00	
13) Maintenance Contract	For project completion	Burn A Rent	Foundation Area 11 Recycled Spalls	Project Area 3	2,000.00	2,000.00	RPTTF							2,000.00	2,000.00	
14) Maintenance Contract	Related to Bond Issues above	Lendmark Fence	Foundation Area 11 and 12 Recycled Spalls	Project Area 3	10,000.00	10,000.00	RPTTF							10,000.00	10,000.00	
15) Contract for Legal Services	10/02/07	Bank of New York Mellon	Annual Bond Trustee Fees/Costs	All Areas	19,400.00	19,400.00	RPTTF			9,650.00				9,650.00	19,400.00	
16) Contract for Legal Services		Bank of New York Mellon	Agency Legal Services	Project Area 3	141,250.00	141,250.00	RPTTF		11,771.00					11,771.00	141,250.00	
17) Contract for Bond Services		Bonding LLC	Bond Continuing Disclosure Services	All Areas	13,800.00	27,000.00	RPTTF		19,500.00					19,500.00	36,300.00	
18) Contract for Bond Services		Bonding LLC	Bond Auditors Report Calculation Services	All Areas	10,800.00	21,000.00	RPTTF							21,000.00	21,000.00	
19) Contract for Consulting Services	03/20/05	Southern California Association of Governments	Cost to Participate in Computer 2 Personal Safety Program	Project Area 3	25,000.00	25,000.00	RPTTF		6,500.00					6,500.00	25,000.00	
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Grand total - All Pages																

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/17/2012 by the successor agency, and subsequently be approved by the oversight board before the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agency Upon Procedure Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

\*\* Funding sources for the next calendar year and payment amounts are projected.

\*\*\* If not previously paid.

RPTTF - Redevelopment Property Tax Trust Fund

UNHF - Low and Moderate Income Housing Fund

Other - reserves, rent, interest earnings, etc

Bond - Bond proceeds

Admin - Successor Agency Administrative Allowance





Name of Redevelopment Agency: City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency  
 Project Area(s) RDA, Project Area All

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt as of 6/30/12	Total Due During Fiscal Year 2012-2013**	Funding Source	Payments from the Administrative Allowance Allocation ***					Total	
							Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012		Dec 2012
1) Employee Costs	Employees of Agency / Successor Agency	Payroll for Employees	All Areas	381,355.11	381,355.11	Admin	31,778.59	31,778.59	31,778.59	31,778.59	31,778.59	31,778.59	180,877.54
2) Contract for Legal Services	Robbins & Holdaway	Legal Services	All Areas	20,000.00	20,000.00	Admin	1,667.00	1,667.00	1,667.00	1,667.00	1,667.00	1,667.00	10,002.00
3) Agency Vocational Training Costs	Leggible of California Colleges	Successor Agency Vocational Training	All Areas	1,000.00	2,000.00	Admin	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
4) Agency Insurance Costs	Kessler-Alair Insurance Services	Public Employee's Bond	All Areas	175.00	175.00	Admin	14.50	14.50	14.50	14.50	14.50	14.50	87.00
5) Agency Delivery Service	Federal Express Corp	Delivery Service	All Areas	500.00	500.00	Admin	41.67	41.67	41.67	41.67	41.67	41.67	250.02
6) Contract for Professional Service	Donald Parker, CPA	Financial Oversight Services	All Areas	40,000.00	40,000.00	Admin	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	20,000.00
7) Office Supplies	Stradling, Yocum, Carlson & Reuth	Legal Services	All Areas	120,000.00	120,000.00	Admin	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	60,000.00
8) Agency Insurance Costs	Staples/Office Depot	Office Supplies	All Areas	400.00	400.00	Admin	33.33	33.33	33.33	33.33	33.33	33.33	200.00
9) Agency Insurance Costs	California Insurance Pool Authority	General Liability Insurance	All Areas	184,818.00	184,818.00	Admin	605.00	605.00	605.00	605.00	605.00	605.00	3,630.00
10) Agency Insurance Costs	California Insurance Pool Authority	Earthquake/Flood Insurance	All Areas	9,248.00	9,248.00	Admin	771.00	771.00	771.00	771.00	771.00	771.00	4,629.00
11) Agency Insurance Costs	Kessler-Alair Insurance Services	Fire Insurance	All Areas	1,753.00	1,753.00	Admin	146.00	146.00	146.00	146.00	146.00	146.00	878.00
12) Overhead Costs	City of Montclair	Overhead Utility Costs	All Areas	31,928.00	31,928.00	Admin	2,650.50	2,650.50	2,650.50	2,650.50	2,650.50	2,650.50	15,963.00
13) Overhead Costs	City of Montclair	Indirect Staff Charges	All Areas	215,484.00	215,484.00	Admin	17,957.00	17,957.00	17,957.00	17,957.00	17,957.00	17,957.00	107,742.00
14) Retirement Costs	City of Montclair	Retiree Pension and Benefits	All Areas	34,491.08	34,491.08	Admin	2,873.42	2,873.42	2,873.42	2,873.42	2,873.42	2,873.42	17,240.32
15) Member Fee	Gold Line Construction Authority	Gold Line Membership	Project Area 3	30,000.00	30,000.00	Admin	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
16) Contract for Professional Service	First American Data Tree	Property Search Services	Project Area 3	1,500.00	1,500.00	Admin	500.00	500.00	500.00	500.00	500.00	500.00	1,000.00
17) Contract for Safeguarding Services	First Tennessee Bank Safeguarding	Investment Safeguarding Services	Project Area 3	1,400.00	1,400.00	Admin	350.00	350.00	350.00	350.00	350.00	350.00	700.00
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Totals - This Page				\$ 1,084,438.18	\$ 1,085,438.18		\$ 101,892.98	\$ 72,732.36	\$ 72,882.34	\$ 71,892.34	\$ 72,732.34	\$ 71,892.34	\$ 463,994.03

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not requirement that the Agency Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.  
 \*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMIHF - Low and Moderate Income Housing Fund  
 \*\*\*\* - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.  
 \*\*\*\*\* - If not previously paid.  
 Other - reserves, rents, interest earnings, etc  
 Admin - Successor Agency Administrative Allowance

FORM D - Pass-Through Payments

Name of Redevelopment Agency: City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency  
 Project Area(s): RDA Project Area All

OTHER OBLIGATION PAYMENT SCHEDULE  
 Per AB 28 - Section 34777 (c)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	Source of Funding***	Payments by month					Total	
							Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012		Dec 2012
1) Statutory Payments	Chaffey Community College	Payments per CRL 33607.5 and .7	Proj Area 1, 4, MB	37,257.00	37,257.00	RPTTF		37,257.00					\$ 37,257.00
2) Statutory Payments	Chaffey Joint Union High School	Payments per CRL 33607.5 and .7	Proj Area 1, 4, MB	135,774.00	135,774.00	RPTTF		135,774.00					\$ 135,774.00
3) Statutory Payments	Chino Basin Water Conservation District	Payments per CRL 33607.5 and .7	PA 1, 3, 4, 5, MB	8,577.00	8,577.00	RPTTF		8,577.00					\$ 8,577.00
4) Statutory Payments	San Bernardino County Treasurer	Payments per CRL 33607.5 and .7	Proj Area 1, 5, MB	31,607.00	31,607.00	RPTTF		31,607.00					\$ 31,607.00
5) Statutory Payments	Inland Empire Utilities Agency	Payments per CRL 33607.5 and .7	Proj Area 1, 4, MB	7,171.00	7,171.00	RPTTF		7,171.00					\$ 7,171.00
6) Statutory Payments	Monte Vista Water District	Payments per CRL 33607.5 and .7	PA 1, 3, 5, MB	345.00	345.00	RPTTF		345.00					\$ 345.00
7) Statutory Payments	Ontario-Monclair Elementary School District	Payments per CRL 33607.5 and .7	PA 1, 4, 5, MB	21,778.00	21,778.00	RPTTF		21,778.00					\$ 21,778.00
8) Statutory Payments	San Bernardino County Office of Education	Payments per CRL 33607.5 and .7	Proj Area 1, 4, MB	167,877.00	167,877.00	RPTTF		167,877.00					\$ 167,877.00
9) Statutory Payments	San Bernardino County Library District	Payments per CRL 33607.5 and .7	Proj Area 1, 5, MB	4,421.00	4,421.00	RPTTF		4,421.00					\$ 4,421.00
10) Statutory Payments	County of San Bernardino	Payments per CRL 33607.5 and .7	Proj Area 1, 5, MB	5,250.00	5,250.00	RPTTF		5,250.00					\$ 5,250.00
11) Statutory Payments	Inland Empire Utility Agency	Payments per former CRL 33401	Proj Area 3, 4, 5	10,245.00	10,245.00	RPTTF		10,245.00					\$ 10,245.00
12) Pass Through Agreements	County of San Bernardino	Payments per former CRL 33401	Proj Area 3, 4	6,732,695.83	355,936.00	RPTTF		355,936.00					\$ 355,936.00
13) Pass Through Agreements	Chaffey Community College	Payments per former CRL 33401	Proj Area 3, 5	1,839,693.97	1,381,350.00	RPTTF		1,381,350.00					\$ 1,381,350.00
14) Pass Through Agreements	Chaffey Joint Union High School	Payments per former CRL 33401	Proj Area 3, 5	6,657,742.82	453,149.00	RPTTF		453,149.00					\$ 453,149.00
15) Pass Through Agreements	Ontario-Monclair Elementary School District	Payments per former CRL 33401	Proj Area 3, 5	8,259,159.92	202,265.00	RPTTF		202,265.00					\$ 202,265.00
16) Pass Through Agreements	San Bernardino County Office of Education	Payments per former CRL 33401	Proj Area 3, 5	326,214.53	6,456.00	RPTTF		6,456.00					\$ 6,456.00
17) Pass Through Agreements	Monte Vista Water District	Payments per former CRL 33401	Proj Area 3	2,743,165.02	63,166.00	RPTTF		63,166.00					\$ 63,166.00
18) Statutory Payments	County of San Bernardino	Admin. Chgs. For Tax Increment	All Areas	175,800.00	175,800.00	RPTTF		175,800.00					\$ 175,800.00
				\$ 83,003,733.07	\$ 3,123,972.00		\$	\$	\$	\$	\$	\$	\$ 3,123,972.00

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.  
 \*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMIHF - Low and Moderate Income Housing Fund  
 \*\*\*\* - Only the January through June 2012 ROPS should include expenditures for pass-through payments. Starting with the July through December 2012 ROPS, per HSC section 34783(a)(1), the county auditor controller will make the required pass-through payments into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.  
 Bonds - Bond proceeds  
 Other - Insurance, rents, interest earnings, etc  
 Admin - Successor Agency Administrative Allowance

## AGENDA REPORT

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<b>SUBJECT:</b> CONSIDER ADOPTION OF RESOLUTION NO. 12-10, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGET FOR JULY 1, 2012, THROUGH DECEMBER 31, 2012, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)	<b>DATE:</b> June 13, 2012
	<b>SECTION:</b> BUSINESS ITEMS
	<b>ITEM NO.:</b> D
	<b>FILE I.D.:</b> OBO050
	<b>DEPT.:</b> OVERSIGHT BOARD

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**REASON FOR CONSIDERATION:** Section 34177(j) of the Health and Safety Code related to the dissolution of redevelopment agencies requires that a successor agency "prepare a proposed administrative budget and submit it to the oversight board for its approval." The proposed Successor Agency's Administrative Budget for July 1, 2012, through December 31, 2012, has been prepared for consideration by the Oversight Board.

**BACKGROUND:** The Oversight Board approved an Administrative Budget for the period from February 1, 2012, through June 30, 2012, on April 25, 2012. The Oversight Board is now requested to consider adoption of proposed Resolution No. 12-10 approving the Administrative Budget for the period from July 1, 2012, through December 31, 2012. The proposed Administrative Budget is attached to Resolution No. 12-10.

The Administrative Budget proposes that the Successor Agency would receive approximately \$250,000 from the Redevelopment Property Tax Trust Fund for administrative expenses. The remaining costs would be paid with any Project Area revenues on hand. The Successor Agency anticipates that administrative costs will eventually decline in the future. However, at this point in time, staff is still spending large quantities of time dealing with the "winding down" processes including corresponding with the Department of Finance (DOF) and justifying expenditures. Staff anticipates that time will be needed to respond to requests from auditors, to conduct further correspondence with DOF, and to provide information to the Oversight Board regarding assets and their disposition.

Pursuant to the Health and Safety Code and upon approval by the Oversight Board, the Successor Agency will provide the administrative cost estimates to the County of San Bernardino that are to be paid from property tax trust fund revenues deposited into the Redevelopment Property Tax Trust Fund for the period from July 1, 2012, through December 31, 2012.

**FISCAL IMPACT:** Approval of the Administrative Budget by the Oversight Board would allow the Successor Agency to be reimbursed for the administrative costs related to dissolution activities.

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Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>[Signature]</u>	Presented by: _____

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**RECOMMENDATION:** Staff recommends the Oversight Board adopt Resolution No. 12-10, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency approving the Successor Agency's proposed Administrative Budget for July 1, 2012, through December 31, 2012, pursuant to Health and Safety Code Section 34177(j).

RESOLUTION NO. 12-10

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGET FOR JULY 1, 2012, THROUGH DECEMBER 31, 2012, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

**WHEREAS**, the City of Montclair Redevelopment Agency ("Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL") and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Montclair ("City"); and

**WHEREAS**, Assembly Bill X1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies ("Dissolution Act"); and

**WHEREAS**, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012, under the dates in the Dissolution Act that were reformed and extended thereby; and

**WHEREAS**, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

**WHEREAS**, by Resolution considered and approved by the City Council at an open public meeting, the City chose to become and serve as the "Successor Agency" to the dissolved Agency under the Dissolution Act; and

**WHEREAS**, as of and on and after February 1, 2012, the City serves and acts as the Successor Agency and is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

**WHEREAS**, Section 34179 of the Dissolution Act provides that the Successor Agency shall have an Oversight Board composed of seven members; and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

**WHEREAS**, Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget covering the period from July 1, 2012, through December 31, 2012, and submit it to the Oversight Board for approval; and

**WHEREAS**, pursuant to Section 34177(j), the Successor Agency's "Administrative Budget" is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the upcoming six-month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and

**WHEREAS**, the Successor Agency's proposed Administrative Budget has been submitted to the Oversight Board for its review and approval; and

**WHEREAS**, the Administrative Budget, as approved by the Oversight Board, will be provided to the County of San Bernardino Auditor-Controller pursuant to Section 34177(k) so that the Successor Agency's estimated administrative costs in the approved Administrative Budget will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for the upcoming six-month period; and

**WHEREAS**, the Oversight Board desires to approve the Successor Agency's proposed Administrative Budget; and

**WHEREAS**, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for three (3) business days pending any request for review by the State Department of Finance ("DOF"); and if the DOF requests review hereof, DOF will have ten days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board to the Successor Agency of the City of Montclair Redevelopment Agency does hereby find and determine as follows:

**Section 1.** The foregoing recitals are incorporated into this Resolution by reference and constitute a material part of this Resolution.

**Section 2.** Pursuant to the Dissolution Act, the Oversight Board approves the Successor Agency's proposed Administrative Budget, attached hereto as Attachment No. 1 and incorporated by this reference.

**Section 3.** The Oversight Board authorizes the Successor Agency to transmit the Administrative Budget and Cost Reimbursement Agreement, when/if approved and entered into between the City and the Successor Agency, to the County Auditor-Controller, the DOF, and the State Controller's Office.

**Section 4.** This Resolution shall become effective after transmittal of this Resolution with the ROPS attached to the DOF and the expiration of three (3) business days pending a request for the review of the DOF within the time periods set forth in the Dissolution Act; in this regard, if the DOF requests review hereof, it will have ten days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by the DOF.

**Section 7.** The Secretary of the Oversight Board shall certify to the adoption of this Resolution

**APPROVED AND ADOPTED** this XX day of XX, 2012.

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Chairman

**ATTEST:**

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Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 12-10 was duly adopted by the Oversight Board at a regular meeting thereof held on the XX day of XX, 2012, and that it was adopted by the following vote, to-wit:

AYES: XX  
NOES: XX  
ABSTAIN: XX  
ABSENT: XX

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Yvonne L. Smith  
Secretary

**Successor Agency for the Redevelopment Agency of the City of Montclair  
Administrative Budget  
July 1 to December 31, 2012**

Approved by Oversight Board on

Estimated Funding:

Fund: Estimated Administrative Allowance (3%) of Redevelopment Trust Fund Amount Allocated to City	\$	250,000.00
Plus: Available Project Resources on hand	\$	213,994.08
<b>Total</b>	<b>\$</b>	<b>463,994.08</b>

Staff Costs	% of Staff Time	
City Manager	30%	\$ 45,905.00
RDA/Public Works Director	75%	\$ 61,846.13
Senior Accountant	45%	\$ 22,942.50
Junior Accountant	40%	\$ 16,736.40
Accounting Specialist	20%	\$ 6,974.50
Accounting Specialist	12.5%	\$ 4,244.56
Administrative Specialist	30%	\$ 10,503.50
Office Specialist	2.5%	\$ 738.05
Office Specialist Part-time	12.5%	\$ 1,777.69
Deputy City Clerk	12.5%	\$ 5,077.86
IT Supervisor	5%	\$ 5,585.05
Senior IT Specialist	5%	\$ 4,944.75
IT Technician	9%	\$ 3,401.55
<b>Sub-Total</b>		<b>\$ 190,677.54</b>

**Administrative Costs**

Utilities (Electric, Water, Gas, Telephone)	\$ 15,963.00
Indirect Staff Charges (Other Staff Services & Building Maintenance Costs)	\$ 107,742.00
Vocation Education	\$ 1,000.00
Retiree Pension Costs	\$ 17,240.52
Office Supplies/Postage	\$ 200.00
Delivery Charges	\$ 250.02
Goldline Membership Fee **	\$ 30,000.00
First American Data Tree	\$ 1,000.00
First Tennessee Bank Safekeeping	\$ 700.00
<b>Sub-Total</b>	<b>\$ 174,095.54</b>

**Insurance Costs**

Public Employee Bond	\$ 87.00
General Liability	\$ 3,630.00
Fire Insurance	\$ 876.00
Earthquake	\$ 4,626.00
<b>Sub-Total</b>	<b>\$ 9,219.00</b>

**Legal and Consultant Costs**

Robbins & Holdaway	\$ 10,002.00
Stradling, Yocca, Carlson, & Rauth	\$ 60,000.00
Donald L. Parker	\$ 20,000.00
<b>Sub-Total</b>	<b>\$ 90,002.00</b>

<b>TOTAL</b>	<b>\$</b>	<b>463,994.08</b>
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\*\* If not paid in Jan to June 2012 ROPS

## AGENDA REPORT

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<b>SUBJECT:</b> CONSIDER AUTHORIZING SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY TO ENTER INTO AGREEMENT NO. 12-49, AN AGREEMENT FOR REIMBURSEMENT OF COSTS AND CITY/SUCCESSOR AGENCY OPERATIONS LOAN FOR EXISTING AND SUBSEQUENT FISCAL YEARS	<b>DATE:</b> June 13, 2012 <b>SECTION:</b> BUSINESS ITEMS <b>ITEM NO.:</b> E <b>FILE I.D.:</b> OBO050 <b>DEPT.:</b> OVERSIGHT BOARD
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**REASON FOR CONSIDERATION:** To support the Successor Agency's responsibilities in winding down the activities of the former redevelopment agency and under the Administrative Budget, the City and the Successor Agency should enter into an agreement for reimbursement of costs incurred by the City to support Successor Agency obligations.

The Successor Agency requests to enter into proposed Agreement No. 12-49, an "Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan" with the City pursuant to Sections 34171(d)(1)(F) and 34178(a) of the Dissolution Act to reimburse costs incurred by the City to support Successor Agency obligations. A copy of proposed Agreement No. 12-49 is attached.

**BACKGROUND:** Health and Safety Code Section 34177(j) requires the Successor Agency to the City of Montclair Redevelopment Agency to prepare a proposed "Administrative Budget" covering six (6) months and submit it to Oversight Board of the Successor Agency for approval. The Administrative Budget is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the upcoming six-month fiscal period; (b) the proposed source of payment for the costs; and (c) proposals for administrative and operations services provided by the City to the Successor Agency.

On April 25, 2012, the Oversight Board approved the Administrative Budget for the period from February 1, 2012, to June 30, 2012, with a total budget amount of \$467,297.83 as shown on Exhibit A. As a separate item on this agenda, the Oversight Board is to consider an Administrative Budget for the period from July 1, 2012, to December 31, 2012. In approving the Administrative Budget on April 25, 2012, the Oversight Board also authorized staff to prepare an agreement between the City and the Successor Agency to memorialize the reimbursement of costs incurred by the City to support Successor Agency administrative functions.

Proposed Agreement No. 12-49 would provide for reimbursement of administrative costs not associated with program or project activities. These costs would include wages and benefits of Successor Agency staff; general overhead such as utilities, office supplies, and insurances; and any specific services that may be required.

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Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>James L. Smith</u>	Presented by: _____

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The proposed Agreement would include reimbursement of costs from February 1, 2012, through June 30, 2012, and all subsequent fiscal years subject to Oversight Board approval and Successor Agency preparation of and approval of an Administrative Budget estimate for services and costs pursuant to the Dissolution Act.

**FISCAL IMPACT:** The City of Montclair is acting to advance administrative costs to the Successor Agency to wind down activities of the former redevelopment agency. Agreement No. 12-49 between the City and Successor Agency would allow the City to be reimbursed for its advance of funds to support Successor Agency administrative activities and functions.

**RECOMMENDATION:** Staff recommends the Oversight Board authorize the Successor Agency to the City of Montclair Redevelopment Agency to enter into Agreement No. 12-49, an Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan for existing and subsequent years.

**Successor Agency for the Redevelopment Agency of the City of Montclair  
Administrative Budget  
February 1 to June 30, 2012**

Exhibit A

Approved by Oversight Board on

Estimated Funding:

Fund: Estimated Administrative Allowance (3%) of Redevelopment Trust Fund Amount Allocated to City	\$ 382,130.91
Plus: Available Project Resources on hand	\$ 85,166.92
<b>Total</b>	<b>\$ 467,297.83</b>

Staff Costs	% of Staff Time	
City Manager	30%	\$ 38,254.17
RDA/Public Works Director	75%	\$ 51,538.44
Economic Development Coordinator	100%	\$ 39,674.17
Senior Accountant	45%	\$ 19,118.75
Junior Accountant	40%	\$ 13,947.00
Accounting Specialist	20%	\$ 5,812.05
Accounting Specialist	12.5%	\$ 3,537.10
Administrative Specialist	30%	\$ 8,752.90
Office Specialist	2.5%	\$ 615.00
Office Specialist Part-time	12.5%	\$ 1,418.40
Deputy City Clerk	12.5%	\$ 4,231.55
IT Supervisor	5%	\$ 4,654.20
Senior IT Specialist	5%	\$ 4,120.65
IT Specialist	10%	\$ 3,902.50
IT Technician	9%	\$ 2,834.65
<b>Sub-Total</b>		<b>\$ 202,411.53</b>

**Administrative Costs**

Utilities (Electric, Water, Gas, Telephone)	\$ 16,666.65
Indirect Staff Charges (Other Staff Services & Building Maintenance Costs)	\$ 89,785.00
Vocation Education	\$ 1,000.00
Retiree Pension Costs	\$ 14,367.10
Mileage/Auto Allowance	\$ 11,175.00
Office Supplies/Postage	\$ 375.05
<b>Sub-Total</b>	<b>\$ 133,368.80</b>

**Insurance Costs**

Public Employee Bond	\$ 72.50
General Liability	\$ 3,025.00
Fire Insurance	\$ 3,855.00
Earthquake	\$ 730.00
<b>Sub-Total</b>	<b>\$ 7,682.50</b>

**Legal and Consultant Costs**

Robbins & Holdaway	\$ 8,335.00
Stradling, Yocca, Carlson, & Rauth	\$ 50,000.00
Donald L. Parker	\$ 40,000.00
Teaman, Ramirez, Smith	\$ 15,500.00
HdL, Coren & Cone	\$ 10,000.00
<b>Sub-Total</b>	<b>\$ 123,835.00</b>

**TOTAL**

**\$ 467,297.83**

## AGREEMENT NO. 12-49

### AGREEMENT FOR REIMBURSEMENT OF COSTS AND CITY/SUCCESSOR AGENCY OPERATIONS LOAN

This **AGREEMENT FOR REIMBURSEMENT OF COSTS AND CITY/SUCCESSOR AGENCY OPERATIONS LOAN** ("Agreement") is made and entered into as of February 1, 2012, by and between the **CITY OF MONTCLAIR**, a California municipal corporation ("City"), and the **CITY OF MONTCLAIR ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF MONTCLAIR** pursuant to Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code ("Successor Agency")

#### RECITALS

A. The City of Montclair Redevelopment Agency ("Agency") was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City.

B. Assembly Bill X1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies ("Dissolution Act").

C. On December 29, 2011, *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California are subject to the Dissolution Act and were dissolved effective February 1, 2012.

D. The Agency is now a dissolved community redevelopment agency pursuant to the Dissolution Act.

E. By a Resolution considered and approved by the City Council at an open public meeting, the City chose to become and serve as the "Successor Agency" to the dissolved Agency under the Dissolution Act.

F. As of and on and after February 1, 2012, the City serves as the "Successor Agency" and is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member Oversight Board formed thereunder.

G. By a Resolution considered and approved by the City Council at an open public meeting on January 12, 2012, pursuant to California Health and Safety Code Section 34176 of the Dissolution Act, the City declined to assume the housing assets and functions of the Agency and selected the Montclair Housing Authority to

so assume such housing assets and functions, and on such date also pursuant to Section 34176 the Authority accepted and assumed the housing assets and functions of the Agency and as of February 1, 2012, became and serves as the "Successor Housing Agency" of the former Agency pursuant to the Dissolution Act. At this time, any assets assigned and transferred by operation of law and to be assigned and transferred by authorization of and direction from the Oversight Board when formed and operating pursuant to the Dissolution Act to the Successor Housing Agency are not adequate to fund administrative support costs and expenses unless any future Low and Moderate Income Housing fund balances are authorized to be transferred under State Law to the Successor Housing Agency. If this occurs, a future modification to this Agreement may be necessary.

H. City, as Successor Agency, is engaged in activities necessary and appropriate to winding down the activities of the former Agency's Redevelopment Project Areas Nos. I, III, IV, V, and the Mission Boulevard Joint Redevelopment Project Area ("Project Areas") that were originally adopted and amended by ordinances of the City Council.

I. Employees of the City will perform day-to-day administration and operation of the Successor Agency's duties and functions. Since the City of Montclair Redevelopment Agency was originally formed and upon the Successor Agency's effectiveness as of February 1, 2012, the City has provided and shall continue to provide services to the Successor Agency, including but not limited to providing administrative, accounting, auditing, planning, engineering, legal, risk management, financial, clerical, recordkeeping, and other services necessary for the Successor Agency to carry out its responsibilities.

J. City and Successor Agency desire to affirm and document an ongoing cooperative arrangement regarding administrative and operational services and payment for services by entering into this contract whereby City agrees to provide administrative and operational services and Successor Agency agrees to pay City for the cost of all such services to be provided by City for Successor Agency in amount equal to the Successor Agency Administrative Budget prepared pursuant to California Health and Safety Code Section 34177(j) and approved by the Oversight Board for each six-month period and fiscal year under the term of this Agreement.

**NOW, THEREFORE,** for and in consideration of the mutual promises, covenants and conditions herein contained, the parties hereto agree as follows:

1. **Reimbursement of Administrative Expenses.** The Successor Agency shall be liable to the City for the payment of its Administrative Expenses as set forth in this Agreement and as adopted as part of an Administrative Budget by the Successor Agency, as approved by the Oversight Board, as such annual Administrative Budget may be amended, revised or reconciled from time to time. These Administrative Expenses shall be Enforceable Obligations and are in addition to any direct program or project expenses ("Program Expenses") incurred and noted on the Enforceable Obligations Payment Schedule ("EOPS") and in the Recognized Obligation Payment Schedule ("ROPS"), including salary and benefits of employees funded by the Successor Agency for Program Expenses. The Successor Agency

shall also be liable to the City for payment of these Program Expenses where they are adopted as part of the EOPS or ROPS.

**2. Cost of Administrative Expenses and Administrative Cost Allowance.**

2.1 Successor Agency and City estimate that the cost of administrative and operational services to be provided by City to the Successor Agency for the period of February 1, 2012, through June 30, 2012, is \$467,297.83, which is itemized in the Successor Agency's Administrative Budget approved by action of the Oversight Board. Pursuant to the provisions herein, Successor Agency agrees to pay to the City the estimated administrative expenses of the Successor Agency for the period February 1, 2012, through June 30, 2012, and for subsequent fiscal years, subject to Oversight Board approval and Successor Agency preparation and approval of an Administrative Budget estimate for such services and costs pursuant to the Dissolution Act. The Successor Agency shall also be liable to the City for payment of any Program Expenses incurred by City where they are adopted as part of the EOPS or ROPS.

2.2. Information and supporting data regarding the staffing and allocation of costs for have been prepared by Successor Agency and City staff and are made a part hereof by this reference. Within thirty (30) days of the expiration of the 2011-2012 fiscal year and each year thereafter during the term of this Agreement, the parties shall determine the actual costs incurred by Successor Agency for services provided to the City. If the actual amount incurred by Successor Agency is less than the estimated amount, City shall reimburse Successor Agency in the amount overpaid within 30 days of such notice, and if the actual amount incurred by Successor Agency is greater than the estimated amount, any additional amount above the estimated amount shall be due and payable by Successor Agency from the Redevelopment Obligation Retirement Fund and the additional amount shall be advanced to Successor Agency by City.

**3. Services to Be Provided.** City agrees to continue to aid and cooperate and shall aid and cooperate in the planning, undertaking, construction and operation of remaining enforceable obligations of the Successor Agency previously incurred by the former Agency as it relates to enforceable obligations of the former Agency within the City provided the cost of such services are paid by Successor Agency. At the request of Successor Agency through the Finance Director and duly authorized designees, City and its officers and employees shall perform services for Successor Agency in carrying out its work related to meeting the former Agency's enforceable obligations and for winding down the activities of the former Agency and shall have access to any and all personnel and the facilities of the departments and offices of the City. Those City officers and employees who are also appointed to positions or offices with or related to the Successor Agency shall perform services for the each agency in a dual capacity. The City Manager and duly authorized designees, and other appropriate City officials on behalf of the City and the Successor Agency, and duly authorized designees, shall determine and establish the procedures to be followed in requesting and rendering such services. The costs of administrative services shall be considered Administrative Expenses in the Annual

Administrative Budget. The costs of other Successor Agency Program Expenses where supported by City services are identified as specific line items on the EOPS or ROPS and not part of the estimated Administrative Expenses identified in Section 1. It is anticipated that initially the cost of providing services to the Successor Agency will exceed the administrative allowance provided by the Dissolution Bill (AB X1 26) and the difference will be made up from available resources present in the Successor Agency. In the future, if additional available resources are not present and the administrative allowance is insufficient to provide for the level of services needed, that City shall be under no obligation to continue to provide uncompensated services at previous levels.

4. **Meeting Facilities.** City agrees to make available to Successor Agency such office space and meeting space as is necessary for conducting meetings and the business of such agency, including use of the City Council Chambers and appropriate conference room(s) for open public meetings, closed session meetings, and study session meetings of the Successor Agency and Oversight Board, and meetings of Successor Agency staff, counsel, consultants, and other representatives. Each agency shall use such space in accordance with the rules and regulations of the City as applicable to other buildings and offices of the City.

5. **Succeeding Years during Term of Agreement.** The procedure set forth above in Sections 2, 3, and 4 shall be undertaken by Successor Agency, the Oversight Board, and City for each successive six-month period and for each fiscal year during the term of this Agreement based on each approved Administrative Budget and ROPS prepared pursuant to the Dissolution Act.

6. **City Cost Allocation Plan; Estimated Cost of Administrative Services and Facilities.** Expenses shall be calculated in the manner set forth in City's cost allocation plan, or other applicable reasonable cost allocation and accounting plan approved by the parties that conforms with generally accepted accounting principles and that is generally applicable to all users of services and facilities of the City. The specific costs to be allocated herein shall be based upon the cost of the following categories of services:

6.1 **Wages and Benefits Successor Agency.** Wage and benefit expenses incurred in connection with City employees described to perform administrative services work for the Successor Agency (as opposed to direct program or project work as identified as "Program Expenses" related to enforceable obligations), including salaries, wages, and fringe benefits. The costs attributable to employees who devote less than 100 percent of their time to the Successor Agency shall be allocated in accordance with the City's cost allocation plan.

6.2 **General Overhead.** A general indirect administrative operating expenses and overhead support charge which shall be determined in accordance with the City's cost allocation plan and Successor Agency Annual Administrative Budget.

**6.3 Specific Services.** All expenses that City may actually incur in providing specific administrative services on behalf of Successor Agency including, but not limited to, audit services, lease of space to accommodate Successor Agency's activities, City finance, auditor and accounting services, property insurance for Successor Agency's assets and properties, contracts for real estate data and information, department supplies, mail and postage services, equipment maintenance, and IT support. Operational services that relate directly and specifically to certain programs, contracts, and/or projects such as engineering design, planning, contract costs, contract administration, inspection, surveys shall not be considered administrative services but direct specific program and project expenditures ("Program Expenses") and shall be so listed and included as direct costs in each Administrative Budget subject to the Dissolution Act and other applicable laws.

**7. Annual Expenses Deemed City Advance.** For each year in which Successor Agency does not have adequate funds to pay and reimburse for Administrative Expenses as shown in the adopted Administrative Budget each such amount may be deemed an advance by City to Successor Agency, at the discretion of the City, and such amount may be deemed to have been loaned by City to Successor Agency ("City/Successor Agency Operations Loan") subject to applicable laws. If such an obligation is created it is done so with the expressed intent that it be an enforceable obligation under the law and not to be deemed to be a debt between the former agency and its community which could be terminated. Any such loan unpaid by the Successor Agency shall bear interest at a rate approved by the Oversight Board and the City.

**8. Repayment of Operations Loan.** Successor Agency agrees to repay the City/Successor Agency Operations Loan (and all future advances thereto) from (former) tax increment funds allocated to Successor Agency that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund pursuant to California Health and Safety Code Section 34177(k) and other applicable laws. Successor Agency shall repay to City the principal amount of the City/Successor Agency Operations Loan on or before the last date that Successor Agency may receive tax increment funds pursuant to the time and financial limitations required to meet all enforceable obligations of the Successor Agency and subject to the Dissolution Act and other applicable laws.

**9. Provisions Severable.** If any provision of this Agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable. The City Council and Successor Agency each hereby declares that it would have approved this Agreement irrespective of the invalidity of any particular portion hereof.

**10. Effective Date of Agreement.** This Agreement shall become effective as of the date in the first paragraph hereof and shall continue thereafter until modified or terminated by the parties hereto.

11. **Subordination Indebtedness.** The indebtedness of the City/ Successor Agency Operations Loan under this Agreement shall be junior and subordinate to other allocated moneys made from the Redevelopment Property Tax Trust Fund including those pursuant to California Health and Safety Code Section 34183(a)(1) and (2).

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their officers thereunto duly authorized on the date first above written.

**CITY OF MONTCLAIR**, a California  
municipal corporation

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Paul M. Eaton  
Mayor

**ATTEST:**

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Yvonne L. Smith  
Deputy City Clerk

**APPROVED AS TO FORM:**

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Diane E. Robbins  
City Attorney

[Signatures continue on next page]

[Signatures continued from previous page]

**CITY OF MONTCLAIR ACTING AND  
SERVING AS THE SUCCESSOR  
AGENCY TO THE CITY OF MONTCLAIR  
REDEVELOPMENT AGENCY**

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Paul M. Eaton  
Chair, Successor Agency Governing Board

**ATTEST:**

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Yvonne L. Smith  
Secretary

**APPROVED AS TO FORM:**

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David R. McEwen  
Special Counsel to City  
as Successor Agency

[Signatures continue on next page]

[Signatures continued from previous page]

On June 13, 2012, the Successor Agency Oversight Board reviewed and approved proposed Agreement No. 12-49 between the City of Montclair and the City of Montclair, acting and serving as the Successor Agency to the City of Montclair Redevelopment Agency.

**OVERSIGHT BOARD FOR THE SUCCESSOR  
AGENCY TO THE CITY OF MONTCLAIR  
REDEVELOPMENT AGENCY**

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Bill Ruh  
Chair, Oversight Board