

**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, September 9, 2015
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
Phil Hillman – Ontario-Montclair School District Appointee
Mike Piotrowski – City of Montclair Employee Organization Alternate
John Richardson – County of San Bernardino 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 Oversight Board Meeting of February 11, 2015
- B. Minutes of the Oversight Board Meeting of July 8, 2015

IV. BUSINESS ITEMS

- A. Consider Adoption of Resolution No. 15-05 Approving a Recognized Obligation Payment Schedule for January 1, 2016, through June 30, 2016

- B. Consider Adoption of Resolution No. 15-06 Approving the Successor Agency's Proposed Administrative Budget for January 1, 2016, through June 30, 2016

13

V. COMMUNICATIONS

A. Staff

- 1. Status Report on Litigation with DOF
- 2. Status Report on the Update of the Appraisal for the Ramona Avenue Property

B. Chairman and Members

VI. ADJOURNMENT

The above actions of the Oversight Board shall not become effective for five business days, pending any request for review by DOF. If DOF requests review of the above Board actions, it will have sixty 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 October 14, 2015, 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, Andrea M. Phillips, 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 north door of Montclair City Hall on September 3, 2015.

AGENDA REPORT

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 15-05 APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY 1, 2016, THROUGH JUNE 30, 2016	DATE: September 9, 2015
	SECTION: BUSINESS ITEMS
	ITEM NO.: A
	FILE I.D.: OBO050
	DEPT.: OVERSIGHT BOARD

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. With the adoption of AB 1484, the State Legislature changed the dates for submittal of the ROPS. An Oversight Board-approved ROPS for the period from January 1, 2016, through June 30, 2016, must be sent to the Department of Finance (DOF) and County Auditor–Controller no fewer than 90 days before the date of property tax distribution. A penalty of \$10,000 per day for each day the ROPS is delinquent was added to the Health and Safety Code pursuant to AB 1484.

A copy of proposed Resolution No. 15-05 approving ROPS 15-16B and the ROPS forms are attached for the Oversight Board's review and consideration.

BACKGROUND: The California Supreme Court's decision in *California Redevelopment Association, et. al., v. Matosantos* upheld AB X1 26, the Dissolution Act. The Dissolution Act has caused the dissolution of all California redevelopment agencies. On January 12, 2012, the Montclair City Council elected to become and serve as the Successor Agency to the City's dissolved redevelopment agency. The City 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 review and approval by the seven-member Oversight Board.

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 provided to the County and State on April 15, 2012. The Oversight Board took action to approve the initial ROPS on April 25, 2012. The Oversight Board took action to approve the ROPS for July 1, 2012, through December 31, 2012, on May 9, 2012. The ROPS for January 1, 2013, through June 30, 2013, was approved by the Oversight Board on August 21, 2012. The ROPS for the period from July 1, 2013, through December 31, 2013, was approved by the Oversight Board on February 27, 2013. The Oversight Board approved the ROPS for January 1, 2014, through June 30, 2014, on September 11, 2013. ROPS 14-15A (July 1, 2014, through December 31, 2014) was approved by the Oversight Board on February 26, 2014. On September 10, 2014, the Oversight Board approved ROPS 14-15B (January 1, 2015,

through June 30, 2015) and ROPS 15-16A (July 1, 2015, through December 31, 2015) was approved by the Oversight Board on February 11, 2015.

Item Nos. 51, 52, and 53 on Page 2 of the ROPS form were presented on the previous ROPS approved by the Oversight Board. However, these items were denied by DOF and are the basis for current litigation by the Successor Agency against DOF. These items are again being claimed on this ROPS to preserve the Successor Agency's position that those moneys are still due the Successor Agency.

With the date of October 1, 2015, as the deadline for submittal of ROPS 15-16B for January 1, 2016, through June 30, 2016, staff is requesting the Oversight Board consider approval of the ROPS submitted for this period through adoption of proposed Resolution No. 15-05.

FISCAL IMPACT: The Oversight Board's approval of proposed ROPS 15-16B would authorize the repayment of former City of Montclair Redevelopment Agency obligations. Oversight Board approval of the ROPS would also allow the City of Montclair to recover administrative costs related to dissolution activities. Approval of the ROPS by the Oversight Board would be subject to review as to accuracy by an auditor designated by the County Auditor-Controller's Office. In addition, all actions of the Oversight Board do not become effective for five business days, pending review by the Department of Finance.

RECOMMENDATION: Staff recommends the Oversight Board adopt Resolution No. 15-05 approving a Recognized Obligation Payment Schedule for January 1, 2016, through June 30, 2016, pursuant to California Health and Safety Code Section 34179, Division 24, Part 1.85, and authorizing posting and transmittal thereof.

RESOLUTION NO. 15-05

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY 1, 2016, THROUGH JUNE 30, 2016, 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 California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, 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 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 has occurred on April 25, 2012; and

WHEREAS, the State Legislature approved and the Governor signed AB 1484 on June 29, 2012; and

WHEREAS, AB 1484 changed the date for submittal of the ROPS to no fewer than 90 days before the date of property tax distribution and included a \$10,000 per day fine for each day the ROPS is delinquent; and

WHEREAS, the ROPS for January 1, 2016, through June 30, 2016, must be submitted to the County and State by October 1, 2015; and

WHEREAS, the Oversight Board is requested to adopt the ROPS for January 1, 2016, through June 30, 2016, on September 9, 2015, and to authorize the Successor Agency to post the ROPS on the City/Successor Agency website and transmitted 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 five (5) business days pending any request for review by DOF; and if DOF requests review hereof, DOF will have sixty days from the date of its request to approve this Oversight Board action.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board for 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 the ROPS for the period of January 1, 2016, through June 30, 2016, attached to this Resolution and incorporated herein by this reference as Attachment 1.

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

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

Section 5. The Successor Agency is hereby authorized and directed to evaluate and execute necessary changes to the ROPS as may be appropriate and/or as required by the Dissolution Act whether pursuant to its terms, by court order, or as otherwise required by law for the continued payment on and performance of enforceable obligations.

Section 6. In accordance with Section 34177(m) of the Health and Safety Code, this Resolution and ROPS shall be submitted to the DOF and the County Auditor–Controller no fewer than 90 days prior to the property tax distributions (January 1 and

June 1 of each year). DOF shall make its determination of enforceable obligations, amounts, and funding sources no later than forty-five (45) days after the ROPS is submitted. Within five (5) business days from the issuance of DOF's determination, the Successor Agency may request additional review and an opportunity to meet and confer on disputed items. DOF shall notify the Successor Agency as to the outcome of its review at least fifteen (15) days before the date of property tax distribution.

Section 7. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the DOF; therefore, this Resolution shall be effective on the date five (5) business days after its adoption, absent and pending any DOF request for review.

Section 8. The Secretary of the Oversight Board shall certify to the adoption of this Resolution and shall maintain this Resolution and the ROPS approved hereunder on file as public records.

APPROVED AND ADOPTED this XX day of XX, 2015.

Chairman

ATTEST:

Secretary

I, Andrea M. Phillips, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 15-05 was duly adopted by the Oversight Board of Directors at a regular meeting thereof held on the XX day of XX, 2015, and that it was adopted by the following vote, to-wit:

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

Andrea M. Phillips
Secretary

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

Name of Successor Agency: Montclair
 Name of County: San Bernardino

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A	Sources (B+C+D):	\$ 995,079
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	995,079
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 3,442,441
F	Non-Administrative Costs (ROPS Detail)	3,317,441
G	Administrative Costs (ROPS Detail)	125,000
H	Total Current Period Enforceable Obligations (A+E):	\$ 4,437,520

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	3,442,441
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(6,154)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 3,436,287

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	3,442,441
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	3,442,441

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

 Name
 /s/_____
 Signature

 Date

Montclair Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P												
																Funding Source											
																RPTTF											
Fund (Non-RPTTF)																											
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation \$	Retired	Bond Proceeds \$	Reserve Balance (Non-RPTTF)	Other Funds \$	Non-Admin \$	Admin \$	Six-Month Total \$												
1	1997 Taxable Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	11/11/1997	10/1/2021	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 1	68,112,458	N	-	-	995,079	3,317,441	125,000	4,437,520												
2	2007A Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	9/27/2007	9/1/2035	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 3	32,952,856	N	-	-	-	1,894,950	-	1,594,950												
3	2007B Taxable Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	9/27/2007	9/1/2037	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 3	3,317,782	N	-	-	-	295,341	-	295,341												
4	2001 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	2/6/2004	10/1/2031	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 4	5,542,250	N	-	-	-	370,250	-	370,250												
5	2001A Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	7/6/2001	10/1/2033	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 5	10,709,045	N	-	-	511,502	255,958	-	767,460												
6	2006A Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	6/16/2006	10/1/2033	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 5	9,337,410	N	-	-	379,738	190,023	-	569,761												
7	2006B Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	6/16/2006	10/1/2033	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 5	5,352,188	N	-	-	103,839	51,961	-	155,800												
10	Contract for Legal Services	Legal Fees	12/9/1981	6/30/2036	Stradling, Yocca, Carlson & Pannofino	Annual Bond Trustee Fees/Costs	All Areas	12,000	N	-	-	-	12,000	-	12,000												
12	Contract for Bond Services	Fees	12/9/1981	6/30/2036	Bondologist LLC	Bond Continuing Disclosure Services	All Areas	5,000	N	-	-	-	5,000	-	5,000												
14	Contract for Bond Services	Fees	12/9/1981	6/30/2036	Bondologist LLC	Bond Arbitrage Rebate Calculation Services	All Areas	125,000	N	-	-	-	125,000	-	125,000												
15	Administrative Cost Reimbursement Agreement	Admin Costs	6/3/2012	6/30/2036	City of Montclair	Administrative Reimbursement Agreement No. 12-49	All Areas	1,263	N	-	-	-	1,263	-	1,263												
43	Long Range Property Management Plan Administration	Professional Services	6/3/2012	6/30/2036	City of Montclair	Administrative Reimbursement Agreement No. 12-49	All Areas	8,000	N	-	-	-	8,000	-	8,000												
45	Bond Indenture Reporting Requirements	Litigation	6/3/2012	6/30/2036	Best & Krieger LLP	Legal services related to litigation	All Areas	750,000	N	-	-	-	300,000	-	300,000												
49	City of Montclair as Successor Agency for City of Montclair Redevelopment Agency vs. Department of Finance, et al	Housing Entity Admin Cost	2/18/2014	7/1/2018	Montclair Housing Authority - Successor Housing Entity	Administrative costs in connection with low and moderate income properties	All Areas	71,319	N	-	-	-	71,319	-	71,319												
51	Montclair Housing Authority - Housing Entity Administrative Cost Allowance Preparation	Professional Services	6/3/2012	6/30/2014	City of Montclair	Prior unpaid LRPMP Costs - Unpaid Administrative Reimbursement Agreement No. 12-49	All Areas	129,196	N	-	-	-	129,196	-	129,196												
52	Long Range Property Management Plan Preparation	Admin Costs	6/30/2014	6/30/2014	City of Montclair	Prior Reserves claimed on ROPS 13-14B to be used to fund administrative costs but incorrectly redirected by DOF against other obligations.	All Areas	-	N	-	-	-	-	-	-												
53	Successor Agency reserves improperly applied on ROPS 13-14B and utilized not for administrative costs but other obligations	Admin Costs	6/30/2014	6/30/2014	City of Montclair	Prior Reserves claimed on ROPS 13-14B to be used to fund administrative costs but incorrectly redirected by DOF against other obligations.	All Areas	-	N	-	-	-	-	-	-												
55									N																		
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**Montclair Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

A	B	C	D	E	F	G	H	I				
									Fund Sources			
									Bond Proceeds	Reserve Balance	Other	RPTTF
Bonds issued on or before 12/31/10	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin								
Cash Balance Information by ROPS Period												
1	ROPS 14-15B Actuals (01/01/15 - 06/30/15)	18,193,408	-	16,014	-	1	4,130,704		Line 7 ROPS 14-15A.			
2	Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015								Column C - Revenue is transfer from RORF from ROPS 15-16A done in January 2015. Column G - Other Revenue is sale of land proceeds from 4960 Palo Verde property for \$1,000,000 less selling expenses of \$4,922. Column H - By law ROPS payment must be made in January and June and San Bernardino County pays early so it can be reported here as indicated and balance with cash above. Form is in Error. ROPS 14-15B RPTTF received December 2014 so it is reported in opening balance above and amount shown is ROPS 15-16A as that was received in June 2015.			
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	3,782,789				995,078	86,432		Column C - Amount represents payments of \$1,173,894 for debt service made by trustee during six month period and \$14,229,630 of pre 2011 bond proceeds transferred to City of Montclair in accordance with DOF approved agreement and ROPS. Columns E & H - From Prior Period Adjustment Form and so is \$14,229,630 of pre 2011 bond proceed utilization.			
4	Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	15,403,524		16,014			4,002,621					
5	ROPS 15-16B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S											
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 6,572,673	\$ -	\$ -	\$ -	\$ 995,079	\$ 208,361					
ROPS 15-16A Estimate (07/01/15 - 12/31/15)												
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 6,572,673	\$ -	\$ -	\$ -	\$ 995,079	\$ 214,515		Agrees to June 30, 2015 cash balances.			
8	Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015								Column H - By law ROPS payment must be made in June therefore it cannot be reported here and balance with cash above. Form is in Error. ROPS 15-16A RPTTF received May 2015 so it is reported above.			
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 12/31/15)	2,608,894					214,515		Column C - Debt Service on bonds from July 1, 2015 through December 31, 2015. Column H - Monies on hand from ROPS 15-16A to be used through December 31, 2015.			
10	Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								Column G - Balance retained of \$995,079 represents LRPMP net sale proceeds on hand which will be sent to Trustee in January 2016. Since debt service for bond year 2015 was received in ROPS 14-15B and sent to trustee, the offset of these monies is present in this ROPS. Since the trustee has available monies on hand to meet debt service for the remainder of 2015 these monies will be paid in January as they relate to the 2016 bond year and that will			
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 3,963,779	\$ -	\$ -	\$ -	\$ 995,079	\$ -					

AGENDA REPORT

SUBJECT:	CONSIDER ADOPTION OF RESOLUTION NO. 15-06 APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGET FOR JANUARY 1, 2016, THROUGH JUNE 30, 2016	DATE:	September 9, 2015
		SECTION:	BUSINESS ITEMS
		ITEM NO.:	B
		FILE I.D.:	OBO050
		DEPT.:	OVERSIGHT BOARD

REASON FOR CONSIDERATION: Section 34177(j) of the California 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 January 1, 2016, through June 30, 2016, has been prepared for consideration by the Oversight Board and is attached to Resolution No. 15-06.

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 approved the Administrative Budget for the period from July 1, 2012, through December 31, 2012, on June 13, 2012. The Administrative Budget for the period from January 1, 2013, through June 30, 2013, was approved by the Oversight Board on August 27, 2012. On February 27, 2013, the Oversight Board approved the Administrative Budget for July 1, 2013, through December 31, 2013. The Administrative Budget for the period from January 1, 2014, through June 30, 2014, was approved by the Oversight Board on September 11, 2013. The last approval of the Administrative Budget for July 1, 2014, through December 31, 2014, was made by the Oversight Board on February 28, 2014. The Administrative Budget for January 1, 2015, through June 30, 2015, was approved by the Oversight Board on September 10, 2014. The Oversight Board adopted Resolution No. 15-02 approving the Administrative Budget for July 1, 2015, through December 31, 2015 on February 11, 2015. The Oversight Board is requested to approve the adoption of Resolution No. 15-06 that would approve the Administrative Budget for period of January 1, 2016 through June 30, 2016.

The Administrative Budget proposes that the Successor Agency would receive approximately \$125,000 from the Redevelopment Property Tax Trust Fund for administrative expenses. During the period from January 1, 2016, through June 30, 2016, staff anticipates spending time completing the actual disposition of former Redevelopment Agency assets.

Pursuant to the California Health and Safety Code and upon approval of 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 January 1, 2016, through June 30, 2016.

FISCAL IMPACT: The Oversight Board's approval of the Administrative Budget would allow the Successor Agency to be reimbursed for administrative costs related to dissolution activities.

RECOMMENDATION: Staff recommends the Oversight Board adopt Resolution No. 15-06 approving the Successor Agency's proposed Administrative Budget for January 1, 2016, through June 30, 2016, pursuant to California Health and Safety Code Section 34177(j).

RESOLUTION NO. 15-06

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 JANUARY 1, 2016, THROUGH JUNE 30, 2016, PURSUANT TO CALIFORNIA 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.*, 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, the State Legislature passed and the Governor signed AB 1484 into State law on June 29, 2012; and

WHEREAS, AB 1484 establishes a schedule for adoption of Recognized Obligation Payment Schedules; 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 six-month period from January 1, 2016, through June 30, 2016; and

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

WHEREAS, pursuant to the Dissolution Act, *(i)* the actions of the Oversight Board, including those approved by this Resolution, do not become effective for five (5) business days pending any request for review by the State Department of Finance ("DOF"); *(ii)* if DOF requests review hereof, DOF will have forty (40) 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, and *(iii)* if subject to review by DOF, this Resolution and the Administrative Budget approved hereunder will not be effective until approved by DOF.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board for the Successor Agency to 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 herein 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, DOF, and the State Controller's Office.

Section 4. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the DOF; therefore, this Resolution shall be effective on the date five (5) business days after its adoption, absent and pending any DOF request for review.

Section 5. The Secretary of the Oversight Board shall certify to the adoption of this Resolution and shall maintain this Resolution and the Administrative Budget approved hereunder on file as public records.

APPROVED AND ADOPTED this XX day of XX, 2015.

Chairman

ATTEST:

Secretary

I, Andrea M. Phillips, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 15-06 was duly adopted by the Oversight Board of Directors at a regular meeting thereof held on the XX day of XX, 2015, and that it was adopted by the following vote, to-wit:

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

Andrea M. Phillips
Secretary

**Successor Agency for the Redevelopment Agency of the City of Montclair
Administrative Budget
January 1 to June 30, 2016**

Approved by Oversight Board on

Administrative Allowance

Staff Costs	% of Staff Time	Six Month Amount
City Manager	5.0%	7,957
Deputy City Manager	40.0%	45,282
Finance Director	20.0%	18,192
Finance Supervisor	5.0%	2,307
Accountant	10.0%	3,889
Office Specialist	5.0%	1,696
Deputy City Clerk	20.0%	8,094
Sub-Total		87,417
Administrative Costs		
Utilities (Electric, Water, Gas, Telephone)		4,000
Retiree Pension Costs		17,241
Office Supplies/Postage		100
First Tennessee Bank Safekeeping		700
Sub-Total		22,041
Insurance Costs		
Share of City liability insurance, public employee bonds, etc.		5,000
Sub-Total		5,000
Legal Costs		
Robbins & Holdaway		500
Stradling, Yocca, Carlson, & Rauth		5,000
Edward Z. Kotkin		5,000
Sub-Total		10,500
Unallocated		
Unallocated administration to fund overages in other categories		42
Sub-Total		42
TOTAL SIX MONTH ROPS AMINISTRATIVE ALLOWANCE COSTS		125,000

Enforceable Obligations

Staff Costs		Six Month Amount
<u>Long Range Property Management Costs</u>		
Deputy City Manager	10 hrs.	1,089
Finance Director	2 hrs.	175
Sub-Total		1,263
<u>Bond Indenture Reporting Requirements</u>		
Van Lant & Fankhanel, LLP - Certified Public Accountants		8,000
Sub-Total		8,000
TOTAL SIX MONTH ROPS ENFORCABLE OBLIGATION COSTS		9,263

**MINUTES OF THE REGULAR MEETING OF THE
OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY TO THE CITY OF MONTCLAIR REDE-
VELOPMENT AGENCY HELD ON WEDNESDAY,
FEBRUARY 11, 2015, AT 6:00 P.M. IN THE CITY
COUNCIL CHAMBERS, 5111 BENITO STREET,
MONTCLAIR, CALIFORNIA**

I. PRELIMINARY MATTERS

A. Call to Order

Chairman Ruh called the meeting to order at 6:00 p.m. and asked that everyone please silence their electronic devices as a courtesy to others while the meeting is in session.

B. Roll Call

Present: Chairman Ruh; Board Members Catlin, Erickson, and Piotrowski; Deputy City Manager/ Economic Development Executive Director Staats; Finance Director Parker; Secretary Phillips

Absent: Vice Chairperson Johnson (excused); Board Members Hillman and Richardson (both excused)

II. PUBLIC COMMENT - None

III. APPROVAL OF MINUTES

A. Minutes of Regular Oversight Board Meeting of September 10, 2014

Board Member Erickson indicated her abstention on this item because she was not in attendance at the September 10, 2014 meeting.

In the absence of a quorum of Board Members present to approve the minutes, Chairman Ruh noted this item would be tabled and returned for Oversight Board approval at the next regular meeting.

IV. BUSINESS ITEMS

A. Consider Adoption of Resolution No. 15-01, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving a Recognized Obligation Payment Schedule for July 1, 2015, Through December 31, 2015, Pursuant to California Health and Safety Code Section 34179, Division 24, Part 1.85, and Authorizing Posting and Transmittal Thereof

Board Member Catlin asked how the items on the Recognized Obligation Payment Schedule (ROPS) that have been disputed by the **Department of Finance (DOF)** will be funded.

Finance Director Parker advised that those expenses cannot be funded on the ROPS as reimbursement items; however, he noted the Successor Agency has filed litigation against **DOF** to resolve that issue by hopefully winning the lawsuit.

Board Member Catlin inquired if the costs are being incurred by the City's coffers.

Finance Director Parker concurred, noting the City is funding the preparation of these required documents and is not being reimbursed for those administrative costs due to rejection by **DOF**.

Moved by Board Member Catlin and seconded by Board Member Erickson that Resolution No. 15-01, entitled, "**A Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving a Recognized Obligation Payment Schedule for July 1, 2015, Through December 31, 2015, Pursuant to California Health and Safety Code Section 34179, Division 24, Part 1.85, and Authorizing Posting and Transmittal Thereof,**" be read by number and title only, further reading be waived, and it be declared adopted.

The Oversight Board waived the reading of the Resolution.

Resolution No. 15-01 was adopted by the following vote:

AYES: Catlin, Erickson, Piotrowski, Ruh
NOES: None
ABSTAIN: None
ABSENT: Hillman, Richardson, Johnson

B. Consider Adoption of Resolution No. 15-02, 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, 2015, through December 31, 2015, Pursuant to California Health and Safety Code Section 34177(j)

Moved by Board Member Erickson and seconded by Board Member Catlin that Resolution No. 15-02, entitled, "**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, 2015, Through December 31, 2015, Pursuant to California Health and Safety Code Section 34177(J),**" be read by number and title only, further reading be waived, and it be declared adopted.

The Oversight Board waived the reading of the Resolution.

Resolution No. 15-02 was adopted by the following vote:

AYES: Catlin, Erickson, Piotrowski, Ruh
NOES: None
ABSTAIN: None
ABSENT: Hillman, Richardson, Johnson

C. Consider Adoption of Resolution No. 15-03, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Amending Oversight Board Resolution No. 14-06 Approving and Adopting a Revised Long-Range Property Management Plan Pursuant to Section 34191.5 of the Health and Safety Code

Deputy City Manager/Executive Director of Economic Development Staats requested that this item be pulled because staff has received verbal confirmation from **DOF** that the previous Long Range Property Management Plan (LRPMP) would be approved by **DOF** rather than having to go back to the Oversight Board, and that the Montclair Transcenter property that was previously being challenged is no longer being disputed.

Chairman Ruh pulled the item, noting it would be brought back at a future meeting if staff determines it is necessary.

V. COMMUNICATIONS

- A. Staff - None
- B. Chairman and Members - None

VI. CLOSED SESSION

A. Closed Session Pursuant to Government Code Section 54956.8 Regarding Real Property Negotiations

Property: 4960 Palo Verde Street - Located on the North Side of Palo Verde Street, east of the entrance to the eastbound I-10 Freeway (APN # 1008-332-04)

Agency Negotiator: Marilyn J. Staats, Deputy City Manager

Negotiating Parties: Successor Agency to the City of Montclair Redevelopment Agency and Press On Properties, LLC

Under Negotiation: Recommendations Regarding Purchase Price

At 6:15 p.m., the Oversight Board went into Closed Session regarding pending litigation and real property negotiations

pursuant to respective Government Code Sections 54956.9(d)(1) and 54956.8.

VII. CLOSED SESSION ANNOUNCEMENTS

VIII. ADJOURNMENT

At 6:29 p.m., Chairman Ruh adjourned the Oversight Board of Directors.

Submitted for Oversight Board approval,



Andrea M. Phillips
Secretary

SUBMITTED FOR APPROVAL

MINUTES OF THE REGULAR MEETING OF THE
OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY TO THE CITY OF MONTCLAIR REDE-
VELOPMENT AGENCY HELD ON WEDNESDAY,
JULY 8, 2015, AT 6:00 P.M. IN THE CITY
COUNCIL CHAMBERS, 5111 BENITO STREET,
MONTCLAIR, CALIFORNIA

I. PRELIMINARY MATTERS

A. Call to Order

Chairman Ruh called the meeting to order at 6:00 p.m. and asked that everyone please silence their electronic devices as a courtesy to others while the meeting is in session.

B. Roll Call

Present: Chairman Ruh; Vice Chairperson Johnson; Board Members Catlin, Hillman, Piotrowski, and Richardson; Deputy City Manager/Economic Development Executive Director Staats; Finance Director Parker; Oversight Board Counsel Kotkin; Secretary Phillips

Absent: Board Member Erickson (excused)

II. PUBLIC COMMENT – None

III. APPROVAL OF MINUTES

A. Minutes of Regular Oversight Board Meeting of February 11, 2015

Vice Chairperson Johnson and Board Members Hillman and Richardson indicated their abstentions because they were not in attendance at the February 11, 2015 meeting.

In the absence of a quorum of Board Members voting to approve the minutes of the February 11, 2015 meeting, Chairman Ruh noted this item would be tabled and returned for Oversight Board approval at the next regular meeting.

B. Minutes of Regular Oversight Board Meeting of April 8, 2015

Moved by Vice Chairperson Johnson, seconded by Board Member Piotrowski, and carried to approve the minutes of the regular Oversight Board meeting of April 8, 2015.

IV. BUSINESS ITEMS

A. Consider Adoption of Resolution No. 15-04 Approving the Actions of the Successor Agency to Approve Agreement No. 15-

52, a Proposal for Appraisal Services Between the Successor Agency to the City of Montclair Redevelopment Agency and Integra Realty Resources to Perform an Update to the Appraisal of Vacant Property Located on the Southeast Corner of Ramona Avenue and State Street, and to Approve a Solicitation Process for Sale of the Property Through the Issuance of a Request for Proposals

Board Member Catlin asked if Monte Vista Water District was asked if they were interested in the remnant property.

Deputy City Manager/Executive Director of Economic Development Staats stated that it was the opinion of Successor Agency counsel that the property should be offered publicly and Monte Vista Water District would certainly be welcome to submit a bid or exercise its eminent domain powers if necessary.

Oversight Board Counsel Kotkin noted that, in order to ease any doubts, he would be happy to review the legislation and submit a confidential email to Oversight Board members, although he currently believes that Successor Agency counsel's opinion is the correct assessment of the situation.

Chairman Ruh and Vice Chairperson Johnson concurred that it would be appreciated for Mr. Kotkin to do so.

Board Member Richardson inquired regarding the cost of original appraisal service.

Deputy City Manager/Executive Director of Economic Development Staats stated that several property appraisals were performed at a cost of around \$10,000, so it would be difficult to assess the individual cost of that property's original appraisal.

Moved by Board Member Catlin and seconded by Board Member Richardson that Resolution No. 15-04 be adopted.

Resolution No. 15-04 was adopted by the following vote:

AYES:	Richardson, Piotrowski, Hillman, Catlin, Johnson, Ruh
NOES:	None
ABSTAIN:	None
ABSENT:	Erickson

V. COMMUNICATIONS

A. Staff

1. Finance Director Parker reported the following:
 - (a) He stated the **California Department of Finance (DOF)** requested that the Recognized Obligation

Payment Schedule (ROPS) reflect an estimate of administrative costs, and then once that was submitted would only approve a reduced amount from the estimate.

- (b) He noted the land approved for sale by the Successor Agency was sold for approximately \$980,000 after escrow costs were factored out. He advised DOF stated this amount would be offset by debt service costs for the bonds on the next ROPS.

Oversight Board Counsel Kotkin noted there are several trailer bills related to the dissolution process, which he can summarize and distribute to the Board. He noted the state is taking more power with respect to the disposal process for former redevelopment assets and local taxing entities would lose some authority, even at the County level. He advised if the legislation is signed, Oversight Boards will likely be dissolved sometime next year and all responsibilities would be transferred to the County.

Finance Director Parker stated there will be a "last and final" ROPS with no guidance from the state as to what is to be included or how it is to be implemented. He noted it is unclear whether successor agencies will be involved in the process once it is transferred to the County level.

B. Chairman and Members – None

VI. ADJOURNMENT

At 6:18 p.m., Chairman Ruh adjourned the Oversight Board of Directors.

Submitted for Oversight Board approval,



Andrea M. Phillips
Secretary