

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

**AGENDA**

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

Special Meeting  
Wednesday, January 20, 2016  
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 September 9, 2015

IV. BUSINESS ITEMS

- A. Consider Adoption of Resolution No. 16-01 Approving a Recognized Obligation Payment Schedule for July 1, 2016, through June 30, 2017

	<u>Page No.</u>
B. Consider Adoption of Resolution No. 16-02 Approving the Successor Agency's Proposed Administrative Budgets for July 1, 2016, Through December 31, 2016; and January 1, 2017, Through June 30, 2017	12
V. COMMUNICATIONS	
A. Staff	
1. Former Redevelopment Agency Revenue Redistributed to Taxing Agencies	18
2. Status Report on the Disposition of Ramona Avenue/State Street 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 February 10, 2016, 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 Oversight Board after distribution of the Agenda packet are available for public inspection in the Office of the City Clerk located at 5111 Benito Street, Montclair, CA, from 7:00 a.m. to 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 call (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 January 14, 2016.*

## AGENDA REPORT

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<b>SUBJECT:</b>	CONSIDER ADOPTION OF RESOLUTION NO. 16-01 APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2016 THROUGH JUNE 30, 2017	<b>DATE:</b>	January 20, 2016
		<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:** Pursuant to Section 34177(o)(1) of the Health and Safety Code, the Successor Agency is required to submit an annual Recognized Obligation Payment Schedule (ROPS) to the Oversight Board for consideration and approval. With the adoption of SB 107 on September 22, 2015, the State Legislature changed the format of the ROPS to an annual report and changed the date for submittal of the ROPS. An Oversight Board-approved ROPS for the period from July 1, 2016, through June 30, 2017, must now be sent to the Department of Finance (DOF) and County Auditor-Controller by February 1, 2016. SB 107 did not alter a provision that a penalty of \$10,000 per day for each day the ROPS is delinquent may be levied that was previously adopted pursuant to the AB 1484.

A copy of proposed Resolution No. 15-01 approving ROPS 16-17 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 City of 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. The 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). ROPS 15-16A was adopted by the Oversight Board on February 11, 2015 for the period of July 1, 2015 through December 31, 2015. The ROPS for January 1, 2016 through June 30, 2016 was adopted by the Oversight Board on September 9, 2015.

As indicated, SB 107 has amended certain provisions of the Dissolution Law. SB 107 requires the adoption of an annual ROPS. The ROPS currently presented includes the 2016-17 fiscal year. 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 were the basis for litigation that the Successor Agency initiated against DOF. Item 51 regarding administrative costs for Montclair Housing Authority are still part of ongoing litigation. This item is again being claimed on this ROPS to preserve the Successor Agency's position that those moneys are still due the Successor Agency. Items 52 and 53 have been resolved through the litigation and will be retired as items on future ROPS.

With the date of February 1, 2016, as the deadline for submittal of the ROPS for the 16-17 fiscal year, staff is requesting the Oversight Board consider approval of the ROPS submitted for this period by adoption of proposed Resolution No. 16-01.

**FISCAL IMPACT:** The Oversight Board's approval of proposed ROPS 16-17 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. 16-01, 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, 2016, through June 30, 2016, pursuant to California Health and Safety Code Section 34177.

**RESOLUTION NO. 16-01**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2016, THROUGH JUNE 30, 2017, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34177**

**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 ("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**, Code Section 34179(i) 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 Code Section 34188; and

**WHEREAS**, pursuant to Code 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 modified the Dissolution Act's provisions applicable to the process arising from and related to each recognized obligation payment schedule ("ROPS"); and

**WHEREAS**, the State Legislature passed and the Governor signed SB 107 into law on September 22, 2015, extending the existence and operation of local successor agencies and oversight boards under the Dissolution Act, and modifying law applicable to each ROPS, including but not limited to the date for submittal of each ROPS; and

**WHEREAS**, SB 107, in Code 34177(o)(1), required that a ROPS covering the period commencing July 1, 2016 through and including June 30, 2017 ("ROPS 2016-17"), approved by the Successor Agency and Oversight Board, be submitted to the County and State on or before February 1, 2016, subject to a \$10,000 per day fine for each day the ROPS 2016-17 is delinquent; and

**WHEREAS**, the Successor Agency approved ROPS 2016-17 on January 19, 2016, and staff has requested that the Oversight Board adopt ROPS 2016-17 at its special meeting on January 20, 2016, and to authorize the Successor Agency to post the ROPS on the City/Successor Agency website and 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 Code 34179(h)(2), actions of the Oversight Board, including those approved by this Resolution, do not become effective for five (5) business days after submission, pending any request for review by DOF; and

**WHEREAS**, pursuant to Code 34177(o)(1), DOF shall have until April 15, 2016 to consider and make its determination regarding ROPS 2016-17, subject to the Successor Agency's rights as specified in that same section.

**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 July 1, 2016, through June 30, 2017, 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 approved herein, and to meet and confer with DOF regarding any DOF determination, 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(o)(1) of the Health and Safety Code, this Resolution and ROPS shall be submitted to the DOF and the County Auditor-Controller.

**Section 7.** Pursuant to Health and Safety Code Section 34179(h)(2), 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, 2016.

\_\_\_\_\_

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. 16-01 was duly adopted by the Oversight Board of Directors at a special meeting thereof held on the XX day of XX, 2016, 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 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

**Successor Agency:** Montclair  
**County:** San Bernardino

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>16-17A Total</b>	<b>16-17B Total</b>	<b>ROPS 16-17 Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>			
<b>A Sources (B+C+D):</b>	<b>\$ 3,785,742</b>	<b>\$ -</b>	<b>\$ 3,785,742</b>
B Bond Proceeds Funding	-	-	-
C Reserve Balance Funding	3,785,742	-	3,785,742
D Other Funding	-	-	-
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 144,500</b>	<b>\$ 4,396,900</b>	<b>\$ 4,541,400</b>
F Non-Administrative Costs	19,500	4,271,900	4,291,400
G Administrative Costs	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 3,930,242</b>	<b>\$ 4,396,900</b>	<b>\$ 8,327,142</b>

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

\_\_\_\_\_  
 Name Title  
 /s/ \_\_\_\_\_  
 Signature Date

Montclair Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	16-17A					16-17A Total	16-17B					16-17B Total
											Fund (Non-RPTTF)			RPTTF			Trust Fund (Non-RPTTF)			RPTTF		
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
1	1997 Taxable Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	11/1/1997	10/1/2021	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 1	\$ 64,282,322	N	\$ 62,680	\$ -	\$ 3,785,742	\$ -	\$ 19,500	\$ 125,000	\$ 3,930,242	\$ -	\$ -	\$ -	\$ 4,271,900	\$ 125,000	\$ 4,396,900
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	31,005,906	N	\$ 3,182,900		1,594,950				\$ 1,594,950				1,587,950	\$ 1,587,950	
3	2007B Taxable Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	9/27/2007	9/1/2027	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 3	3,015,600	N	\$ 597,533		295,341				\$ 295,341				302,192	\$ 302,192	
4	2004 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	2/23/2004	10/1/2031	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 4	5,170,500	N	\$ 742,000		370,250				\$ 370,250				371,750	\$ 371,750	
5	2001 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	7/6/2001	10/1/2030	Bank of New York Mellon	Bond Issue to Fund Non-Housing Projects	Project Area 5	9,944,585	N	\$ 1,531,920		767,460				\$ 767,460				764,460	\$ 764,460	
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	8,765,163	N	\$ 1,142,009		569,761				\$ 569,761				572,248	\$ 572,248	
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	5,196,388	N	\$ 311,600		155,800				\$ 155,800				155,800	\$ 155,800	
10	Contract for Legal Services	Legal	12/9/1981	6/30/2036	Stradling, Yocca, Carlson & Rauth	Bond Counsel Legal Services	All Areas	4,000	N	\$ 4,000				2,000		\$ 2,000				2,000	\$ 2,000	
12	Contract for Bond Trustee Service	Fees	12/9/1981	6/30/2036	Bank of New York Mellon	Annual Bond Trustee	All Areas	20,000	N	\$ 20,000				10,000		\$ 10,000				10,000	\$ 10,000	
14	Contract for Bond Services	Fees	12/9/1981	6/30/2036	Bondlogistix LLC	Bond Continuing Disclosure	All Areas	12,000	N	\$ 12,000						\$ -				12,000	\$ 12,000	
15	Contract for Bond Services	Fees	12/9/1981	6/30/2036	Bondlogistix LLC	Bond Arbitrage Rebate	All Areas	12,500	N	\$ 12,500				7,500		\$ 7,500				5,000	\$ 5,000	
43	Administrative Cost Reimbursement Agreement	Admin Costs	6/3/2012	6/30/2036	City of Montclair	Administrative Reimbursement Agreement	All Areas	250,000	N	\$ 250,000					125,000	\$ 125,000				125,000	\$ 125,000	
45	Long Range Property Management Plan Administration	Property Dispositions	6/3/2012	6/30/2036	City of Montclair	Administrative Reimbursement Agreement	All Areas	-	N	\$ -						\$ -						\$ -
46	Bond Indenture Reporting Requirements	Professional Services	6/3/2012	6/30/2036	City of Montclair	Administrative	All Areas	8,000	N	\$ 8,000						\$ -				8,000	\$ 8,000	
49	City of Montclair as Successor Agency for City of Montclair Redevelopment Agency vs. Department of Finance, et al	Litigation	6/3/2012	6/30/2036	Best & Krieger LLP	Legal services related to litigation		-	N	\$ -						\$ -						\$ -
51	Montclair Housing Authority - Housing Entity Administrative Cost Allowance	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		750,000	N	450,000											450,000	450,000
52	Long Range Property Management Plan Preparation	Professional Services	6/3/2012	6/30/2014	City of Montclair	Prior unpaid LRPMP Costs - Unpaid Administrative Reimbursement Agreement		-	Y	\$ -						\$ -						\$ -
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.			Y													
54	Contract for Appraisal Services	Project Management Costs	1/1/2014	6/30/2014	Integra Ellis	Continuing Appraisals of		-	N	\$ -						\$ -						\$ -
55									N	\$ -						\$ -						\$ -
56									N	\$ -						\$ -						\$ -
57									N	\$ -						\$ -						\$ -
58									N	\$ -						\$ -						\$ -
59									N	\$ -						\$ -						\$ -
60									N	\$ -						\$ -						\$ -
61									N	\$ -						\$ -						\$ -
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64									N	\$ -						\$ -						\$ -
65									N	\$ -						\$ -						\$ -
66									N	\$ -						\$ -						\$ -
67									N	\$ -						\$ -						\$ -
68									N	\$ -						\$ -						\$ -
69									N	\$ -						\$ -						\$ -

**Montclair Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances  
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see <a href="#">CASH BALANCE TIPS SHEET</a> .									
A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources						Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin		
<b>ROPS 15-16A Actuals (07/01/15 - 12/31/15)</b>									
1	Beginning Available Cash Balance (Actual 07/01/15)	6,572,673				995,079	214,515	Line 7 ROPS 15-16B.	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015							<b>Column H</b> - By law ROPS payment must be made in January and June and San Bernardino County pays when they are due. Therefore, this <b>Form is in Error</b> as to show the amount as indicated would not allow reconciliation to actual cash balances. ROPS 15-16A was received in June 2015 and therefore it is included in the July 1, 2015 cash balances above and cannot be reported here and reconcile with the cash balance.	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)	2,608,894					154,824	<b>Column C</b> - Amount represents payments of \$2,608,894 for debt service made by trustee during six month period and on hand from ROPS 14-15B.	
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 15-16A RPTTF Balances Remaining	No entry required							<b>Column H</b> - Not Applicable as conversion to the annual ROPS did not require Prior Period Adjustment calculation. Therefore, any potential excess was not computed at this point in time.
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 3,963,779	\$ -	\$ -	\$ -	\$ 995,083	\$ 59,695	Agrees to December 31, 2015 cash balances.	
<b>ROPS 15-16B Estimate (01/01/16 - 06/30/16)</b>									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 3,963,779	\$ -	\$ -	\$ -	\$ 995,083	\$ 59,695		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016	3,785,742					3,007,091	<b>Column H</b> - ROPS 15-16B payment received from San Bernardino County January 2016.	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)	1,137,871				995,083	3,066,786	<b>Column C</b> - Debt service on bonds through June 30, 2016. <b>Column G</b> - Net land sales proceeds transferred to trustee. \$995,078 was shown on ROPS 15-16B as reserves for use in reducing RPTTF allocation and in accordance with LRPMP it will be used for debt service on bonds. <b>Column H</b> - Transfer to trustee of RPTTF obtained for bonds of \$2,790,663 and \$995,079 of land sale proceeds and interest. Remained is other enforceable obligation monies obtained.	
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	2,647,871						<b>Column C</b> - Debt service on bonds occurring after June 30, 2016 obtained from ROPS 15-16B.	
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 3,963,779	\$ -	\$ -	\$ -	\$ -	\$ -	<b>Column C</b> - Debt service reserves, etc. held by trustee.	



## AGENDA REPORT

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**SUBJECT:** CONSIDER ADOPTION OF RESOLUTION NO. 16-02 APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGETS FOR JULY 1, 2016, THROUGH DECEMBER 31, 2016; AND JANUARY 1, 2017, THROUGH JUNE 30, 2017

**DATE:** January 20, 2016

**SECTION:** BUSINESS ITEMS

**ITEM NO.:** B

**FILE I.D.:** OBO050

**DEPT.:** OVERSIGHT BOARD

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**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 Budgets for July 1, 2016, through December 31, 2016, and January 1, 2017 through June 30, 2017 have been prepared for consideration by the Oversight Board and are attached to Resolution No. 16-02.

**BACKGROUND:** The Oversight Board approved the first Administrative Budget for the period from February 1, 2012, through June 30, 2012, on April 25, 2012. All subsequent Administrative Budgets submitted by the Successor Agency have been approved the Oversight Board at the time the ROPS has been approved by the Oversight Board. With the adoption of SB 107, the ROPS must be prepared for a fiscal year. However, the format for ROPS reporting distinguishes the data based on the two distinct six month periods from July 1, 2016 through December 31, 2016 and January 1, 2017 through June 30, 2017. Therefore, Successor Agency staff prepared the Administrative Budgets to correspond to the reporting format of the ROPS.

Each Administrative Budget proposes that the Successor Agency would receive approximately \$125,000 from the Redevelopment Property Tax Trust Fund for administrative expenses during each six month period.

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.

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

**RECOMMENDATION:** Staff recommends the Oversight Board adopt Resolution No. 16-02, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency approving the Successor Agency's proposed Administrative Budgets for July 1, 2016, through December 31, 2016 and January 1, 2017 through June 30, 2017, pursuant to California Health and Safety Code Section 34177(j).

**RESOLUTION NO. 16-02**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGETS FOR JULY 1, 2016, THROUGH DECEMBER 31, 2016 AND JANUARY 1, 2017 THROUGH JUNE 30, 2017, 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 ("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**, Code Section 34179(a) provides that the Successor Agency shall have an Oversight Board composed of seven members; and

**WHEREAS**, pursuant to Code Section 34179(i) 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 Code Section 34188; and

**WHEREAS**, the State Legislature passed and the Governor signed AB 1484 into State law on June 29, 2012; and

**WHEREAS**, AB 1484 established a schedule for approval and adoption of an administrative budget related to each recognized obligation payment schedule (“ROPS”) by successor agencies and oversight boards (“Administrative Budget”) through June 30, 2016; and

**WHEREAS**, the State Legislature passed and the Governor signed SB 107 into law on September 22, 2015, and this legislation extended the existence and operation of local successor agencies and oversight boards under the Dissolution Act, and necessitated the preparation and approval of Administrative budgets; and

**WHEREAS**, SB 107 included a major change in the approval process for Administrative Budgets in relation to each ROPS, *i.e.*, under Code Section 34179(h)(1), successor agencies are not required to submit an approved Administrative Budget to the California Department of Finance (“DOF”) 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**, despite the new annual ROPS approval process, SB 107 did not alter the provisions of Health and Safety Code Section 34177(j) requiring the submittal of administrative costs based on a six-month fiscal year increments; and

**WHEREAS**, the Successor Agency's proposed Administrative Budgets for the two six month periods corresponding to its annual ROPS for July 1, 2016 through and including June 30, 2017 have been prepared, approved by the Successor Agency on January 19, 2016, and submitted to the Oversight Board for its review and approval; and

**WHEREAS**, administrative cost estimates from the Administrative Budgets, 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 Budgets will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund; and

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

**WHEREAS**, pursuant to the Code 34179(h)(2), the actions of the Oversight Board, including those approved by this Resolution, do not become effective for five (5) business days after submission, pending any request for review 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 Budgets, attached hereto as Attachment No. 1 and Attachment No. 2 and incorporated herein by this reference.

**Section 3.** The Oversight Board authorizes the Successor Agency to transmit administrative cost estimates from Administrative Budgets when/if approved to the County Auditor–Controller.

**Section 4.** Pursuant to Health and Safety Code Section 34179(h)(2), 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 Budgets approved hereunder on file as public records.

**APPROVED AND ADOPTED** this XX day of XX, 2016.

\_\_\_\_\_  
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. 16–02 was duly adopted by the Oversight Board of Directors at a special meeting thereof held on the XX day of XX, 2016, 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  
July 1 to December 31, 2016**

Approved by Oversight Board on

**Administrative Allowance**

<b>Staff Costs</b>	<b>% of Staff Time</b>	<b>Six Month Amount</b>
City Manager	5.0%	7,957
Deputy City Manager	40.0%	45,282
Finance Director	25.0%	22,740
Finance Supervisor	5.0%	2,307
Accountant	15.0%	5,834
Office Specialist	10.0%	3,391
Deputy City Clerk	30.0%	12,140
<b>Sub-Total</b>		<b>99,652</b>
<b>Administrative Costs</b>		
Retiree Pension Costs		17,241
<b>Sub-Total</b>		<b>17,241</b>
<b>Insurance Costs</b>		
Share of City liability insurance, public employee bonds, etc.		5,000
<b>Sub-Total</b>		<b>5,000</b>
<b>Legal Costs</b>		
Robbins & Holdaway		500
Stradling, Yocca, Carlson, & Rauth		500
Edward Z. Kotkin		2,000
<b>Sub-Total</b>		<b>3,000</b>
<b>Unallocated</b>		
Unallocated administration to fund overages in other categories		107
<b>Sub-Total</b>		<b>107</b>
<b>TOTAL SIX MONTH ROPS AMINISTRATIVE ALLOWANCE COSTS</b>		<b>125,000</b>

**Enforceable Obligations**

<b>Staff Costs</b>	<b>Six Month Amount</b>
<b><u>Bond Indenture Reporting Requirements</u></b>	
Stradling, Yocca, Carlson & Rauth - Bond Counsel	2,000
Bank of New York Mellon - Trustee	10,000
Bondlogistix LLC - Arbitrage Computations	7,500
<b>Sub-Total</b>	<b>19,500</b>
<b>TOTAL SIX MONTH SEPARATE ENFORCABLE OBLIGATION COSTS</b>	<b>19,500</b>
<b>TOTAL SIX MONTH ROPS ENFORCABLE OBLIGATION COSTS</b>	<b>144,500</b>



**City of Montclair as  
Successor Agency for City of Montclair Redevelopment Agency**  
Distributions To Other Taxing Entities  
February 1, 2012 to Current

<b>RPTTF (Redevelopment Property Tax Trust Fund (County Fund for collections) DDR - Due Diligence Review (CPA prepared report on available monies in Agency).</b>	RPTTF Allocation <u>06/2012</u>	RPTTF Allocation <u>01/2013</u>	RPTTF Allocation <u>06/2013</u>	RPTTF Allocation <u>01/2014</u>	RPTTF Allocation <u>06/2014</u>	RPTTF Allocation <u>01/2015</u>	RPTTF Allocation <u>06/2015</u>	RPTTF Allocation <u>01/2016</u>
<b><u>Pass Through Distributions</u></b>	<b>See Note (1)</b>							
County General	\$ 892,789	\$ (563,848)	\$ 1,163,337	\$ 356,851	\$ 438,491	\$ 293,799	\$ 706,124	\$ 462,738
County Flood - Zone 1	123,092	(20,820)	116,253	54,039	64,713	47,322	100,633	70,235
County Flood - Admin	8,740	(1,406)	8,253	3,835	4,594	3,358	7,146	4,985
County Library	57,933	1,124	65,028	30,011	36,053	26,204	56,209	39,048
ERAF	92,914	194,785	106,967	1,277	72,090	93,206	80,977	97,652
City of Montclair	61,778	61,693	69,897	65,904	67,996	78,499	72,253	82,513
Upland Unified	1,534	(1,772)	1,317	564	744	446	1,342	705
Ontario-Montclair Elementary	396,902	(97,351)	243,196	231,541	216,006	205,718	291,034	239,132
Chaffey Union High School	320,365	(78,386)	196,300	186,966	174,419	166,171	234,943	193,108
Chaffey Community College	88,265	(21,965)	54,200	51,401	47,990	45,678	64,719	53,109
Superintendent of Schools - Countywide	9,618	(1,766)	7,402	6,447	6,112	5,679	8,456	6,699
Metropolitan Water District	1,621	1,638	1,758	1,558	1,709	2,048	1,847	2,182
Inland Empire Joint Resource Cons. District	669	644	729	668	701	814	734	871
Chino Basin Water Conservation District	3,953	3,799	4,302	3,941	4,136	4,799	4,333	5,139
Inland Empire Utilities Agency	203,271	216,913	277,967	271,834	204,207	261,771	263,947	293,930
Monte Vista County Water District	74,760	(65,916)	70,267	34,529	33,201	31,208	55,917	42,216
<b>Total</b>	<b>\$ 2,338,204</b>	<b>\$ (372,634)</b>	<b>\$ 2,387,173</b>	<b>\$ 1,301,365</b>	<b>\$ 1,373,161</b>	<b>\$ 1,266,721</b>	<b>\$ 1,950,615</b>	<b>\$ 1,594,263</b>

**Note (1) - Amounts were adjusted by County to remove \$1,133,518.61 pass through overpayment made by Agency prior to 6/30/12.**

**Residual Payments (Taxes Left After  
Administration, Pass Throughs and  
Obligations)**

County General		\$ 633,692	\$ 65,715	\$ 264,890	\$ 315,764	\$ 180,123	\$ 314,028	\$ 291,233
County Flood - Zone 1		110,402	11,379	24,151	54,626	32,282	54,425	55,827
County Flood - Admin		7,834	807	1,715	3,875	2,291	3,860	3,962
County Library		60,790	6,271	13,193	30,113	17,738	29,993	30,543
ERAF	No	950,236	485,992	456,898	789,414	364,257	1,220,276	711,378
City of Montclair	Residual	637,891	328,727	373,286	529,479	244,902	824,379	480,102
Upland Unified	Amount	1,593	-	1,368	2,275	902	2,936	1,896
Ontario-Montclair Elementary	Available	818,094	124,571	387,083	808,445	286,542	858,055	550,574
Chaffey Union High School		660,810	100,625	312,685	653,118	231,465	693,158	444,745
Chaffey Community College		181,474	27,595	85,959	179,388	63,616	190,468	122,253
Superintendent of Schools - Countywide		21,556	3,274	4,636	20,588	7,497	21,828	14,344
Metropolitan Water District		-	-	-	-	-	-	25,775
Inland Empire Joint Resource Cons. District		6,089	3,987	3,607	4,728	2,489	8,763	4,902
Chino Basin Water Conservation District		35,957	23,567	21,308	27,918	14,703	51,786	28,962
Inland Empire Utilities Agency		194,732	3,251	(160,142)	19,397	9,495	17,648	15,472
Monte Vista County Water District		166,364	25,299	96,104	166,097	61,268	174,394	115,117
<b>Total</b>		<b>\$ -</b>	<b>\$ 4,487,515</b>	<b>\$ 1,211,059</b>	<b>\$ 1,886,741</b>	<b>\$ 3,605,225</b>	<b>\$ 1,519,569</b>	<b>\$ 4,465,997</b>

**City of Montclair as  
Successor Agency for City of Montclair Redevelopment Agency**  
Distributions To Other Taxing Entities  
February 1, 2012 to Current

<b>RPTTF (Redevelopment Property Tax Trust Fund (County Fund for collections) DDR - Due Diligence Review (CPA prepared report on available monies in Agency).</b>	<b>RPTTF Allocation 06/2012</b>	<b>RPTTF Allocation 01/2013</b>	<b>RPTTF Allocation 06/2013</b>	<b>RPTTF Allocation 01/2014</b>	<b>RPTTF Allocation 06/2014</b>	<b>RPTTF Allocation 01/2015</b>	<b>RPTTF Allocation 06/2015</b>	<b>RPTTF Allocation 01/2016</b>
<b><u>TOTALS - By Entities</u></b>								
County General	\$ 892,789	\$ 69,844	\$ 1,229,052	\$ 621,741	\$ 754,255	\$ 473,922	\$ 1,020,151	\$ 753,971
County Flood - Zone 1	123,092	89,582	127,631	78,189	119,339	79,604	155,058	126,062
County Flood - Admin	8,740	6,428	9,060	5,551	8,469	5,649	11,006	8,948
County Library	57,933	61,914	71,300	43,204	66,167	43,942	86,202	69,591
ERAF	92,914	1,145,021	592,958	458,175	861,504	457,463	1,301,254	809,030
City of Montclair	61,778	699,585	398,623	439,190	597,475	323,401	896,632	562,615
Upland Unified	1,534	(179)	1,317	1,932	3,019	1,348	4,278	2,601
Ontario-Montclair Elementary	396,902	720,743	367,767	618,624	1,024,451	492,260	1,149,090	789,706
Chaffey Union High School	320,365	582,425	296,925	499,652	827,536	397,636	928,101	637,852
Chaffey Community College	88,265	159,509	81,796	137,360	227,378	109,294	255,187	175,362
Superintendent of Schools - Countywide	9,618	19,790	10,676	11,083	26,700	13,175	30,284	21,043
Metropolitan Water District	1,621	1,638	1,758	1,558	1,709	2,048	1,847	27,957
Inland Empire Joint Resource Cons. District	669	6,733	4,716	4,274	5,429	3,303	9,497	5,773
Chino Basin Water Conservation District	3,953	39,756	27,869	25,250	32,054	19,501	56,119	34,102
Inland Empire Utilities Agency	203,271	411,645	281,217	111,692	223,605	271,266	281,596	309,402
Monte Vista County Water District	74,760	100,448	95,566	130,633	199,298	92,476	230,312	157,333
<b>Total</b>	<b>\$ 2,338,204</b>	<b>\$ 4,114,881</b>	<b>\$ 3,598,232</b>	<b>\$ 3,188,107</b>	<b>\$ 4,978,386</b>	<b>\$ 2,786,290</b>	<b>\$ 6,416,612</b>	<b>\$ 4,491,347</b>

**City of Montclair as  
Successor Agency for City of Montclair Redevelopment Agency**  
Distributions To Other Taxing Entities  
February 1, 2012 to Current

**RPTTF (Redevelopment Property Tax Trust Fund  
(County Fund for collections)  
DDR - Due Diligence Review (CPA prepared  
report on available monies in Agency).**

	LMIHF DDR Distribution	OTHER Funds DDR Distribution	Total
<b><u>Pass Through Distributions</u></b>			
County General			\$ 3,750,280
County Flood - Zone 1			555,467
County Flood - Admin			39,506
County Library			311,610
ERAF			739,869
City of Montclair			560,532
Upland Unified			4,879
Ontario-Montclair Elementary			1,726,179
Chaffey Union High School			1,393,885
Chaffey Community College			383,397
Superintendent of Schools - Countywide			48,646
Metropolitan Water District			14,362
Inland Empire Joint Resource Cons. District			5,830
Chino Basin Water Conservation District			34,402
Inland Empire Utilities Agency			1,993,840
Monte Vista County Water District			276,183
Total			<u>\$ 11,838,869</u>

**Note (1) - Amounts were adjusted by County**

**Residual Payments (Taxes Left After  
Administration, Pass Throughs and  
Obligations)**

County General	\$ 1,111,320	\$ 1,110,171	\$ 4,286,936
County Flood - Zone 1	193,829	193,628	730,548
County Flood - Admin	13,755	13,741	51,841
County Library	106,702	106,592	401,934
ERAF	1,668,374	1,666,647	8,313,472
City of Montclair	1,121,301	1,120,141	5,660,209
Upland Unified	3,603	3,599	18,171
Ontario-Montclair Elementary	1,435,848	1,434,362	6,703,574
Chaffey Union High School	1,159,751	1,158,551	5,414,908
Chaffey Community College	318,614	318,284	1,487,650
Superintendent of Schools - Countywide	37,859	37,820	169,402
Metropolitan Water District	-	-	25,775
Inland Empire Joint Resource Cons. District	11,536	11,524	57,623
Chino Basin Water Conservation District	68,139	68,069	340,409
Inland Empire Utilities Agency	341,859	341,505	783,218
Monte Vista County Water District	292,108	291,807	1,388,558
Total	<u>\$ 7,884,598</u>	<u>\$ 7,876,440</u>	<u>\$ 35,834,228</u>

**City of Montclair as  
Successor Agency for City of Montclair Redevelopment Agency**  
Distributions To Other Taxing Entities  
February 1, 2012 to Current

RPTTF (Redevelopment Property Tax Trust Fund  
(County Fund for collections)  
DDR - Due Diligence Review (CPA prepared  
report on available monies in Agency).

	LMIHF DDR Distribution	OTHER Funds DDR Distribution	Total
<b>TOTALS - By Entities</b>			
County General	\$ 1,111,320	\$ 1,110,171	\$ 8,037,217
County Flood - Zone 1	193,829	193,628	1,286,014
County Flood - Admin	13,755	13,741	91,347
County Library	106,702	106,592	713,545
ERAF	1,668,374	1,666,647	9,053,341
City of Montclair	1,121,301	1,120,141	6,220,741
Upland Unified	3,603	3,599	23,051
Ontario-Montclair Elementary	1,435,848	1,434,362	8,429,753
Chaffey Union High School	1,159,751	1,158,551	6,808,794
Chaffey Community College	318,614	318,284	1,871,048
Superintendent of Schools - Countywide	37,859	37,820	218,048
Metropolitan Water District	-	-	40,137
Inland Empire Joint Resource Cons. District	11,536	11,524	63,453
Chino Basin Water Conservation District	68,139	68,069	374,811
Inland Empire Utilities Agency	341,859	341,505	2,777,058
Monte Vista County Water District	292,108	291,807	1,664,741
<b>Total</b>	<b>\$ 7,884,598</b>	<b>\$ 7,876,440</b>	<b>\$ 47,673,097</b>

**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**

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**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,  
SEPTEMBER 9, 2015, AT 6:00 P.M. IN THE CITY  
COUNCIL CHAMBERS, 5111 BENITO STREET,  
MONTCLAIR, CALIFORNIA

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**I. PRELIMINARY MATTERS**

**A. Call to Order**

Vice Chairperson Johnson 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: 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: Chairman Ruh (arrived at 6:13 p.m.); 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 who were present at the February 11, 2015 meeting, Vice Chairperson Johnson noted this item would be tabled and returned for Oversight Board approval at the next meeting.

Oversight Board Counsel Kotkin advised that it is his belief that approval of the minutes could be based on review of the minutes by Board Members who were not present at that particular meeting, as long as they feel the minutes accurately represent the actions taken at that meeting. He noted he could look into the matter and report on actions the Board could take to have these minutes approved if the Board cannot achieve a quorum of those who were present at that meeting to vote.

**B. Minutes of Regular Oversight Board Meeting of July 8, 2015**

Moved by Board Member Catlin, seconded by Board Member Richardson, and carried to approve the minutes of the regular 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**

Finance Director Parker reported there are changes from prior ROPS form submissions. He noted the "Other Funds" column on page 9 lists three different amounts, which combined represent the proceeds from the sale of the Palo Verde Street property, and are in effect reducing the Successor Agency's debt service on its three bond issues. Essentially, because the debt service is being reduced by about \$995,000, that much more will be available for distribution to the taxing entities.

Finance Director Parker further advised that the three amounts in the shaded rows indicate items that DOF denied from the previous ROPS. The Successor Agency has initiated litigation against DOF related to these items.

Board Member Richardson asked if staff could expand on the litigated items.

Finance Director Parker noted three points were considered in litigation the Successor Agency initiated against DOF. The first item was a cap on the administrative costs, which the judge did not rule on and therefore DOF's cap remains in effect.

The next item rejected by DOF was reimbursement for Deputy City Manager/Economic Development Executive Director Staats' time in preparing the Long Range Property Management Plan, which the judge declared an abuse of DOF's discretion. The judge ordered a meet-and-confer between the Successor Agency and DOF on the amount to be reimbursed.

The final item denied by DOF was an administrative allowance to the Montclair Housing Authority. The law grants an administrative allowance at a minimum of \$150,000 per year for five years to housing authorities that took over the function of successor housing entities. DOF's denial was based on the claim that the intent only applied to County housing authorities, despite the fact that the law does not identify a specific type of housing authority.

Finance Director Parker advised that the Montclair Housing Authority has been acting as the successor housing authority for the Successor Agency and is a legitimate housing authority. He

noted it has no source of income and administers the successor agency's 33 properties used for low- and moderate-income housing. The judge again ruled in the Successor Agency's favor, opining that DOF abused its discretion and should have provided that allowance. Although DOF now owes the administrative allowance for the housing authority, the Successor Agency's legal counsel believes DOF will appeal the decision. Another superior court has opined in DOF's favor in a case regarding this matter for another city's successor agency, which makes the final outcome more uncertain if it is to be appealed.

In response to Board Member Richardson's question whether it is appropriate to ask for this report, Oversight Board Counsel Kotkin advised this is an appropriate report and that Finance Director Parker provided a thorough response. He further noted that other Successor Agencies he is working with are delighted with the Montclair result in these court victories against DOF. He noted the Montclair Successor Agency's efforts in obtaining permission from the Successor Agency and Oversight Boards to litigate these matters has resulted in a victory for local authority—including local Successor Agencies and Oversight Boards throughout the state. He stated his belief that this issue will likely go all the way to the state's Supreme Court.

Chairman Ruh arrived at 6:13 p.m.

Oversight Board Counsel Kotkin briefed Chairman Ruh on Finance Director Parker's litigation report.

Moved by Board Member Richardson and seconded by Board Member Catlin that Resolution No. 15-05 be adopted.

Resolution No. 15-05, entitled, "**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,**" was adopted by the following vote:

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

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

Moved by Board Member Hillman and seconded by Board Member Richardson that Resolution No. 15-06 be adopted.

Resolution No. 15-06, entitled, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING HE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGET FOR JANUARY 1, 2016, THROUGH JUNE 30, 2016, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34177(j)," was adopted by the following vote:

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

## V. COMMUNICATIONS

### A. Staff

#### 1. Status Report on Litigation with DOF

Finance Director Parker noted the status of litigation was reported under **Item IV-A**.

#### 2. Status Report on the Update of the Appraisal for the Ramona Avenue Property

Deputy City Manager/Economic Development Director Staats noted DOF had pulled Resolution No. 15-04 approving the Successor Agency's action to initiate an updated appraisal on the Ramona Avenue property. Last week DOF approved the action, allowing **Integra Realty Resources** to perform the appraisal. A purchase order has been issued to **Integra Realty Resources**.

Deputy City Manager/Economic Development Director Staats noted she contacted a representative from **Monte Vista Water District (MVWD)** to discern their potential interest in the property. She stated they are only interested in a small portion of the property. She advised **MVWD** that DOF prefers the competitive bid process be used, although as an attempt to be open with the prospective buyer, information could be added to the Request for Proposals (RFP) to reflect **MVWD's** interest in the property and that **MVWD** has eminent domain powers being a public utility agency. She noted she would continue to discuss the matter with **MVWD**, noting they may elect to contact DOF directly if they care to do so.

### B. Chairman and Members

1. Vice Chairperson Johnson thanked staff for the hard work that goes into winding down the Successor Agency and reporting to the Oversight Board.

**VI. ADJOURNMENT**

At 6:19 p.m., Chairman Ruh adjourned the Oversight Board of Directors.

Submitted for Oversight Board approval,



Andrea M. Phillips  
Secretary

SUBMITTED FOR  
APPROVAL