



THE CITY OF
NOVATO
CALIFORNIA

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OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE DISSOLVED
REDEVELOPMENT AGENCY OF THE CITY OF NOVATO
SPECIAL MEETING
to be held at
NOVATO CITY HALL
COUNCIL CHAMBERS
901 SHERMAN AVENUE
APRIL 19, 2012
4:00 P.M

A G E N D A

Matthew Hymel, Chair
County Administrator,
Marin County

Michael Frank, Vice Chair
City Manager, City of
Novato

Tony Elshout,
Citizen Appointee

Al Harrison,
Vice President, College
Operations, College of
Marin

Karen Maloney,
CFO, Novato Unified
School District

Stephen Marshall,
Senior Planner, City of
Novato

Marc Revere,
Fire Chief, Novato Fire
District

A. CALL TO ORDER

B. APPROVAL OF FINAL AGENDA

C. PUBLIC COMMENT (on items within the purview of the Oversight Board and not listed on the agenda)

At this time, member of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Oversight Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. Upon being acknowledged by the Chair, please step forward and begin by stating and spelling your name.

D. CONSENT CALENDAR

No items are listed for this section.

E. REGULAR CALENDAR

1. APPROVAL OF ADMINISTRATIVE BUDGET FOR JANUARY 1, 2012 THROUGH JUNE 30, 2012 *(continued from the meeting of April 9, 2012)*

Consider adopting a resolution of the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato approving the Successor Agency Administrative Budget for January 1, 2012 through June 30, 2012

Recommendation: Adopt resolution.

2. ADOPTION OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2012 THROUGH JUNE 30, 2012 *(continued from the meeting of April 9, 2012)*

Adopt, by a resolution of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato, a Recognized Obligation Payment Schedule pursuant to Health and Safety Code section 34177.

Recommendation: Adopt the Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012.

F. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Sheri Hartz, certify that on April 18, 2012, I caused to be posted the agenda of the open session of the April 19, 2012 special meeting of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato, California, on the City Community Service Board in the Police Department and on the City's website at www.cityofnovato.org.

/Sheri Hartz/
Sheri Hartz, City Clerk

**Oversight Board to the Successor Agency
to the Dissolved Redevelopment Agency
of the City of Novato**



STAFF REPORT

E-1

MEETING

DATE: April 19, 2012

TO: Oversight Board to the Successor Agency to the
Dissolved Redevelopment Agency of the City of Novato

FROM: Cathy Capriola, Assistant City Manager
Brian Cochran, Finance Manager

SUBJECT: APPROVAL OF ADMINISTRATIVE BUDGET FOR FEBRUARY 1, 2012
THROUGH JUNE 30, 2012

75 Rowland Way #200
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REQUEST

Consider adopting a Resolution of the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato approving the Successor Agency Administrative Budget for February 1, 2012 through June 30, 2012.

RECOMMENDATION

Adopt the proposed Administrative Budget.

DISCUSSION

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (the Dissolution Act) and directed that all redevelopment agencies in the state be dissolved effective February 1, 2012. On January 10, 2012, the City Council of the City of Novato elected to become the Successor Agency to the Novato Redevelopment Agency. As the Successor Agency, the City is responsible for winding down the affairs of the former redevelopment agency, with certain actions subject to the approval of an Oversight Board. The Successor Agency is entitled to an Administrative Cost Allowance to compensate it for the costs of winding down the former redevelopment agency.

The Successor Agency, which became operative on February 1, 2012, is responsible for the administrative functions needed to wind down the affairs of the former Novato Redevelopment Agency. These functions include making payments on and performing obligations related to enforceable obligations, preparing administrative budgets, and preparing Recognized Obligation Payment Schedules every six months. The Successor Agency's responsibilities of implementing

and ensuring compliance with the Dissolution Act will be performed by City staff, consultants and legal counsel, who combined, provide support to the Successor Agency.

In section 34171(b), the Dissolution Act provides the Successor Agency with an Administrative Cost Allowance to reimburse its costs to wind down the affairs of the dissolved redevelopment agency. Reimbursement will be made from property tax revenues, not to exceed 5% of the property tax allocated to the Successor Agency for fiscal year 2011-12. In future years, the allowance will be up to 3% of the property taxes allocated to the Successor Agency. In any fiscal year, the minimum Allowance will not be less than \$250,000, provided sufficient property tax revenues are available.

Based on an estimated property tax amount allocated to the Successor Agency in 2011-12 of \$6,000,000, the Administrative Cost Allowance in 2011-12 would be approximately \$300,000. In future years, staff estimates that Novato will be eligible for the minimum Allowance of \$250,000. Note that since the Successor Agency is only in operation for the final five months of fiscal year 2011-12, staff has pro-rated the budget amount accordingly (this proration is also reflected on the Recognized Obligation Payment Schedule).

The Successor Agency is required to submit a proposed administrative budget to the Oversight Board for approval for each upcoming six-month fiscal period. The proposed Budget for January through June presented for Oversight Board approval includes staffing costs for City employees carrying out the dissolution functions, and estimated costs for legal services, independent audit fees, and operations supplies and business expenses. All administrative costs are being initially funded by the City of Novato General Fund, but are being accounted for separately from other City functions. It is anticipated the administrative costs will be reimbursed by the Administrative Cost Allowance. A Reimbursement and Operating Agreement formally documenting this arrangement will be presented to the Oversight Board for approval at the next meeting.

City staff researched the City of Santa Rosa, the City of Sonoma and the City of San Rafael's Successor Agencies' administrative budgets. Both Santa Rosa and Sonoma's oversight boards approved the successor agency administrative budgets and ROPS for the 2011-2012 fiscal year. Santa Rosa's Oversight Board approved the admin budget and the ROPS on March 29th and Sonoma's Oversight Board approved the admin budget and ROPS on April 4th. The City of San Rafael's Oversight Board is not expected to meet until the week of April 23rd. Attached are samples from City of Sonoma and City of Santa Rosa.

Additionally, for historical comparison purposes, the table below provides a summary of the RDA and Housing budgets for the former Novato Redevelopment Agency for 2011-12 (pre-dissolution):

	RDA	Housing
Salaries and Benefits	493,148	179,272
Consultants / Contracts	203,216	157,615
Materials / Supplies	51,250	18,450
City Overhead	255,653	128,860
Contribution to POBs	17,306	6,345
	1,020,573	490,542

ALTERNATIVES

Take no action at this time; direct staff as to action requested.

ATTACHMENTS

1. Resolution
2. Example – City of Sonoma Administrative Budget
3. Example – City of Santa Rosa Administrative Budget

OVERSIGHT BOARD ACTION

1.

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR JANUARY 1, 2012 THROUGH JUNE 30, 2012

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Redevelopment Agency of the City of Novato has been appointed pursuant to the provisions of Health & Safety Code Section 34179; and

WHEREAS, Health and Safety Code Section 341770)(1) requires Oversight Board approval for the Successor Agency Administrative Cost Budget for each six month fiscal period; and

WHEREAS, the city staff has prepared an Administrative Cost Budget outlining funds required;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

SECTION 1. The Oversight Board, at its special meeting of April 9, 2012, reviewed and considered the Administrative Cost Budget for January 1, 2012 through June 30, 2012 presented by the Successor Agency.

SECTION 2. The Administrative Cost Budget, as set forth in *Exhibit "A"* attached hereto and by this reference incorporated herein, is hereby approved by the Oversight Board.

SECTION 3. The adoption of this Resolution by the Oversight Board shall not impair the right of the Successor Agency to assert any claim or pursue any legal action challenging the constitutionality of Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature ("AB 1x26") or challenging any determination by the State of California or any office, department or agency thereof with respect to the Administrative Cost Budget approved hereby.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Oversight Board of the City of Novato, Marin County, California, at a meeting thereof, held on the ____ day of _____, by the following vote, to wit:

AYES: Board Members
NOES: Board Members
ABSTAIN: Board Members
ABSENT: Board Members

Chair, Oversight Board

ATTEST:

ACTING SECRETARY

Approved as to form:

Special Counsel to the Oversight Board

DRAFT - Novato RDA Successor Agency Budget - 2012/13

Personnel Costs					
<u>Posición</u>	<u>FTE</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total \$\$</u>	<u>Duties / Comments</u>
City Manager	0.15	27,900	14,398	42,298	- Overall policy direction and executive leadership - Interaction with and education of oversight board members
Assistant City Manager	0.2	30,233	13,869	44,102	- Primary staff liaison to oversight board - Executive level leadership and analysis on specific oversight board agenda items - Negotiation of any outside agreements on behalf of successor agency / oversight board
Finance Manager	0.2	24,434	8,676	33,110	- Preparation of each six-month ROPS - Oversight of all bond covenants and requirements - Preparation and submittal of annual continuing disclosure documents for all bond issues - Interaction with rating agencies and bond insurers as needed - Analysis of re-funding opportunities
Accounting Supervisor	0.2	19,692	6,616	26,308	- All professional accounting work associated with successor agency activities, assets, liabilities, and debts - Preparation for and oversight of the annual audit process - Annual budget process for successor agency-related expenditures
Management Analyst	0.2	15,450	5,314	20,765	- Coordination with oversight board members on meeting times / schedules - Posting of meeting agendas and minutes - Taking of minutes at all oversight board meetings - Maintenance of the successor agency website
City Clerk	0.1	10,367	5,089	15,456	- Official record-keeping for all successor agency and oversight board actions
TOTAL	1.1	128,076	53,963	182,039	

Contracts / Supplies / Materials		
Legal Counsel	37,740	- General counsel services - Brown Act, litigation, negotiations, etc - Specialized RDA law services - Legal counsel on RDA law, analysis of new legislation, etc
Audit Contract	8,444	- Provision of annual audit services to issue required financial statements
Continuing Disclosure Consultant	3,000	- Specialized contract services to gather required information for annual continuing disclosures
Printing / Publications	5,000	- Noticing of agendas / agenda packets; printing of agendas, notices, agenda packets, etc.
Office Supplies	5,000	- General office supplies and equipment
Meetings / Training / Memberships	6,000	- CRA membership, successor agency training
General admin overhead	65,473	- City of Novato HR, IT, office space, insurance services, etc.
Amortization of CalPERS unfunded liability for RDA	ROPS	To be added as separate obligations in the Recognized Obligation Payment Schedule.
Amortization of unfunded liability for OPEB	ROPS	To be added as separate obligations in the Recognized Obligation Payment Schedule.
Portion of Pension Obligation Bonds for former RDA employees	ROPS	To be added as separate obligations in the Recognized Obligation Payment Schedule.
TOTAL	130,657	

Grand Total Successor Agency Administrative Budget 312,696

Prorated amount for February - June 2012 130,290

SUCCESSOR AGENCY OF THE SONOMA COMMUNITY DEVELOPMENT AGENCY
 ADMINISTRATIVE BUDGET FY 2012

	DESCRIPTION	Annual Fy2012	FEB-JUNE 42% OF COST
110	WAGES & BENEFITS <i>To account for wages & benefits for administrative and finance personnel assigned to perform mandated Successor Agency duties</i>	410,945	172,597
311	ACCOUNTING/AUDIT <i>To account for annual audit and reporting costs for Successor Agency</i>	22,000	9,240
407	CONTRACT SERVICES	1170	491
453	ADVERTISING <i>To account for percentage of website for SA</i>	1,000	420
457	TRAVEL <i>To account for costs for posting and legal notices</i>	200	84
457	TRAINING/CONFERENCES <i>To account for mileage reimbursements</i>	4,200	1,764
456	MEMBERSHIPS <i>To account for training for SA STAFF</i>	4,750	1,995
900	MGMT INFO SVS <i>To account for CRA membership</i>	29,055	12,203
900	LONGTERM BLDG MAINT <i>To account for percentage of costs for MIS maintenance and equipment for SA</i>	6,332	2,659
900	OVERHEAD SUPPORT <i>To account for percentage of costs for MIS maintenance for City Hall & Finance Dept</i>	181,015	76,026
900	<i>To account for percentage of costs for operations of the General Fund [not directly charged to CDA]</i>		
40000	TOTAL EXPENSE	660,667	277,480

EXHIBIT B

E-1

City Council of City of Santa Rosa as Successor Agency to the City of Santa Rosa Redevelopment Agency

3.

ADMINISTRATIVE BUDGET

2/1/2012-6/30/2012

Administrative Activities *	GW	SW	SRC/GB	TORPA	Total
EDH Staff salary	\$ 41,342	\$ 17,248	\$ 25,001	\$ 10,894	\$ 94,485
EDH Staff benefits	\$ 18,190	\$ 7,589	\$ 11,000	\$ 4,793	\$ 41,573
IT	\$ 3,165	\$ 792	\$ 3,166		\$ 7,123
Insurance - liability			\$ 1,027		\$ 1,027
Insurance - Fire/earthquake			\$ 1,305		\$ 1,305
Overhead - CAO, Finance proposed	\$ 20,558	\$ 61,676	\$ 20,558		\$ 102,792
Training - CRA	\$ 195				\$ 195
Supplies, phone etc.	\$ 500	\$ 500	\$ 500		\$ 1,500
	<u>\$ 83,950</u>	<u>\$ 87,805</u>	<u>\$ 62,557</u>	<u>\$ 15,687</u>	<u>\$ 250,000</u>

* Includes the following activities:

- City, County and State correspondence /coordination; Oversight Board staff support; Management of dissolution activities;
- Management of consultants; Preparation of ROPS, certification and approval; Preparation of administrative budget;
- Create and manage new contracts as approved; Manage Other Revenue; Annual reporting; Bill payment; Monitor financial reserves;
- Communication/negotiation with taxing entities; Transfer housing assets; Oversight of asset liquidation; Training expenses;
- Risk management; and supplies.

Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato



E-2

STAFF REPORT

75 Rowland Way #200
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MEETING

DATE: April 19, 2012

TO: Oversight Board to the to the Successor Agency to the
Dissolved City of Novato Redevelopment Agency

FROM: Brian Cochran, Finance Manager

SUBJECT: ADOPTION OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD OF JANUARY 1, 2012 THROUGH JUNE 30, 2012

REQUEST

Adopt, by a resolution of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato, a Recognized Obligation Payment Schedule pursuant to Health and Safety Code section 34177.

RECOMMENDATION

Staff recommends that the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato adopt the Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012.

DISCUSSION

On December 29, 2011, the California Supreme Court (Court) upheld Assembly Bill x1 26 (the Dissolution Act) and directed that all redevelopment agencies in the state be dissolved effective February 1, 2012. On January 10, 2012, the City Council of the City of Novato elected to become the Successor Agency to the Redevelopment Agency of the City of Novato. As the Successor Agency, the City will wind down the affairs of the former redevelopment agency, with certain actions subject to the approval of an Oversight Board.

The Successor Agency is responsible for the continued payment of enforceable obligations of the dissolved Redevelopment Agency of the City of Novato. The Successor Agency must prepare a Recognized Obligation Payment Schedule (ROPS), which sets forth the payment amounts, due dates, and funding sources of payments required under enforceable obligations for each six-

month fiscal period. The Successor Agency is only permitted to make payments that appear on a ROPS.

The Oversight Board is required to review and approve each ROPS. Actions of the Oversight Board are not effective for three business days to allow the State Department of Finance to determine whether it would like to review an Oversight Board action. If the Department of Finance requests a review of an action, it has ten calendar days from the date of its request to either approve the Oversight Board action or return it to the Oversight Board for reconsideration.

Once approved and certified, the County Auditor-Controller will use the ROPS as the basis for distributing property taxes to the Successor Agency for the payment of enforceable obligations. The County plans to have the certification complete by its statutory deadline of July 1, 2012. Due to inconsistent dates in the law resulting from the Court's ruling, the initial ROPS (Attachment 1) must be submitted to the State Department of Finance and State Controller by April 15, 2012.

The Dissolution Act calls for the County Auditor-Controller to distribute funds for the payments on the approved initial ROPS to Successor Agencies on May 16, 2012. Because the Marin County Department of Finance distributed Novato's usual tax increment payment on December 15, 2011, it has indicated that it will not be making the May 16th payment. Property taxes for the payment of July through December 2012 enforceable obligations are to be distributed to the Successor Agency on June 1, 2012. To meet these timeframes, the Department of Finance has requested the Payment Schedule covering July - December 2012 be submitted by May 11, 2012. The July through December Payment Schedule is similar to the initial Payment Schedule, with only the monthly cash flows updated.

Successor Agency Approval of Initial ROPS

The City Council of the City of Novato as Successor Agency to the dissolved Redevelopment Agency of the City of Novato approved the initial Recognized Obligation Payment Schedule, which covers the period January 1, 2012 through June 30, 2012, at its February 28, 2012 meeting. The Recognized Obligation Payment Schedule for July 1, 2012 through December 31, 2012, is scheduled to be presented to the City Council as Successor Agency at the City Council's April 24, 2012 meeting. Any action taken at that meeting will be reported to the Oversight Board at the Board's next meeting.

Obligations Included on the ROPS

The approved ROPS sets forth the enforceable obligations that the Successor Agency is authorized to perform and otherwise discharge through the payment of tax increment revenues during the life of each enforceable obligation. For example, with respect to bonds that have been previously issued by the City's former redevelopment agency, the bondholders are entitled to interest and principle payments during and at the end, respectively, of the life of the bonds. Those amounts are paid from tax increment (real property taxes) which must be collected and disbursed to the bondholders for the life of the bonds.

Enforceable obligations that can be included in the ROPS include:

1. Bonds;
2. Loans, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms;
3. Payments required by the federal government, the state, payments associated with employees, pensions, pension obligation bond debt, and unemployment payments;
4. Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency;
5. Legally binding and enforceable agreements and contracts; and
6. Contracts or agreements necessary for the continued administration or operation of the Successor Agency (e.g. office space, materials, supplies, insurance costs, payroll, etc).

The ROPS must exclude pass-through payments to be made by the county after dissolution of the Agency. Pass-through agreements no longer appear on the ROPS, since these payments to other entities will be paid directly by the Auditor-Controller out of the available property tax. Below is a summary of pass-through payments for Novato's RDA (estimated for 2011/12):

Payee	Description	Estimated 2011/12 Payment
County General	Post AB 1290 Payment	300,824.68
County Library	Post AB 1290 Payment	38,050.54
FCZ #1 Novato	Post AB 1290 Payment	23,118.74
Marin County Open Space	Post AB 1290 Payment	12,046.57
Marin/Sonoma Mosq Control	Post AB 1290 Payment	3,590.31
Bay Area Air Qual. Mgmt	Post AB 1290 Payment	2,305.16
Marin County Transit	Post AB 1290 Payment	7,030.27
Novato Fire	Post AB 1290 Payment	207,820.37
#6 Novato Sanitary	Post AB 1290 Payment	14,164.05
North Marin Water Dist	Post AB 1290 Payment	1,118.59
Novato Unified School Dist	Post AB 1290 Payment	385,949.92
Marin Comm College Dist	Post AB 1290 Payment	82,697.40
Marin County Office of Ed	Post AB 1290 Payment	28,369.84
City of Novato	Post AB 1290 Payment	118,817.16
Flood Control Zone #1	Downtown Area MOU	24,439.00
County of Marin	Settlement Agreement	167,555.00
Marin Comm College Dist	Mitigation Agreement	0.00
Novato Fire Prot. Dist	Mitigation Agreement	0.00

Items on Novato's ROPS

The enforceable obligations included on Novato's ROPS are summarized below. Complete copies of the agreements associated with these obligations were attached to Item #11 on the June 9, 2012 Oversight Board agenda.

AGREEMENT SUMMARY

PRIOR NOVATO REDEVELOPMENT AGENCY

Indenture of Trust – 2005 Bonds	
<i>Date:</i>	February 1, 2005
<i>Amount:</i>	\$24,835,000 (original principal)
<i>Parties:</i>	Redevelopment Agency of the City of Novato (Agency) U.S. Bank National Association (Trustee)
<p>This agreement establishes the terms of the tax-exempt Series 2005 bonds. The \$24,835,000 bond issue was used to construct affordable housing at Hamilton. The Indenture of Trust sets out the terms under which the bonds were issued and payments on the bonds are received.</p> <p>Maturity dates range from 2005 (\$460,000 at 2.5% interest) to 2034 (\$4,140,000 at 4.5% interest).</p>	
Indenture of Trust – 2005 Series A Bonds	
<i>Date:</i>	February 1, 2005
<i>Amount:</i>	\$9,520,000 (original principal)
<i>Parties:</i>	Redevelopment Agency of the City of Novato (Agency) U.S. Bank National Association (Trustee)
<p>This Indenture is a second bond issue under the original 2005 Indenture of Trust. Under redevelopment law, 20% of tax increment revenues must be set aside in a Low and Moderate Income Housing Fund used to increase the supply of low and moderate income housing. This \$9,520,000 bond issue was used to fund this 20% affordable housing set-aside for the Hamilton Redevelopment Project.</p> <p>Maturity dates range from 2005 (\$100,000 at 4.5% interest) to 2034 (\$1,150,000 at 4.875% interest).</p>	
First Supplemental Indenture of Trust – 2011 Tax Allocation Bonds	
<i>Date:</i>	March 1, 2011
<i>Amount:</i>	\$17,000,000 (original principal)
<i>Parties:</i>	Redevelopment Agency of the City of Novato (Agency) U.S. Bank National Association (Trustee)
<p>These bonds were issued in order to pay back the City of Novato General Fund for money that</p>	

was loaned to the Redevelopment Agency throughout the lifetime of the Agency. The \$17,000,000 in tax-exempt bonds was issued as Parity Debt under the terms of the 2005 Indenture of Trust.

The maturity dates range from 2012 (\$250,000 at 2% interest) to 2040 (\$13,160,000 at 6.75% interest).

Vintage Oaks Owner Participation Agreement (OPA)

<i>Date:</i>	January 17, 1991
<i>Amount:</i>	\$9,000,000 (estimated total payment)
<i>Parties:</i>	HNH Associates (Participant) Redevelopment Agency of the City of Novato (Agency)

HNH Associates is a development company and it owns the real property in the Vintage Oaks Project Area. HNH’s agreement with the former Redevelopment Agency (“Agency”) allows for the development of the Vintage Oaks site as part of the Redevelopment project and under the terms of the Precise Development Plan.

HNH Associates provided \$6,000,000 to the Agency for the development of off-site community facilities (such as improvements to the Rowland Blvd – 101 interchange, improvements to Vintage Way, various drainage improvements, etc). The agreement obligates the Agency to make annual payments to HNH Associates, up to a total of \$9,000,000. These payments come from the Property Tax Increment and from the lease payments made by the City for the use of the community facilities.

CIEDB Loan Agreement

<i>Date:</i>	December 17, 2001
<i>Amount:</i>	\$3,700,000 (original principal)
<i>Parties:</i>	California Infrastructure and Economic Development Bank (CIEDB) Redevelopment Agency of City of Novato (Borrower)

This is an agreement for the Agency to borrow \$3,700,000 from the CIEDB for the Grant Avenue Improvement Project. The term of the loan is 30 years from December 17, 2002 and the interest rate is 3.39% annually.

Novato Human Needs Center Community Services Agreement

<i>Date:</i>	August 2, 2001
<i>Amount:</i>	\$105,000 (annual payment)
<i>Parties:</i>	Novato Human Needs Center (Contractor) Redevelopment Agency of the City of Novato (Agency)

This is an agreement for the Contractor to provide outreach, client case management, direct rental assistance, and other social services to Novato residents. The initial contract was for \$105,000 for one year of service.

The agreement has been extended and amended from time to time, including the latest amendment which was signed on March 9, 2011. Under this amendment the payment to Novato

Human Needs increases by the CPI change beginning in fiscal year 2012. In addition, the contract will renew every fiscal year for the next 10 years, starting in fiscal year 2011/2012

MERJE – Wayfinding – Consultant Services Agreement

<i>Date:</i>	June 29 th , 2010
<i>Amount:</i>	\$460,800 (total contract value)
<i>Parties:</i>	MERJE (Contractor) Redevelopment Agency of the City of Novato (Agency)

This agreement is with the consulting firm MERJE for planning and design work for a wayfinding signage program for Downtown Novato. This project is currently in progress and the Design Review Commission held a workshop on the revised signage on April 4, 2012.

This agreement was amended March 9, 2011, raising the maximum total fee to \$460,800. The contract will end when services listed in the contract are successfully completed.

Berkeley MicroDesign – Housing Database System – Consultant Services Agreement

<i>Date:</i>	May 31, 2007
<i>Amount:</i>	\$50,400 (total contract value)
<i>Parties:</i>	Berkeley MicroDesign Redevelopment Agency of the City of Novato

This contract is for maintenance, upgrades, and training on the Housing Database System. The consultant’s hourly rate is \$110 and the original contract provided a maximum total payment of \$12,600. The most recent amendment to the contract, signed June 13, 2011, provides a maximum contract total of \$54,000 and changes the ending date to June 30, 2012.

TSG Networks – Housing Database System – Consultant Services Agreement

<i>Date:</i>	Unknown
<i>Amount:</i>	\$13,188 (ROPS amount)
<i>Parties:</i>	TSG Networks Redevelopment Agency of the City of Novato

This contract is for infrastructure hosting, maintenance and upgrades to the Housing Database System. The contract is \$13,188 per year or monthly amount of \$1,099.

A copy of this contract will be provided on Monday.

Tattersall Advisory – Appraisal of Hamilton Hospital – Consultant Services Agreement

<i>Date:</i>	February 10 th , 2009
<i>Amount:</i>	\$4,900 (total contract value)
<i>Parties:</i>	David Tattersall & Co. (Contractor) Redevelopment Agency of the City of Novato (Agency)

The contractor provided an appraisal for the Novato Hospital at 7546 Redwood Boulevard for a

one-time project fee of \$4,900.

Novato Library and Flood District Memorandum of Understanding (MOU)

<i>Date:</i>	June 22, 1999
<i>Amount:</i>	\$237,243.89 (existing fund balance)
<i>Parties:</i>	Marin County Free Library District (Library District) Marin County Flood Control and Water Conservation District (Flood Control District) Redevelopment Agency of the City of Novato (Agency)

This agreement provides Tax Increment Funding to the County Water District and the Novato Branch of the County Library. The agreement states that the Agency will deposit the amount of Net Tax Increment attributable to the Flood Control District into a Flood Control Account. This money will be spent on capital costs for improving flood control to benefit the Redevelopment Project Area. The current balance in the Flood Control District account is \$158,844.

The County Library's Novato branch is located directly outside of the Redevelopment Project Area and provides benefit to the Project Area's occupants. The MOU states that the Agency will deposit the amount of Net Tax Increment received attributable to the Library District into a County Library Account until the total reaches \$100,000 – the funds are to be used to construct eligible improvements to the Library. The fund did reach its maximum, and some has been spent to date, leaving a current balance of \$78,399.89.

FISCAL IMPACT

Approving the ROPS allows the Successor Agency to receive property tax revenues as needed to pay the listed enforceable obligations.

ATTACHMENTS

1. Recognized Obligation Payment Schedule
2. Resolution of the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato approving and adopting the schedule
3. Memo from Jeff Walter including certain sections of AB 1X 26.

For reference, see Item #11 on the April 9, 2012 Oversight Board agenda for complete copies of the agreements associated with the enforceable obligations.

E-2.1.

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

	Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	*** Funding Source	Payments by month (all amounts estimated)						
								Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total
1)	2005 Tax Allocation Bonds	US Bank	Bonds issued to fund housing proj.	Merged	35,135,503.17	1,462,490.63	RPTTF	0.00	449,062.50	0.00	0.00	0.00	0.00	\$ 449,062.50
2)	2005A Tax Allocation Housing Bonds	US Bank	Bonds issued to fund housing proj.	Merged	14,231,237.58	588,497.50	RPTTF	0.00	187,542.50	0.00	0.00	0.00	0.00	\$ 187,542.50
3)	2011 Tax Allocation Bonds	US Bank	Bonds issued to repay City loans	Merged	42,868,993.53	1,017,336.31	RPTTF	0.00	543,384.38	0.00	0.00	0.00	0.00	\$ 543,384.38
4)	Vintage Oaks Owner Particip. Agrmt	Bank of America	OPA for infrastructure improvements	Merged	2,400,000.00	800,000.00	RPTTF	400,000.00	0.00	0.00	0.00	0.00	400,000.00	\$ 800,000.00
5)	CIEDB Loan	Wells Fargo MN, N.A.	Downtown streetscape work	Merged	4,340,772.73	206,703.45	RPTTF	154,669.58	0.00	0.00	0.00	0.00	0.00	\$ 154,669.58
6)	Contract - Novato Human Needs	Novato Human Needs	Homeless services	Merged	1,050,000.00	105,000.00	RPTTF	26,250.00	0.00	0.00	26,250.00	0.00	0.00	\$ 52,500.00
7)	Contract - Wayfinding	Merje Environmental	Downtown signage program	Merged	460,800.00	418,800.00	RPTTF	0.00	0.00	353,400.00	0.00	0.00	0.00	\$ 353,400.00
8)	Contract - IT Services	Berkeley Microdesign	Housing Server Support	Merged	50,400.00	16,800.00	RPTTF	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	\$ 8,400.00
9)	Contract - IT Services	TSG Networks	Housing Server Support	Merged	13,188.00	13,188.00	RPTTF	1,099.00	1,099.00	1,099.00	1,099.00	1,099.00	1,099.00	\$ 6,594.00
10)	Contract - Appraisal Services	Tattersall Advisory	Appraisal of Hamilton Hospital	Merged	3,850.00	3,850.00	RPTTF	0.00	0.00	0.00	0.00	0.00	3,850.00	\$ 3,850.00
11)	Library District MOU	Marin Co. Public Lib. District	Payment of Existing MOU Fund Balance	Merged	78,399.89	78,399.89	Reserves	0.00	0.00	0.00	0.00	0.00	78,399.89	\$ 78,399.89
12)	Flood District MOU	Marin Co. Flood Cont. Dist.	Payment of Existing MOU Fund Balance	Merged	158,844.00	158,844.00	Reserves	0.00	0.00	0.00	0.00	0.00	158,844.00	\$ 158,844.00
13)	Successor Agency Administration	City of Novato as Succ. Ag.	Admin costs: staff, audit, legal, office space, etc.	Merged	7,500,000.00	125,000.00	Admin	0.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	\$ 125,000.00
14)														\$ -
15)														\$ -
16)														\$ -
17)														\$ -
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26)														\$ -
27)														\$ -
28)														\$ -
Totals - This Page (RPTIF Funding)					\$ 108,291,988.90	\$ 4,994,909.78	N/A	\$ 583,418.58	\$ 1,207,488.38	\$ 380,899.00	\$ 53,749.00	\$ 27,499.00	\$ 668,592.89	\$ 2,921,646.85

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

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

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

RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

OVERSIGHT BOARD ACTION

2.

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2012

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Redevelopment Agency of the City of Novato has been appointed pursuant to the provisions of Health & Safety Code Section 34179; and

WHEREAS, pursuant to Health and Safety Code Section 34180(g), the Oversight Board is required to review and approve the Recognized Obligation Payment Schedule prepared by the Successor Agency covering the six month period January 1, 2012 through June 30, 2012, and for each six month period thereafter; and

WHEREAS, the Successor Agency to the dissolved Redevelopment Agency of the City of Novato has approved the Recognized Obligation Payment Schedule for the six month period January 1, 2012-June 30, 2012; and

WHEREAS, the Successor Agency has presented the foregoing described Recognized Obligation Payment Schedule to the Oversight Board for its review and approval; and

WHEREAS, at its regular meeting of April 9, 2012, the Oversight Board reviewed and considered the Recognized Obligation Payment Schedule presented by the Successor Agency;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

SECTION 1. The Oversight Board hereby approves the Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012, as set forth in Exhibit "A" to this Resolution and by this reference incorporated herein.

SECTION 2. The Board Secretary, or the City Finance Manager (as the person appointed by action of the Oversight Board at its meeting of April 9, 2012, to be the designated contract person to the Department of Finance), shall transmit the approved Recognized Obligation Payment Schedule to the Department of Finance, State Controller, and County Auditor-Controller in compliance with the requirements of Part 1.85 of Division 24 of the California Health and Safety Code. The staff of the Successor Agency shall take such other and further actions and sign such other and further documents as appropriate to effectuate the intent of this Resolution and to implement the Recognized Obligation Payment Schedule approved hereby on behalf of the Successor Agency.

SECTION 3. The adoption of this Resolution by the Oversight Board shall not impair the right of the Successor Agency to assert any claim or pursue any legal action challenging the constitutionality of Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature ("AB 1x26") or challenging any determination by the State of California or any office, department or agency thereof with respect to the Recognized Obligation Payment Schedule approved hereby.

SECTION 4. The approval of the ROPS through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, it does not constitute a project subject to the requirements of the California Environmental Quality Act ("CEQA") in that pursuant to CEQA Guidelines Section 15061(b)(3), it is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment; and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it

would have adopted this Resolution and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Oversight Board of the City of Novato, Marin County, California, at a meeting thereof, held on the ____ day of _____, by the following vote, to wit:

AYES: Board Members
NOES: Board Members
ABSTAIN: Board Members
ABSENT: Board Members

Chair, Oversight Board

ATTEST:

ACTING SECRETARY

Approved as to form:

Special Counsel to the Oversight Board

RECEIVED
APR 12 2012
CITY OF NOVATO

E-2

3.

LAW OFFICES
WALTER & PISTOLE
AN ASSOCIATION, INCLUDING A PROFESSIONAL CORPORATION
670 WEST NAPA STREET, SUITE "F"
SONOMA, CA 95476
(707) 996-9690

JEFFREY A. WALTER*
VALERIE PISTOLE
*A PROFESSIONAL CORPORATION

FACSIMILE NO: (707) 996-9603

VERONICA A.F. NEBB
JOHN A. ABACI

April 11, 2012

Cathy Capriola, Assistant City Manager
CITY OF NOVATO
75 Rowland Way, Suite 200
Novato, CA 94945


Re: AB1x 26

Dear Cathy:

Enclosed please find the excerpts from AB1x 26, hi-lighted in yellow by me, showing what I believe to be some of the salient provisions of this legislation pertaining to the definition of "Enforceable obligation". Per my earlier e-mails to you, I am recommending that this handout be provided to the members of the Oversight Board prior to its next meeting.

Sincerely,

WALTER & PISTOLE


JEFFREY A. WALTER

JAW/lm

Enclosure

(c) "Designated local authority" shall mean a public entity formed pursuant to subdivision (d) of Section 34173.

(d) (1) "Enforceable obligation" means any of the following:

(A) Bonds, as defined by Section 33602 and bonds issued pursuant to Section 58383 of the Government Code, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency.

(B) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(C) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement.

(D) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.

(E) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy. However, nothing in this act shall prohibit either the successor agency, with the approval or at the direction of the oversight board, or the oversight board itself from terminating any existing agreements or contracts and providing any necessary and required compensation or remediation for such termination.

(F) Contracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.

(G) Amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund of a redevelopment agency, which had been deferred as of the effective date of the act adding this part; provided, however, that the repayment schedule is approved by the oversight board.

(2) For purposes of this part, "enforceable obligation" does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency. However, written agreements entered into (A) at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and (B) solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations for purposes of this part. Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations.

(3) Contracts or agreements between the former redevelopment agency and other public agencies, to perform services or provide funding for governmental or private

services or capital projects outside of redevelopment project areas that do not provide benefit to the redevelopment project and thus were not properly authorized under Part 1 (commencing with Section 33000) shall be deemed void on the effective date of this part; provided, however, that such contracts or agreements for the provision of housing properly authorized under Part 1 (commencing with Section 33000) shall not be deemed void.

(e) "Indebtedness obligations" means bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the redevelopment agency, or by a joint exercise of powers authority created by the redevelopment agency, to third-party investors or bondholders to finance or refinance redevelopment projects undertaken by the redevelopment agency in compliance with the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(f) "Oversight board" shall mean each entity established pursuant to Section 34179.

(g) "Recognized obligation" means an obligation listed in the Recognized Obligation Payment Schedule.

(h) "Recognized Obligation Payment Schedule" 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 provided in subdivision (m) of Section 34177.

(i) "School entity" means any entity defined as such in subdivision (f) of Section 95 of the Revenue and Taxation Code.

(j) "Successor agency" means the county, city, or city and county that authorized the creation of each redevelopment agency or another entity as provided in Section 34173.

(k) "Taxing entities" means cities, counties, a city and county, special districts, and school entities, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, that receive passthrough payments and distributions of property taxes pursuant to the provisions of this part.

CHAPTER 2. EFFECT OF REDEVELOPMENT AGENCY DISSOLUTION

34172. (a) (1) All redevelopment agencies and redevelopment agency components of community development agencies created under Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100) that were in existence on the effective date of this part are hereby dissolved and shall no longer exist as a public body, corporate or politic. Nothing in this part dissolves or otherwise affects the authority of a community redevelopment commission, other than in its authority to act as a redevelopment agency, in its capacity as a housing authority or for any other community development purpose of the jurisdiction in which it operates. For those other nonredevelopment purposes, the community development commission derives its authority solely from federal or local laws, or from state laws other than the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(2) A community in which an agency has been dissolved under this section may not create a new agency pursuant to Part 1 (commencing with Section 33000), Part 1.5

in its jurisdiction as compared to the assessed value of land within the boundaries of the project areas of the former redevelopment agency.

(d) (1) A city, county, city and county, or the entities forming the joint powers authority that authorized the creation of each redevelopment agency may elect not to serve as a successor agency under this part. A city, county, city and county, or any member of a joint powers authority that elects not to serve as a successor agency under this part must file a copy of a duly authorized resolution of its governing board to that effect with the county auditor-controller no later than one month prior to the effective date of this part.

(2) The determination of the first local agency that elects to become the successor agency shall be made by the county auditor-controller based on the earliest receipt by the county auditor-controller of a copy of a duly adopted resolution of the local agency's governing board authorizing such an election. As used in this section, "local agency" means any city, county, city and county, or special district in the county of the former redevelopment agency.

(3) If no local agency elects to serve as a successor agency for a dissolved redevelopment agency, a public body, referred to herein as a "designated local authority" shall be immediately formed, pursuant to this part, in the county and shall be vested with all the powers and duties of a successor agency as described in this part. The Governor shall appoint three residents of the county to serve as the governing board of the authority. The designated local authority shall serve as successor agency until a local agency elects to become the successor agency in accordance with this section.

(e) The liability of any successor agency, acting pursuant to the powers granted under the act adding this part, shall be limited to the extent of the total sum of property tax revenues it receives pursuant to this part and the value of assets transferred to it as a successor agency for a dissolved redevelopment agency.

34174. (a) Solely for the purposes of Section 16 of Article XVI of the California Constitution, commencing on the effective date of this part, all agency loans, advances, or indebtedness, and interest thereon, shall be deemed extinguished and paid; provided, however, that nothing herein is intended to absolve the successor agency of payment or other obligations due or imposed pursuant to the enforceable obligations; and provided further, that nothing in the act adding this part is intended to be construed as an action or circumstance that may give rise to an event of default under any of the documents governing the enforceable obligations.

(b) Nothing in this part, including, but not limited to, the dissolution of the redevelopment agencies, the designation of successor agencies, and the transfer of redevelopment agency assets and properties, shall be construed as a voluntary or involuntary insolvency of any redevelopment agency for purposes of the indenture, trust indenture, or similar document governing its outstanding bonds.

34175. (a) It is the intent of this part that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.

(b) All assets, properties, contracts, leases, books and records, buildings, and equipment of the former redevelopment agency are transferred on October 1, 2011, to the control of the successor agency, for administration pursuant to the provisions of

this part. This includes all cash or cash equivalents and amounts owed to the redevelopment agency as of October 1, 2011.

34176. (a) The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency. If a city, county, or city and county elects to retain the responsibility for performing housing functions previously performed by a redevelopment agency, all rights, powers, duties, and obligations, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, shall be transferred to the city, county, or city and county.

(b) If a city, county, or city and county does not elect to retain the responsibility for performing housing functions previously performed by a redevelopment agency, all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency, excluding any amounts in the Low and Moderate Income Housing Fund, shall be transferred as follows:

(1) Where there is no local housing authority in the territorial jurisdiction of the former redevelopment agency, to the Department of Housing and Community Development.

(2) Where there is one local housing authority in the territorial jurisdiction of the former redevelopment agency, to that local housing authority.

(3) Where there is more than one local housing authority in the territorial jurisdiction of the former redevelopment agency, to the local housing authority selected by the city, county, or city and county that authorized the creation of the redevelopment agency.

(c) Commencing on the operative date of this part, the entity assuming the housing functions formerly performed by the redevelopment agency may enforce affordability covenants and perform related activities pursuant to applicable provisions of the Community Redevelopment Law (Part 1 (commencing with Section 33000), including, but not limited to, Section 33418.

CHAPTER 3. SUCCESSOR AGENCIES

34177. Successor agencies are required to do all of the following:

(a) Continue to make payments due for enforceable obligations.

(1) On and after October 1, 2011, and until a Recognized Obligation Payment Schedule becomes operative, only payments required pursuant to an enforceable obligations payment schedule shall be made. The initial enforceable obligation payment schedule shall be the last schedule adopted by the redevelopment agency under Section 34169. However, payments associated with obligations excluded from the definition of enforceable obligations by paragraph (2) of subdivision (e) of Section 34171 shall be excluded from the enforceable obligations payment schedule and be removed from the last schedule adopted by the redevelopment agency under Section 34169 prior to the successor agency adopting it as its enforceable obligations payment schedule pursuant to this subdivision. The enforceable obligation payment schedule may be amended by the successor agency at any public meeting and shall be subject to the approval of the oversight board as soon as the board has sufficient members to form a quorum.

(2) The Department of Finance and the Controller shall each have the authority to require any documents associated with the enforceable obligations to be provided to them in a manner of their choosing. Any taxing entity, the department, and the Controller shall each have standing to file a judicial action to prevent a violation under this part and to obtain injunctive or other appropriate relief.

(3) Commencing on January 1, 2012, only those payments listed in the Recognized Obligation Payment Schedule may be made by the successor agency from the funds specified in the Recognized Obligation Payment Schedule. In addition, commencing January 1, 2012, the Recognized Obligation Payment Schedule shall supersede the Statement of Indebtedness, which shall no longer be prepared nor have any effect under the Community Redevelopment Law.

(4) Nothing in the act adding this part is to be construed as preventing a successor agency, with the prior approval of the oversight board, as described in Section 34179, from making payments for enforceable obligations from sources other than those listed in the Recognized Obligation Payment Schedule.

(5) From October 1, 2011, to July 1, 2012, a successor agency shall have no authority and is hereby prohibited from accelerating payment or making any lump sum payments that are intended to prepay loans unless such accelerated repayments were required prior to the effective date of this part.

(b) Maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(c) Perform obligations required pursuant to any enforceable obligation.

(d) Remit unencumbered balances of redevelopment agency funds to the county auditor-controller for distribution to the taxing entities, including, but not limited to, the unencumbered balance of the Low and Moderate Income Housing Fund of a former redevelopment agency. In making the distribution, the county auditor-controller shall utilize the same methodology for allocation and distribution of property tax revenues provided in Section 34188.

(e) Dispose of assets and properties of the former redevelopment agency as directed by the oversight board; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181. The disposal is to be done expeditiously and in a manner aimed at maximizing value. Proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the oversight board, shall be transferred to the county auditor-controller for distribution as property tax proceeds under Section 34188.

(f) Enforce all former redevelopment agency rights for the benefit of the taxing entities, including, but not limited to, continuing to collect loans, rents, and other revenues that were due to the redevelopment agency.

(g) Effectuate transfer of housing functions and assets to the appropriate entity designated pursuant to Section 34176.

(h) Expeditiously wind down the affairs of the redevelopment agency pursuant to the provisions of this part and in accordance with the direction of the oversight board.

(i) Continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former redevelopment agency can

be transferred to other parties. Bond proceeds shall be used for the purposes for which bonds were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds.

(j) Prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget shall include all of the following:

(1) Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.

(2) Proposed sources of payment for the costs identified in paragraph (1).

(3) Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

(k) Provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the county auditor-controller for each six-month fiscal period.

(l) (1) Before each six-month fiscal period, prepare a Recognized Obligation Payment Schedule in accordance with the requirements of this paragraph. For each recognized obligation, the Recognized Obligation Payment Schedule shall identify one or more of the following sources of payment:

(A) Low and Moderate Income Housing Fund.

(B) Bond proceeds.

(C) Reserve balances.

(D) Administrative cost allowance.

(E) The Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of this part.

(F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board in accordance with this part.

(2) A Recognized Obligation Payment Schedule shall not be deemed valid unless all of the following conditions have been met:

(A) A draft Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former redevelopment agency by November 1, 2011. From October 1, 2011, to July 1, 2012, the initial draft of that schedule shall project the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had such a redevelopment agency not been dissolved, and shall be reviewed and certified, as to its accuracy, by an external auditor designated pursuant to Section 34182.

(B) The certified Recognized Obligation Payment Schedule is submitted to and duly approved by the oversight board.

(C) A copy of the approved Recognized Obligation Payment Schedule is submitted to the county auditor-controller and both the Controller's office and the Department of Finance and be posted on the successor agency's Internet Web site.

(3) The Recognized Obligation Payment Schedule shall be forward looking to the next six months. The first Recognized Obligation Payment Schedule shall be submitted to the Controller's office and the Department of Finance by December 15, 2011, for the period of January 1, 2012, to June 30, 2012, inclusive. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2016, or any member position that remains vacant for more than 60 days.

(l) Commencing on and after July 1, 2016, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (b).

(m) Any oversight board for a given successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

34180. All of the following successor agency actions shall first be approved by the oversight board:

(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part.

(b) Refunding of outstanding bonds or other debt of the former redevelopment agency by successor agencies in order to provide for savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated.

(c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Merging of project areas.

(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by the county assessor.

(g) Establishment of the Recognized Obligation Payment Schedule.

(h) A request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding.

(i) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

34181. The oversight board shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental