

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF HEALDSBURG

RESOLUTION NO. OB4-2012

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HEALDSBURG APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH PERIOD ENDING DECEMBER 31, 2012; MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, on June 28, 2011, the Governor of California signed into law ABx1 26 and ABx1 27 that purported to dissolve all redevelopment agencies in the State of California as of October 1, 2011; and

WHEREAS, the California Redevelopment Association and other interested parties filed a petition with the California Supreme Court requesting that said Court strike down ABx1 26 and ABx1 27 as being unconstitutional;

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision, all California redevelopment agencies, including the Redevelopment Agency of the City of Healdsburg (the Dissolved RDA), were dissolved on February 1, 2012; and

WHEREAS, six months prior to the Governor signing the Dissolution Act into law, the City of Healdsburg ("City") and the Dissolved RDA entered into a Cooperative Agreement whereby the City agreed to carry out certain activities described in the Dissolved RDA's redevelopment plan and its Implementation Plan in exchange for a pledge of assets from the Dissolved RDA, which assets were designated for the completion of said activities; and

WHEREAS, a Complaint in Validation was filed on March 4, 2011 in the Superior Court of California County of Sonoma by the City and Dissolved RDA approximately three and a half months prior to the Governor signing the Dissolution Act into law; and

WHEREAS, the City of Healdsburg and the Dissolved RDA obtained a Judgment of Validation; and

WHEREAS, the Judgment of Validation found "*The Cooperative Agreement and each and every provision therein constitutes a lawful, valid, and binding obligation under the law of California and the United States, subsisting in full force and effect and enforceable according to its terms*"; and

WHEREAS, the Judgment of Validation also acknowledges, *“Each and every recital, finding, determination or legal conclusion stated in City Resolution No. 14-2011 and Agency Resolution No. RDA1-2011 and the Cooperative Agreement is true and correct in all respects”*; and

WHEREAS, the projects referred in the Judgment of Validation are reflected in lines 1 – 19 on page two of the ROPS; and

WHEREAS, on January 30, 2012, the City Council of the City of Healdsburg (“Council”) adopted a resolution designating the City as Successor Agency to the Dissolved RDA (“Successor Agency”); and

WHEREAS, under the Dissolution Act the City in its capacity as Successor Agency must prepare a Recognized Obligation Payment Schedule (“ROPS”) that enumerates the enforceable obligations and expenses of the Successor Agency for the six-month period ending June 30, 2012, and for every six-month period thereafter during the wind-down of the Dissolved RDA; and

WHEREAS, the City, acting in its capacity as the Successor Agency, prepared the ROPS for the period ending June 30, 2012, and the Oversight Board approved the ROPS on April 10, 2012 and

WHEREAS, the City, acting in its capacity as the Successor Agency, and pursuant to a request from the Department of Finance, prepared a revised ROPS for the six-month period ending June 30, 2012, and the Oversight Board approved the revised ROPS on May 1, 2012; and

WHEREAS, the City, acting in its capacity as the Successor Agency, prepared the ROPS for the six-month period ending December 31, 2012; and

WHEREAS, under the Dissolution Act, the ROPS must be certified by the County Auditor-Controller (or designee) and approved by the Oversight Board to enable the Successor Agency to continue to make payments on enforceable obligations; and

WHEREAS, pursuant to the Dissolution Act, the duly-constituted Oversight Board convened a public meeting on May 1, 2012 to consider the specific obligations listed on the ROPS and approval of the ROPS for the six-month period ending on December 31, 2012; and

WHEREAS, the Oversight Board reviewed the ROPS for the six-month period ending December 31, 2012 as presented by Successor Agency staff, and also reviewed and considered written and oral comments from the public relating thereto;

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board for the Successor Agency to the former Redevelopment Agency of the City of Healdsburg hereby finds, resolves, and determines as follows:

1. The foregoing recitals are true and correct.
2. Under Health and Safety Code § 34180(g), establishment of a ROPS for the Successor Agency must be approved by the Oversight Board.
3. The Oversight Board hereby approves the ROPS for the six-month period ending December 31, 2012 in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in the ROPS, and hereby determines that such agreements and obligations constitute “enforceable obligations” or “recognized obligations” for all purposes of the Dissolution Act. In connection with such approval, the Oversight Board makes the specific findings set forth below.
4. The Oversight Board has determined that none of the agreements or obligations of the Dissolved RDA with private parties (listed as Items 1 – 14 of page 1 the ROPS) should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities. Pursuant to Health and Safety Code §34181(e), the Oversight Board hereby ratifies the determination of the Successor Agency, and the Oversight Board finds that there is insufficient evidence that amendments or early termination of such private agreements would be in the best interests of the taxing entities, and that the continuation of such agreements would further the fiduciary responsibilities of the Oversight Board to the holders of enforceable obligations. For the same reasons, the Oversight Board ratifies the determination of the Successor Agency not to terminate those agreements with public agencies not falling within the scope of Health & Safety Code §34181(d), listed as page 2, items 1 - 19 on the ROPS.
5. Pursuant to Health & Safety Code §34181(d), the Oversight Board has considered whether to terminate agreements between the Dissolved RDA and any public entity located in the same county, obligating the Dissolved RDA to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity. These agreements are listed as Items 1 – 19 on page 2 on the ROPS. Items 1 – 19 of page 2 are found to be enforceable obligations in that Complaint in Validation (referred to as “Superior Court Judgment” in the ROPS) was filed on March 4, 2011 prior to the Governor signing AB 26 into law. The Judgment of Validation found “*The Cooperative Agreement and each and every provision therein constitutes a lawful, valid, and binding obligation under the law of California and the United States, subsisting in full force and effect and enforceable according to its terms;*” the Judgment also acknowledges, “*Each and every recital, finding, determination or legal conclusion stated in City Resolution No. 14-2011 and Agency Resolution No. RDA1-2011 and the Cooperative Agreement is true and correct in all respects.*”
6. The Oversight Board has examined the remaining items contained on the ROPS and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition and liquidation, the continued

administration of the ongoing agreements herein approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency. The Oversight Board approves the administrative budget items proposed by the Successor Agency listed as lines 1 – 6 on page 3 of the ROPS.

7. The Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in the ROPS and herein approved by the Oversight Board.
8. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the ROPS on the Successor Agency website, transmit the ROPS to the Auditor-Controller of the County of Sonoma and to the State Controller and the State Department of Finance, and to take any other actions necessary to ensure the validity of the ROPS or the validity of any enforceable obligation or other agreement approved by the Oversight Board in this Resolution.

The above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the Oversight Board for the Successor Agency to the former Redevelopment Agency of the City of Healdsburg on the 1st day of May, 2012 by the following vote:

AYES: Board Members: (6) Herrington, Liles, Navarrette, Schaffner, Ward and Chairperson Plass

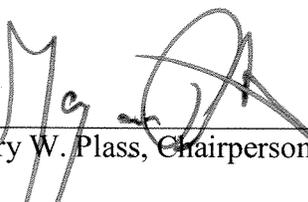
NOES: Board Members: (0) None

ABSENT: Board Members: (1) Ziedrich

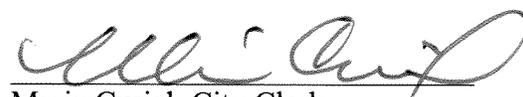
ABSTAINING: Board Members: (0) None

SO ORDERED:

ATTEST:



Gary W. Plass, Chairperson



Maria Curiel, City Clerk

I, MARIA CURIEL, Secretary to the Oversight Board for the Successor Agency to the former Redevelopment Agency of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. OB4-2012 duly adopted by the Oversight Board at a regular meeting on the 1st day of May 2012.



Maria Curiel, Board Secretary

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE (NOT ADOPTED BY OVERSIGHT BOARD)
 Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)						Total 6 Months
						Payments by month						
						July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
DEBT ADMINISTRATION												
1) 2002 Tax Allocation Bonds Series A	The Bank of New York Mellon	Bonds issued to fund non-housing projects	18,059,384	909,720	Reserves, Trust Fund	633,469						633,469
2) 2002 Tax Allocation Bonds Series B	USDA	Bonds issued to fund non-housing projects	2,347,556	115,894	Reserves, Trust Fund	80,981						80,981
3) 2002 Tax Allocation Bonds Series C	The Bank of New York Mellon	Bonds issued to fund housing projects	7,111,681	360,425	Reserves, Trust Fund	251,656						251,656
4) 2003 Tax Allocation Bonds Series A	The Bank of New York Mellon	Bonds issued to fund non-housing projects	18,141,051	922,242	Reserves, Trust Fund	622,630						622,630
5) 2003 Tax Allocation Bonds Series B	The Bank of New York Mellon	Bonds issued to fund housing projects	8,790,494	457,515	Reserves, Trust Fund	308,489						308,489
6) 2010 Tax Allocation Bonds	The Bank of New York Mellon	Bonds issued to fund non-housing projects	39,899,157	1,192,925	Reserves, Trust Fund	675,125						675,125
7) Disclosure	Willdan Financial Services	Fiscal Agent Fees	172,700	7,850	Reserves, Trust Fund	3,925						3,925
8) Trustee Agreement	The Bank of New York Mellon	Fiscal Agent Fees	33,000	1,500	Reserves, Trust Fund	750						750
9) Trustee Agreement	Union Bank	Fiscal Agent Fees	32,560	1,480	Reserves, Trust Fund	740						740
10) Property Tax Administration Fee	County of Sonoma	Per SB2557	2,200,000	100,000	Reserves, Trust Fund	50,000						50,000
PROPERTY MGMT & MAINT - NON-HOUSING												
11) Area Property Management	Golden Gate Landscaping	Maintain irrigation and landscape	29,592	9,864	Reserves, Trust Fund	822	822	822	822	822	822	4,933
12) Area Property Management	PGE and other utilities	utilities	16,848	5,616	Reserves, Trust Fund	468	468	468	468	468	468	2,808
13) Area Property Management	City of Healdsburg	property maintenance	283,992	94,664	Reserves, Trust Fund	7,889	7,889	7,889	7,888	7,889	7,888	47,332
OTHER ENFORCEABLE OBLIGATIONS - EST. EXPIRATION 6/30/13												
14) Economic development	Healdsburg Chamber of Commerce	Economic development	200,000	200,000	Reserves, Trust Fund			50,000			50,000	100,000
15)												
Totals - This Page (RPTIF Funding)			97,318,015	4,379,695	N/A	2,636,944	9,179	59,179	9,178	9,179	59,178	2,782,838
Totals - Page 2 (Other Funding)			19,121,076	8,301,729	N/A	838,790	838,790	838,791	838,793	838,796	838,799	5,032,759
Totals - Page 3 (Administrative Cost Allowance)			2,735,688	665,172	N/A	72,417	72,417	72,417	108,589	72,417	72,415	470,672
Totals - Page 4 (Pass Thru Payments)			63,359,582	2,879,981	N/A	-	-	-	-	-	2,879,981	2,879,981
			182,534,361	16,226,577	-	3,548,151	920,386	970,387	956,560	920,392	3,850,373	11,166,250

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

*** Funding sources from the successor agency:
 RPTTF - Redevelopment Property Tax Trust Fund
 LMIHF - Low and Moderate Income Housing Fund

Bonds - Bond proceeds
 Admin - Successor Agency Administrative Allowance

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE (NOT ADOPTED BY OVERSIGHT BOARD)
Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source ***	Payable from Other Revenue Sources						Total 6 Months
						Payments by month						
						July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
STREETScape IMPROVEMENTS												
1) Streetscape Improvements	City of Healdsburg	per Superior Court Judgment	967,992	967,992	Bonds/Reserves	161,332	161,332	161,332	161,332	161,332	161,332	967,992
HEALDSBURG AVENUE BRIDGE												
2) Healdsburg Avenue Bridge	City labor costs related to project	per Superior Court Judgment	11,998	3,969	Bonds/Reserves	279	279	279	279	279	279	1,674
3) Healdsburg Avenue Bridge	Omni-Means	per Superior Court Judgment	319,218	246,957	Bonds/Reserves	24,777	24,777	24,777	24,777	24,777	24,777	148,662
4) Healdsburg Avenue Bridge	to be determined	per Superior Court Judgment	1,937,499	719,884	Bonds/Reserves							-
5) Healdsburg Avenue Bridge	City of Healdsburg	per Superior Court Judgment	103,355	-	Bonds/Reserves							-
INFRASTRUCTURE IMPROVEMENTS												
6) Infrastructure Improvements	City of Healdsburg	per Superior Court Judgment	1,918,087	-	Bonds/Reserves							-
RECYCLED SYSTEM UPGRADE												
7) Recycled Water System Upgrade	City labor costs related to project	per Superior Court Judgment	22,500	22,500	Bonds/Reserves	1,916	1,916	1,917	1,917	1,917	1,917	11,500
8) Recycled Water System Upgrade	Winzler & Kelly	per Superior Court Judgment	90,000	90,000	Bonds/Reserves	8,333	8,333	8,333	8,333	8,334	8,334	50,000
9) Recycled Water System Upgrade	City of Healdsburg	per Superior Court Judgment	1,350,081	1,350,081	Bonds/Reserves	116,680	116,680	116,680	116,680	116,680	116,681	700,081
OTHER NON-HOUSING PROJECTS INCLUDED IN SUPERIOR COURT JUDGMENT												
10) Healdsburg Ave 5-way Intersection Improvements	City of Healdsburg	per Superior Court Judgment	2,400,000	400,000	Bonds/Reserves	33,333	33,333	33,333	33,333	33,334	33,334	200,000
11) Water /Sewer Capital Purchase Program	City of Healdsburg	per Superior Court Judgment	675,000	675,000	Reserves	58,333	58,333	58,333	58,334	58,333	58,334	350,000
12) Water Distribution System Upgrade	City of Healdsburg	per Superior Court Judgment	450,000	450,000	Bonds/Reserves	37,500	37,500	37,500	37,500	37,500	37,500	225,000
13) Purity Property Improvements	City of Healdsburg	per Superior Court Judgment	1,197,500	1,197,500	Bonds/Reserves	83,333	83,333	83,333	83,333	83,334	83,334	500,000
14) Extend Water/Sewer Services to South of City	City of Healdsburg	per Superior Court Judgment	6,000,000	650,000	Bonds/Reserves	83,333	83,333	83,333	83,333	83,334	83,334	500,000
15) Façade Program	City of Healdsburg	per Superior Court Judgment	240,000	150,000	Reserves	12,500	12,500	12,500	12,500	12,500	12,500	75,000
16) Grease Interceptor Rebate Program	City of Healdsburg	per Superior Court Judgment	210,000	150,000	Reserves	12,500	12,500	12,500	12,500	12,500	12,500	75,000
17) Utility Underground Rebate Program	City of Healdsburg	per Superior Court Judgment	350,000	350,000	Reserves	58,333	58,333	58,333	58,334	58,333	58,334	350,000
LOW AND MODERATE INCOME HOUSING FUND INCLUDED IN SUPERIOR COURT JUDGMENT												
18) Low and Moderate Income Housing Program	City of Healdsburg	per Superior Court Judgment	720,000	720,000	LMIHF/Reserves	120,000	120,000	120,000	120,000	120,000	120,000	720,000
19) Neighborhood Revitalization Program	City of Healdsburg	per Superior Court Judgment	157,846	157,846	LMIHF/Reserves	26,308	26,308	26,308	26,308	26,309	26,309	157,850
Totals - LMHF/Reserves			877,846	877,846	N/A	146,308	146,308	146,308	146,308	146,309	146,309	877,850
Totals - Bonds			-	-	N/A	-	-	-	-	-	-	-
Totals - Bonds/Reserves			16,768,230	6,098,883	N/A	550,816	550,816	550,817	550,817	550,821	550,822	3,304,909
Totals - Reserves			1,475,000	1,325,000	N/A	141,666	141,666	141,666	141,668	141,666	141,668	850,000
Grand total - This Page			19,121,076	8,301,729	N/A	838,790	838,790	838,791	838,793	838,796	838,799	5,032,759

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

*** Funding sources from the successor agency:
 RPTTF - Redevelopment Property Tax Trust Fund
 LMIHF - Low and Moderate Income Housing Fund

Bonds - Bond proceeds
 Admin - Successor Agency Administrative Allowance

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE (NOT ADOPTED BY OVERSIGHT BOARD)
Per AB 26 - Section 34177**

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source **	Payable from the Administrative Allowance Allocation						Total 6 Months
						Payments by month						
						July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
ADMIN PERSONNEL & OVERHEAD												
1) Successor Agency Administrative Cost - Personnel	Employees, etc.	Administrative personnel cost required to comply with ABx1 26.	1,000,000	250,000	Reserves, RPTIF, Admin Allowance	41,667	41,667	41,667	41,667	41,667	41,665	\$ 250,000
ADMIN NON-PERSONNEL												
2) Audit Services	Moss Levy & Hartzheim, CPAs	Annual Audits	184,688	46,172	Reserves, RPTIF, Admin Allowance				36,172			\$ 36,172
3) Legal Services	Meyers Nave	Legal services for Successor Agency	750,000	180,000	Reserves, RPTIF, Admin Allowance	15,000	15,000	15,000	15,000	15,000	15,000	\$ 90,000
4) Legal Services	Contractor(s) to be determined	Legal services for Oversight Board, if deemed necessary and appropriate.	765,000	180,000	Reserves, RPTIF, Admin Allowance	15,000	15,000	15,000	15,000	15,000	15,000	\$ 90,000
5) Legal Notices	Press Democrat, Healdsburg Tribune	Post notices of general distribution	24,000	6,000	Reserves, RPTIF, Admin Allowance	500	500	500	500	500	500	\$ 3,000
6) Postage	Jart-Computer & Mailing Service, US Postmaster	Mailing expenses and Courier Services	12,000	3,000	Reserves, RPTIF, Admin Allowance	250	250	250	250	250	250	\$ 1,500
7)												\$ -
8)												\$ -
9)												\$ -
10)												\$ -
												\$ -
Totals - This Page			\$ 2,735,688.00	\$ 665,172.00	N/A	72,417	72,417	72,417	108,589	72,417	72,415	\$ 470,672

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

*** Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust Fund

LMIHF - Low and Moderate Income Housing Fund

Bonds - Bond proceeds

Other - reserves, rents, interest earnings, etc.

Admin - Successor Agency Administrative Allowance

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE (NOT ADOPTED BY OVERSIGHT BOARD)
Per AB 26 - Section 34177

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Source of Fund***	Pass Through and Other Payments						Total 6 Months
							Payments by month						
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
1)	Pass Through Agreement	County	Payments per AB1290	14,842,454	674,657	Reserves, Trust Fund						674,657	674,657
2)	Pass Through Agreement	County	Payments per former CRL 33401	48,517,128	2,205,324	Reserves, Trust Fund						2,205,324	2,205,324
3)													-
4)													-
5)			Pass Thru Payments are estimates as the County calculates the figures, reduces the Agency's distributions and then distributes the amounts to the other taxing agencies.										-
6)													-
7)													-
8)													-
9)													-
10)													-
Totals - Other Obligations				63,359,582	2,879,981	N/A	-	-	-	-	-	2,879,981	2,879,981

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

*** Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust Fund

LMIHF - Low and Moderate Income Housing Fund

Bonds - Bond proceeds

Admin - Successor Agency Administrative Allowance