

RESOLUTION NO. OSB-002

RESOLUTION OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO COTATI COMMUNITY REDEVELOPMENT AGENCY APPROVING REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR THE PERIODS OF JANUARY 1-JUNE 30 AND JULY 1-DECEMBER 31, 2012, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

WHEREAS, on August 10, 2011, by Resolution 2011-58, the Agency approved and adopted an Enforceable Obligation Payment Schedule (EOPS); and,

WHEREAS, on December 29, 2011, the California Supreme Court issued its final decision in the litigation of *California Redevelopment Association v. Matosantos*, upholding Assembly Bill x1 26 (ABx1 26) and invalidating Assembly Bill x1 27 (the legislation that would have permitted redevelopment agencies to continue operation if their sponsoring jurisdiction agreed to make certain payments for the benefit of schools and special districts). As a result, all California redevelopment agencies were dissolved, effective February 1, 2012, and,

WHEREAS, on January 11, 2012, by Resolution 2011-73, the Agency approved and adopted a revised (2nd) EOPS adding the period of January 1 – June 30, 2012; and,

WHEREAS, pursuant to Health and Safety Code 34173, on January 11, 2012, by Resolution 2011-74, the City Council of the City of Cotati elected to become the successor agency to the Cotati Community Redevelopment Agency (Agency); and,

WHEREAS, on January 25, 2012, by Resolution 2012-03, the Agency approved and adopted a revised (3rd) EOPS for the period of January 1 – June 30, 2012; and,

WHEREAS, Health and Safety Code 34177, as modified by the Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, requires the successor agency to prepare a draft Recognized Obligation Payment Schedule (ROPS) by March 1, 2012, which sets forth the nature, amount, and source(s) of payment for all ‘enforceable obligations’ of the Agency to be paid by the successor agency after the Agency’s dissolution; and,

WHEREAS, the Successor Agency to the former Redevelopment Agency prepared a draft Recognized Obligation Payment Schedule (ROPS) by March 1, 2012.

WHEREAS, on March 14, 2012, by Resolution 2012-09, the City Council, acting as the Successor Agency to the former Redevelopment Agency, approved and adopted a revised (4th) EOPS for the period of January 1 – June 30, 2012; and,

WHEREAS the ROPS is a permanent schedule of obligations that replaces the EOPS once the ROPS has been approved by the oversight board. Only payments required pursuant to the ROPS may be made by the successor agency after May 1, 2012. The County Auditor-

Controller will allocate property tax increment to successor agencies to pay debts listed on the ROPS. A new ROPS must be adopted for each successive six-month period; and,

WHEREAS "Enforceable Obligations" listed in the ROPS may include the following: bonds, loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; payments required by the federal government; pre-existing obligations to the state or obligations imposed by state law; judgments, settlements or binding arbitration decisions that bind the agency; legally binding and enforceable agreements or contracts; contracts or agreements necessary for the continued administration or operation of the agency, including agreements to purchase or rent office space, equipment and supplies; and amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund or a redevelopment agency, which had been deferred as of June 29, 2011; and,

WHEREAS There is substantial controversy around the application of the enforceable obligations provision, including controversy specifically relating to the retroactive effect of those provisions which invalidate City/Agency and County/Agency obligations entered into by the Agency prior to adoption of ABx1 26; and,

WHEREAS The ROPS is not deemed valid unless:

- The draft ROPS is prepared by March 1, 2012. Approval of the preliminary draft ROPS by the Council (acting as the Successor Agency) is not specifically required by law. Recent correspondences with Sonoma County and from the California Department of Finance (DOF) indicate that they will be considering approval as a requirement. On March 14, 2012, by Resolution 2012-10, the City Council acting as the Successor Agency to the former Redevelopment Agency adopted the Draft Recognized Obligation Payment Schedule for the period of January 1 – June 30, 2012. On March 28, 2012, by Resolution 2012-11, the City Council acting as the Successor Agency to the former Redevelopment Agency adopted the Recognized Obligation Payment Schedule for the period of July 1 – January 31, 2012.
- The certified ROPS is approved by the oversight board.
- A copy of the approved ROPS is submitted to the County Auditor-Controller, the State Controller, and the State Department of Finance, and posted on the successor agency's website; and,

WHEREAS The City, acting as Successor Agency, submitted the Draft ROPS to the County Auditor-Controller on March 1, 2012 for review and certification. The City has been notified by the County Auditor-Controller's office that it does not anticipate completion of the ROPS certification until July 1, 2012 and recommends that the Oversight Board approve the uncertified ROPS prior to April 15, 2012 to meet the deadline to submit the ROPS to the State Department of Finance and State Controller's Office by April 15, 2012, pursuant to H&S Code 34177;

WHEREAS The Oversight Board approved Resolution OSB-001 on April 4, 2012 and the ROPS were subsequently submitted to the to the State Department of Finance and State Controller's Office prior to the deadline of April 15, 2012, pursuant to H&S Code 34177; and,

WHEREAS the firm of Macias Gini & O'Connell LLP was hired by the County of Sonoma to conduct an Agreed Upon Procedures Audit of Sonoma County Successor Agencies, and the field work for the Cotati Successor Agency audit was performed in May; and,

WHEREAS throughout May the DOF was also reviewing and commenting on the ROPS which had been approved by the Oversight Board and submitted to the DOF in April; and,

WHEREAS after discussions with the DOF and auditors hired by the County of Sonoma, revised ROPS for the periods of January – June and July – December 2012 were drafted and submitted to the DOF on May 21, 2012. The ROPS were approved by the DOF on May 25, 2012.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of Successor Agency to the Cotati Community Redevelopment Agency that it hereby:

1. Finds that the Recitals set forth above are true and correct, and are incorporated herein by reference.
2. Approves the Recognized Payment Schedules attached hereto, subject to all reservations of rights and contingencies set forth above.
3. Authorizes the Successor Agency's Executive Director or designee to take all actions necessary to implement this Resolution, including without limitation, the posting of this Resolution and the Recognized Obligation Payment Schedules on the Agency's webpage, and the provision of notice of adoption of this Resolution and such Schedule to the County Auditor-Controller, the State Controller and the State Department of Finance.
4. Declares that if any provision, sentence, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts

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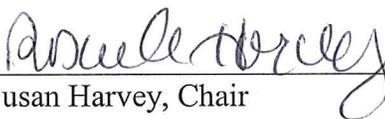
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IT IS HEREBY CERTIFIED that the foregoing resolution was duly adopted at a regular meeting of the Oversight Board of Successor to Agency to Cotati Community Redevelopment Agency held on the 22nd day of August, 2012, by the following vote, to wit:

Harvey	<u>Yes</u>
Moore	<u>Yes</u>
Calvert	<u>Yes</u>
Foster	<u>Yes</u>
Jolley	<u>Yes</u>
Parker	<u>Yes</u>
Rabbitt	<u>Yes</u>

Approved: 
Susan Harvey, Chair

Attest: 
Tamara Taylor, Clerk

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE (Uncertified)

Per AB 26 - Section 34167 and 34169
January - June 2012

Project Name / Debt Obligation	Payee	Description	Funding Source	Total Outstanding Debt or	Total Due During Fiscal Year	Payments by Month						Total
						Estimated						
						Jan	Feb	Mar	Apr	May	June	
1) 2001 Tax Allocation Bonds	Union Bank	Bonds issue to fund non-housing projects	Redevelopment Property Tax Trust Fund / Reserve Balances	\$ 11,573,742	\$ 392,878	\$ -	\$ 160,771	\$ -	\$ -	\$ -	\$ -	\$ 160,771
2) 2004 Tax Allocation Refunding Bonds	Union Bank	Bonds issue to fund non-housing projects	Redevelopment Property Tax Trust Fund / Reserve Balances	7,017,173	417,363	-	103,385	-	-	-	-	103,385
3) Employee Costs	Employees	Payroll for employees - Allocated Ancer Amounts	Administrative Cost Allowance	7,882,875	315,315	53,354	20,928	20,340	27,976	23,000	23,000	168,598
4) Employee Costs	Employees	Compensated Absences Payable	Administrative Cost Allowance	60,501	12,000	-	-	-	-	-	12,000	12,000
5) Legal Services	Meyers Nave	Legal Services	Administrative Cost Allowance	250,000	10,000	337	-	2,653	-	-	2,328	5,318
6) Auditing Services	Terry Krieg, CPA	Auditing Services	Administrative Cost Allowance	-	2,125	-	-	625	-	-	-	625
7) Insurance Expenses	REMIF	Insurance Expenses	Administrative Cost Allowance	615,400	24,616	-	-	-	-	-	1,164	1,164
8) Operating Expenses	Various	Allocated Agency Amounts	Administrative Cost Allowance	550,000	22,000	2,553	1,591	2,793	626	1,721	1,716	11,000
9) School District Agreement	Coltati Rohnert Park Unified School District	Negotiated % of increase	Redevelopment Property Tax Trust Fund / Reserve Balances	937,000	37,480	37,480	-	-	-	-	-	37,480
10) Property Tax Administration Fee	County of Sonoma	Property Tax Administration Fee	Redevelopment Property Tax Trust Fund	1,537,375	61,495	-	-	1,619	-	-	-	1,619
11) Pass Through Agreement	County of Sonoma	Payments per former CRL 33676	Redevelopment Property Tax Trust Fund / Reserve Balances	2,972,825	118,913	-	-	-	-	-	59,457	59,457
12) Pass Through Agreement	Special Districts - RAFD	Payments per former CRL 33676	Redevelopment Property Tax Trust Fund / Reserve Balances	1,045,800	41,832	-	-	-	-	-	20,916	20,916
13) Pass Through Agreement	SRJC	Payments per former CRL 33676	Redevelopment Property Tax Trust Fund / Reserve Balances	563,100	22,524	-	-	-	-	-	11,262	11,262
14) Pass Through Agreement	County of Sonoma	Payments per former CRL 33676	Redevelopment Property Tax Trust Fund / Reserve Balances	24,382,550	975,702	-	-	-	-	-	487,851	487,851
15) Pass Through Agreement	County Library	Payments per former CRL 33401	Redevelopment Property Tax Trust Fund / Reserve Balances	1,813,775	72,551	-	-	-	-	-	36,276	36,276
16) Pass Through Agreement	Special Districts	Payments per former CRL 33401	Redevelopment Property Tax Trust Fund / Reserve Balances	8,628,375	345,135	-	-	-	-	-	172,568	172,568
17) Agreement	De Novo	General Plan Update / Housing Element	Reserve Balances	311,520	130,230	11,205	10,780	39,645	8,270	12,500	12,500	94,900
18) Agreement 06/30/09 Administration of Rent Stabilization program	Sonoma County Community Development Commission	Mobile Home Rent Control Ordinance Administration	LMHIF Reserve Balance	3,400	3,400	212	-	-	-	-	200	412
19) Agreement	Omni-Means	ORH Project	Reserve Balances	377,057	271,089	23,777	-	96,639	20,165	19,653	25,000	187,434
20) Agreement	DKS	Intermodal Project	Reserve Balances	86,015	86,015	-	85,791	-	-	-	224	86,015
21) Agreement	Alicia Giudice	Intermodal Project	Reserve Balances	2,662	2,662	-	2,660	-	-	-	-	2,660
22) Agreement	Seabrook	ORH Project	Reserve Balances	2,606	2,606	1,403	-	-	-	-	1,203	2,606
23) Agreement	Meston	ORH Project	Reserve Balances	1,045	1,045	1,045	-	-	-	-	-	1,045
24) Agreement	MTC	Intermodal Grant Match	Reserve Balances	303,106	-	-	-	-	-	-	-	-
25) Agreement	MTC	ORH Grant Match	Reserve Balances	220,000	-	-	-	-	-	-	-	-
26) Agreement	Nelson Nygard	ORH Project	Reserve Balances	24,000	24,000	6,750	3,600	-	-	-	13,650	24,000
27) Redevelopment Grant Agreement_09/01/10	Housing Land Trust	Ryan (Jamie) Lane Project	LMHIF Reserve Balance	1,184	1,184	1,184	-	-	-	-	-	1,184
28) Grant Agreement	Housing Land Trust	Ryan (Jamie) Lane Project	LMHIF Reserve Balance	599,500	-	-	-	-	-	-	-	-
29) Agreement	Habitat For Humanity	Project - Woodland Hills	LMHIF Reserve Balance	414,965	-	-	-	-	-	-	-	-
Grand total				\$ 72,187,551	\$ 3,394,158	\$ 139,300	\$ 369,506	\$ 166,514	\$ 57,037	\$ 56,874	\$ 881,315	\$ 1,650,546

1 - Per Sonoma County Auditor-Controller estimates of distribution from Successor Agency Redevelopment Property Tax Trust Funds (RPTTF). Coltati Agency received 100% tax increment payment in December 2011. This report is available at <http://www.sonoma-county.org/racttc/dissolution.htm>.
2 - Estimated Amount - FY 10-11 levels extended through the previous term of the Agency for Total Outstanding Obligation
All future month's expenditures are estimated

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE - 2nd (Uncertified)

Per AB 28 - Section 34177
July - Dec 2012

Name of Redevelopment Agency:

Project Area(s)

Project Name / Debt Obligation	Payee	Description	Funding Source	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Estimated Payments by month					Total	
						Jul	Aug	Sep	Oct	Nov		Dec
1) 2001 Tax Allocation Bonds	Union Bank	Bonds issue to fund non-housing projects	Redevelopment Property Tax Trust Fund / Reserve Balances	\$ 11,180,864	\$ 399,983		\$ 199,992					\$ 199,992
2) 2004 Tax Allocation Refunding Bonds	Union Bank	Bonds issue to fund non-housing projects	Redevelopment Property Tax Trust Fund / Reserve Balances	6,589,810	417,363		208,682					208,682
3) Employee Costs	Employees	Payroll for employees - Allocated Agency Amounts	Administrative Cost Allowance	914,414								
4) Employee Costs	Employees	Compensated Absences Payable	Administrative Cost Allowance	34,800								
5) Legal Services	Meysers Nave	Legal Services	Administrative Cost Allowance	29,000								
6) Auditing Services	Terry Krieg, CPA	Auditing Services	Administrative Cost Allowance	71,386								
7) Insurance Expenses	REMIF	Insurance Expenses	Administrative Cost Allowance	63,800								
8) Operating Expenses	Various	Allocated Agency Amounts	Administrative Cost Allowance									
#REF!	County of Sonoma	Property Tax Administration Fee	Redevelopment Property Tax Trust Fund / Reserve Balances	1,440,000	60,000							30,000
11) Pass Through Agreement	County of Sonoma	Payments per former CRL 33676	Redevelopment Property Tax Trust Fund / Reserve Balances	2,853,912	118,913							59,457
12) Pass Through Agreement	Special Districts - RAFD	Payments per former CRL 33676	Redevelopment Property Tax Trust Fund / Reserve Balances	1,003,968	41,832							20,916
13) Pass Through Agreement	SRJC	Payments per former CRL 33676	Redevelopment Property Tax Trust Fund / Reserve Balances	540,576	22,524							11,262
14) Pass Through Agreement	County of Sonoma	Payments per former CRL 33676	Redevelopment Property Tax Trust Fund / Reserve Balances	23,416,848	975,702							487,851
15) Pass Through Agreement	County library	Payments per former CRL 33401	Redevelopment Property Tax Trust Fund / Reserve Balances	1,741,224	72,551							36,276
16) Pass Through Agreement	Special Districts	Payments per former CRL 33401	Redevelopment Property Tax Trust Fund / Reserve Balances	8,283,240	345,135							172,568
17) Agreement	De Novo	General Plan Update / Housing Element	Reserve Balances	181,290	130,000							65,000
19) Agreement	Omni-Means	ORH Project	Reserve Balances	105,968	105,968							105,966
24) Agreement	MTC	Intermodal Grant Match	Reserve Balances	303,106	303,106							25,259
25) Agreement	MTC	ORH Grant Match	Reserve Balances	220,000	220,000							18,333
28) Agreement	Housing Land Trust	Ryan (Jamie) Lane Project	LMHF Reserve Balance	599,500	-							-
29) Agreement	Habitat For Humanity	Project - Woodland Hills	LMHF Reserve Balance	414,965	-							-
Grand total				\$ 58,998,671	\$ 3,463,077	\$ 82,087	\$ 82,086	\$ 490,760	\$ 82,086	\$ 82,087	\$ 965,417	\$ 1,784,523

1 - Per Sonoma County Auditor-Controller estimates of distribution from Successor Agency Redevelopment Property Tax Trust Funds (RP/TF). Cotati Agency received 100% tax increment payment in December 2011. This report is available at <http://www.sonoma-county.org/actinfo/dissolution.html>.
 2 - Estimated Amount - FY 11-12 levels extended through 2 years, subsequent 3 years at 30% for Total Outstanding Obligation. County pays directly
 3 - Estimated Amount - FY 10-11 levels extended through the previous term of the Agency for Total Outstanding Obligation
 4 - \$250,000 Administrative Cost Allowance
 Monthly expenditures are estimates