

RESOLUTION NO. OB 2014-03**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO APPROVING THE SEVENTH RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 14-15B) FOR THE PERIOD FROM JANUARY 1, 2015 TO JUNE 30, 2015**

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 in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency of the City of East Palo Alto (the "Dissolved RDA"), were dissolved on February 1, 2012; and

WHEREAS, on January 10, 2012, the City Council (the "City Council") of the City of East Palo Alto (the "City") adopted resolution 4226 accepting for the City the role of Successor Agency to the Dissolved RDA (the "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 every six-month period, starting with the period ending on June 30, 2012; and

WHEREAS, on September 15, 2014, the Successor Agency staff prepared, the Oversight Board considered and approved the Sixth ROPS (ROPS 14-15B) for the six-month period ending June 30, 2015 (the "Seventh ROPS"); attached here as Exhibit A, including a \$125,000 Administrative Costs allowance; attached here as Exhibit B, and

WHEREAS, under the Dissolution Act, the ROPS 14-15B must be approved by the Successor Agency's oversight board (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 for the Successor Agency met at a duly noticed public meeting on September 15, 2014 to obtain an overview of the ROPS 14-15B to consider specific obligations listed on the Seventh ROPS and to consider approval of the Seventh ROPS, among other approvals; and

WHEREAS, the Oversight Board has considered the aforementioned items and finds that such obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act; and

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency for the Dissolved RDA hereby finds, resolves, and determines as follows:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

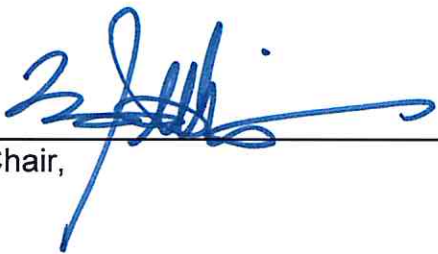
SECTION 2. Under the Health and Safety Code, the Oversight Board may reconsider disallowed enforceable obligations by the Department of Finance.

SECTION 3. The Oversight Board has reviewed the City loans included in items 1 and 3 of the ROPS 14-15A, approves the loans as enforceable obligations and makes a finding that they were for legitimate redevelopment purposes.

SECTION 4. The Oversight Board has reviewed all the aforementioned obligations, and hereby approves all items included in ROPS 14-15B (Exhibit A) as enforceable obligations.

ADOPTED on September 15, 2014 by the Members of the Oversight Board of the Successor Agency for the Redevelopment Agency of the City of East Palo Alto with the following vote, to wit:


	Abrica	Chow	Curtis	Doughty	Farrales	Jellins	Schapelhouman
AYES:		✓		✓		✓	✓
NOES:							
ABSENT:	✗		✗		✗		
ABSTAIN:							



 Chair,



 Oversight Board Secretary



 Approved as to form, OB Counsel

Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary

Filed for the January 1, 2015 through June 30, 2015 Period

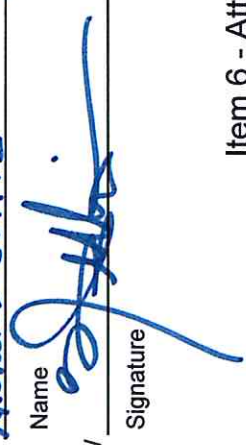
Name of Successor Agency: East Palo Alto
 Name of County: San Mateo

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A Sources (B+C+D):	\$ -
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 994,989
F Non-Administrative Costs (ROPS Detail)	869,989
G Administrative Costs (ROPS Detail)	125,000
H Current Period Enforceable Obligations (A+E):	\$ 994,989

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	994,989
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(127,753)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 867,236

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	994,989
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	994,989

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

Nicholas Jellins Nice-Chair
 Name Title
 /s/  9.15.14
 Signature Date

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail
January 1, 2015 through June 30, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M			N	O	P
												Funding Source					
												Trust Fund (Non-RPTTF)	Reserve Balance	Other Funds			
Bond Proceeds	Retired	Non-Admin	Admin	Six-Month Total													
1	Repayment Agreement (06/1989)	City/County Loans	6/19/1989	1/18/2045	City of East Palo Alto	Loan for Operation Advances	R	\$ 92,046,121	N	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 924,989	
2	Repayment Agreement (06/1989)	City/County Loans	6/19/1989	1/18/2045	City of East Palo Alto	Infrastructure Improvements	G,U,C,R	5,276,883	N	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	Repayment Agreement (02/1995)	City/County Loans	2/21/1995	1/18/2045	City of East Palo Alto	Debt for Land Sold to Agency	G	36,208,712	N	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4	Bay Road Infrastructure Improvements	City/County Loans	8/10/2005	6/30/2020	City of East Palo Alto	Local match for Bay Road Infrastructure Improvements	G,U,C,R	6,413,730	N	\$ -	\$ -	\$ -	\$ -	\$ -	511	\$ -	
5	2003 Tax Allocation Refunding Bonds, Series A	Bonds Issued On or Before 12/31/10	1/1/2003	10/1/2032	Wells Fargo Bank Trust	Partial refunding of 1999 TABS	G,U,C	2,376,000	N	\$ -	\$ -	\$ -	\$ -	123,619	\$ -	123,619	
6	2003 Tax Allocation Refunding Bonds, Series B	Bonds Issued On or Before 12/31/10	1/1/2003	10/1/2032	Wells Fargo Bank Trust	Partial refunding of 1999 TABS; housing portion	G,U,C	9,030,450	N	\$ -	\$ -	\$ -	\$ -	89,819	\$ -	89,819	
7	2005 Revenue Bonds, Series A	Revenue Bonds Issued On or Before 12/31/10	1/1/2005	10/1/2029	Wells Fargo Bank Trust	Refunding of 1999 TABS	G,U,C	4,836,413	N	\$ -	\$ -	\$ -	\$ -	362,245	\$ -	362,245	
8	Post Audit of Financial Transactions	Dissolution Audits	1/1/2012	6/30/2015	Badawi and Associates	post audit of financial transactions as required under AB 1484	G,U,C,R	8,200	N	\$ -	\$ -	\$ -	\$ -	74,695	\$ -	74,695	
9	Employee Costs for project implementation activities	Project Management Costs	1/1/2012	6/30/2015	Employees of Agency	Payroll and Payroll-related Costs	G,U,C,R	189,800	N	\$ -	\$ -	\$ -	\$ -	60,000	\$ -	60,000	
10	Due Diligence Review as mandated by AB 1484	Dissolution Audits	8/13/2012	6/30/2015	CPA firm to be determined	Due diligence review performed by licensed accountant	G,U,C,R	6,000	N	\$ -	\$ -	\$ -	\$ -	9,100	\$ -	9,100	
11	Operating Subsidy Loan	Business Incentive Agreements	5/4/2004	1/1/2026	Bay Road Housing LP	Courtyard Affordable Housing	R	720,000	N	\$ -	\$ -	\$ -	\$ -	125,000	\$ -	125,000	
12	Bank Charges for Bond Fiscal Agent Management	Fees	1/1/1999	1/1/2032	Wells Fargo Bank Trust	Trustee administrative charges	G,U,C,R	163,800	N	\$ -	\$ -	\$ -	\$ -	9,100	\$ -	9,100	
14	Employee Costs for project implementation activities	Project Management Costs	2/1/2012	6/30/2015	Employees of Agency	Payroll and Payroll-related Costs	G,U,C,R	4,750,000	N	\$ -	\$ -	\$ -	\$ -	150,000	\$ -	150,000	
15	Administrative Costs	Admin Costs	2/1/2012	6/30/2015	City of East Palo Alto and 3rd Party Vendors	Administrative Allowance	G,U,C,R	49,275	N	\$ -	\$ -	\$ -	\$ -	125,000	\$ -	125,000	
16	Vacation payments made to former RDA employees	Unfunded Liabilities	2/1/2012	6/30/2015	City of East Palo Alto	Payout of accrued vacation made to former RDA employees	G,U,C,R	33,933	N	\$ -	\$ -	\$ -	\$ -	150,000	\$ -	150,000	
17	Sick leave payments made to former RDA employees	Unfunded Liabilities	2/1/2012	6/30/2015	City of East Palo Alto	Payout of accrued sick made to former RDA employees	G,U,C,R	600,000	N	\$ -	\$ -	\$ -	\$ -	150,000	\$ -	150,000	
18	Actual Employee Costs for project implementation activities during the ROPS III period in excess of previous funding	Project Management Costs	1/1/2012	6/30/2015	Employees of Agency	Payroll and Payroll-related Costs	G,U,C,R	600,000	N	\$ -	\$ -	\$ -	\$ -	150,000	\$ -	150,000	
19	Housing Entity administrative cost allowance	Housing Entity Admin Cost	7/1/2014	6/30/2018	City of East Palo Alto	Housing Entity administrative cost as allowed under AB 471	G, U, C, R	600,000	N	\$ -	\$ -	\$ -	\$ -	150,000	\$ -	150,000	
20									N								
21									N								
22									N								
23									N								
24									N								
25									N								
26									N								
27									N								
28									N								
29									N								
30									N								
31									N								

Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

A	B	C	D	E	F	G	H	I						
									Fund Sources					
									Bond Proceeds		Reserve Balance		Other	RPTTF
Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin									
Cash Balance Information by ROPS Period														
1	ROPS 13-14B Actuals (01/01/14 - 06/30/14)													
	Beginning Available Cash Balance (Actual 01/01/14)						150,161							
2	Revenue/Income (Actual 06/30/14)													
	RPTTF amounts should lie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014						907,358							
3	Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14)													
	RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q						929,766							
4	Retention of Available Cash Balance (Actual 06/30/14)													
	RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B													
5	ROPS 13-14B RPTTF Prior Period Adjustment													
	RPTTF amount should lie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S						127,753							
6	Ending Actual Available Cash Balance													
	C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)													
ROPS 14-15A Estimate (07/01/14 - 12/31/14)														
7	Beginning Available Cash Balance (Actual 07/01/14)													
	(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)						127,753							
8	Revenue/Income (Estimate 12/31/14)													
	RPTTF amounts should lie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014						1,418,762							
9	Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)													
							1,418,762							
10	Retention of Available Cash Balance (Estimate 12/31/14)													
	RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A													
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)													
							127,753							

Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Prior Period Adjustments
 Reported for the ROPS 13-14B (January 1, 2014 through June 30, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (b)
 (Report Amounts in Whole Dollars)

ROPS 13-14B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA) Pursuant to HSC Section 34186 (b), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14B (January through June 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 14-15B (January through June 2015) period will be offset by the SA's self-reported ROPS 13-14B prior period adjustment. HSC Section 34186 (b) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures										RPTTF Expenditures										Admin and Other PPA Amount Used to Offset ROPS 14-15B	Net Difference	SA Comments	CAC Comments					
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin		Admin		Available RPTTF (ROPS 13-14B distributed + all other available as of 01/1/14)		Net Lesser of Authorized / Available		Difference		Admin CAC		Net Lesser of Authorized / Available						Difference				
		Actual	Authorized	Actual	Authorized	Actual	Authorized	Net Lesser of Authorized / Available	Net Lesser of Authorized / Available	Available RPTTF (ROPS 13-14B distributed + all other available as of 01/1/14)	Available RPTTF (ROPS 13-14B distributed + all other available as of 01/1/14)	Net Lesser of Authorized / Available	Net Lesser of Authorized / Available	Difference	Difference	Actual	Authorized	Actual	Authorized	Net Lesser of Authorized / Available	Net Lesser of Authorized / Available	Difference	Difference	Actual	Authorized	Net Difference (M+R)				
1	Repayment Agreement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Repayment Agreement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Repayment Agreement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Bay Road Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	2003 Tax Allocation Refunding Bonds, Series A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	2003 Tax Allocation Refunding Bonds, Series B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	2005 Revenue Bonds, Series A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Refund of Financial Traffic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Employee Costs for project implementation activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Due Diligence Review as mandated by AB 1484	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Block Check for Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Fiscal Agent Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Bay Road Infrastructure Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Employee Costs for project implementation activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Administrative Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Vacation payments made to former RDA employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Sick leave payments made to former RDA employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Actual Employee Costs for project implementation activities during the ROPS III period in excess of previous funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

ROPS 13-14B CAC PPA: To be completed by the CAC upon submittal of the ROPS 14-15B by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the Admin amounts do not need to be listed at the line item level and may be entered as a lump sum.

Recognized Obligation Payment Schedule (ROPS 14-15B) - Notes January 1, 2015 through June 30, 2015	
Item #	Notes/Comments
1	This obligation is evidenced by a loan repayment agreement between the City of East Palo Alto (City) and the former East Palo Alto Redevelopment Agency (RDA) whereby the City advanced cash to provide operating funds for the Ravenswood Project Area to implement its redevelopment plan and to reduce blight. Under AB 1484 (Dissolution Act), this loan agreement can be repaid beginning in fiscal year 2013-14, but after the Successor Agency (SA) receives a Finding of Completion from the DOF (which the SA received on July 16, 2013) and the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. The Dissolution Act also requires that the interest rate on the loan not to exceed the LAIF rate. As a result, the City recalculated the loan amount and wrote down the balance using the LAIF rates. The amount of \$5,276,883 shown on ROPS 14-15B is the new loan balance using the LAIF rates. Under Health and Safety Code Section 34191.4, the annual loan repayments that can be included in the ROPS are limited. The maximum repayment amount for fiscal year 2013-14 is limited to the growth in RPTTF revenues in 2013-14 compared to the base year of 2012-13 (new growth). Due to the small amount of new growth, no payment is included in the ROPS 14-15B.
2	This obligation is evidenced by an amendment to the 1989 repayment agreement between the City of East Palo Alto (City) and the East Palo Alto Redevelopment Agency (RDA) whereby the RDA would reimburse the City for infrastructure improvements obligations in the Ravenswood Project Area necessary to implement its redevelopment plan. No repayment is included in ROPS 14-15B.
3	This obligation is for land sold from the City of East Palo Alto (City) to the East Palo Alto Redevelopment Agency (RDA) for which the City entered into a long term loan agreement whereby the RDA would repay the City over time. Under AB 1484 (Dissolution Act), this loan agreement can be repaid beginning in fiscal year 2013-14, but after the Successor Agency (SA) receives a Finding of Completion from the DOF (which the SA received on July 16, 2013) and the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. The Dissolution Act also requires that the interest rate on the loan not to exceed the LAIF rate. Since this was a zero interest loan, no recalculation was necessary. Under Health and Safety Code Section 34191.4, the annual loan repayments that can be included in the ROPS are limited. The maximum repayment amount for fiscal year 2013-14 is limited to the growth in RPTTF revenues in 2013-14 compared to the base year of 2012-13 (new growth). The repayment amount has been calculated using the DOF provided Sponsoring Entity Loan Repayment Calculator.
4	This obligation was originally approved by the OSB and DOF in ROPS I. The SA relied on the DOF approval and obligated a contract with a 3rd party. Nevertheless, the DOF denied this as an enforceable obligation in its DDR - OFA determination letter. The SA continues to protest this DOF action.
5	
6	
7	
8	Total outstanding Obligation is an estimate
9	Total outstanding Obligation is an estimate
10	
11	
12	Total outstanding Obligation is an estimate
13	N/A
14	This item should be deleted as it is included as item # 9
15	Total outstanding Obligation is an estimate
16	This obligation was originally approved by the OSB and DOF in ROPS I. However, the DOF clawed the funds back in the DDR - OFA as monies had not been disbursed yet. The DOF gave instructions to the SA in its DDR - OFA determination letter to include the obligation on future ROPS once the obligation becomes payable.
17	This obligation was originally approved by the OSB and DOF in ROPS I. However, the DOF clawed the funds back in the DDR - OFA as monies had not been disbursed yet. The DOF gave instructions to the SA in its DDR - OFA determination letter to include the obligation on future ROPS once the obligation becomes payable.
18	This item should be deleted
19	Annual Housing Entity administrative cost allowance as provided under AB 471

Administrative Allowance Budget

City of East Palo Alto, in its capacity as Successor Agency, for the Former Redevelopment Agency of the City of East Palo Alto			
Administrative Budget, January 1, 2015 - June 30, 2015			
	Budgeted	Rate	Hours
Personnel - Economic Development Division Manager	\$ 2,885	\$72.12	40
Management and administrative Support (per Cost Allocation Plan)	\$ 121,107		
Services and supplies			
Legal, accounting, and professional services	\$ 1,008		
Total Administrative Budget	\$ 125,000		