

**SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
AVALON COMMUNITY IMPROVEMENT AGENCY
TUESDAY, FEBRUARY 25, 2014– 12:45 P.M.
CITY COUNCIL CHAMBERS 410 AVALON CANYON ROAD, AVALON, CA 90704**

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the Oversight Board. Such records shall be available at City of Avalon City Hall located at 410 Avalon Canyon Rd.

CALL TO ORDER / PLEDGE OF ALLEGIANCE / INVOCATION / ROLL CALL

ANNOUNCEMENTS / WRITTEN COMMUNICATIONS

ORAL COMMUNICATION

Members of the public may address the Oversight Board at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

GENERAL BUSINESS- PUBLIC COMMENT

1. Minutes from the September 24, 2013 Oversight Board Meeting

Although the live recording is the official record of Oversight Board meetings, minutes are prepared for the Board's approval. Present at the meeting: Robert Kennedy, Julie Moore, Eric Huart and Gabrielle Morones.

Recommended Action

That the Oversight Board adopt a resolution approving minutes from the September 24, 2013 Oversight Board Meeting.

2. ROPS 14-15A and Successor Agency Administrative Budget

Health and Safety Code Section 34177(l) requires the Successor Agency to prepare and submit a Recognized Obligation Payment Schedule (ROPS), prior to each six-month fiscal period, to the Oversight Board, County Auditor-Controller, State Controller's Office (SCO), and State Department of Finance (DOF) for review and approval.

Recommended Action

That the Oversight Board: 1) Adopt a resolution approving the Recognized Obligation Payment Schedule for the Six-Month Fiscal period beginning July 1, 2014 and ending December 31, 2014 and 2) Approve the Successor Agency Administrative Budget for the Six-Month Fiscal period beginning July 1, 2014 and ending December 31, 2014.

ADJOURN

NOTICE OF POSTING

I, Denise Radde, declare that the Oversight Board Agenda for the February 25, 2014 special meeting was posted before 12:30 p.m. on Monday, February 24, 2014, on the City of Avalon's website www.cityofavalon.com, and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall.



Denise A. Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON
COMMUNITY IMPROVEMENT AGENCY

MEETING DATE: February 25, 2014

AGENDA ITEM: 1

ORIGINATING DEPARTMENT: Successor Agency

CITY MANAGER: BH

PREPARED BY: Denise Radde

SUBJECT: Oversight Board Meeting Minutes

RECOMMENDED ACTION

That the Oversight Board adopts the resolution approving minutes from the Oversight Board Meeting on September 24, 2013.

REPORT SUMMARY:

Although the live recording is the official record of the Oversight Board meetings, minutes are prepared for the Board's approval.

FISCAL IMPACTS: N/A

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: N/A

FOLLOW UP ACTION: N/A

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda.

ATTACHMENTS: Minutes and resolution for September 24, 2013.

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
AVALON COMMUNITY IMPROVEMENT AGENCY
MINUTES OF SEPTEMBER 24, 2013**

CALL TO ORDER: 12:52 p.m.

ROLL CALL: Present - Oversight Board members Robert Kennedy, Eric Huart, Julie Moore and Gabrielle Morones . Absent: James Novak, Christopher Blehm, and Mark Taylor. Also present- City Clerk Denise Radde and Director of Finance Betty Jo Garcia. (Elizabeth Hull, Best Best & Krieger and Ken Lee, RGS Consultant were unable to make this meeting.)

There were no announcements, written communications or oral communication from the audience.

General Business

1. Adopted Resolution approving minutes from the Oversight Board meeting on February 26, 2013. Motion by Eric Huart, seconded by Gabrielle Morones. (3 Ayes- Kennedy, Huart and Morones, 1 Abstain-Moore, 3 Absent- Blehm, Novak and Taylor)

2. ROPS 13-14B and Successor Agency Administrative Budget
 - A) Adopted Resolution approving the Recognized Obligation Payment Schedule for the Six-Month Fiscal period beginning January 1, 2014 and ending June 30, 2014. Motion by Eric Huart, seconded by Julie Moore. (4 Ayes-Moore, Huart, Kennedy and Morones, 3 Absent-Novak, Taylor and Blehm)
 - B) Approved the Successor Agency Administrative Budge for the Six-Month Fiscal period beginning January 1, 2014 and ending June 30, 2014. Motion by Bob Kennedy, seconded by Julie Moore. (4 Ayes-Moore, Huart, Kennedy and Morones, 3 Absent-Novak, Taylor and Blehm) M

Chairman Robert Kennedy adjourned the meeting at 12:54 p.m.

I, Denise Radde, Oversight Board Secretary/City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency meeting of September 24, 2013, is the official record of that Oversight Board Meeting and is on file and maintained in City Hall.

Denise A. Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED AVALON COMMUNITY IMPROVEMENT AGENCY, APPROVING MINUTES FROM THE OVERSIGHT BOARD MEETING ON SEPTEMBER 24, 2013

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Avalon ("Successor Agency") is the successor agency to the dissolved Avalon Community Improvement Agency ("Agency"),

WHEREAS, pursuant to Health and Safety Code section 34179(a), the Oversight Board is the Successor Agency's oversight board; and

WHEREAS, pursuant to Health and Safety Code section 34179(e), the Oversight Board is deemed to be a local entity for purposes of the Ralph M. Brown Act (Gov. Code, § 54950 et seq.); and

WHEREAS, Exhibit A, pursuant to Government Code section 54954(a), the Oversight Board desires to provide, by resolution, the minutes from the September 24, 2013 meeting.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Actions. Minutes from the September 24, 2013 meeting.

Section 3. Certification. The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 4. Effective Date. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

PASSED AND ADOPTED at a special meeting of the Oversight Board on the 25th day of February, 2014 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Robert Kennedy, Chairperson

ATTEST:

Denise Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON
COMMUNITY IMPROVEMENT AGENCY

MEETING DATE: February 25, 2014

AGENDA ITEM: 2

ORIGINATING DEPARTMENT: Successor Agency

CITY MANAGER: BH

PREPARED BY: Ken Lee, Consultant, RSG Inc.
Suzy Kim, Consultant, RSG Inc.

SUBJECT: ROPS 14-15A and Successor Agency Administrative Budget

RECOMMENDED ACTION

That the Oversight Board adopt the resolution: (1) Approving the Recognized Obligation Payment Schedule for the Six-Month Fiscal Period Beginning July 1, 2014 and Ending December 31, 2014; and (2) Approving the Successor Agency Administrative Budget for the Six-Month Fiscal Period Beginning July 1, 2014 and Ending December 31, 2014.

BACKGROUND

ROPS 14-15A

Health and Safety Code ("HSC") Section 34177(l) requires the Successor Agency to prepare and submit a Recognized Obligation Payment Schedule ("ROPS"), prior to each six-month fiscal period, to the Oversight Board, County Auditor-Controller, State Controller's Office ("SCO"), and State Department of Finance ("DOF") for review and approval. For the ROPS period of July 1, 2014 to December 31, 2014 ("ROPS 14-15A"), the statute requires that an Oversight Board-approved ROPS be submitted to the State by no later than March 1, 2014. If the ROPS is not submitted by that deadline, the City of Avalon (as the City and not as the Successor Agency) may be subject to a civil penalty of \$10,000 per day for each day it is late. These requirements for the ROPS took effect in 2012 as a result of AB 1484 (Chapter 26, Statutes of 2012). The Successor Agency approved the draft ROPS 14-15A on February 18, 2014.

Non-housing Bond Proceeds – Lower Terrace Road

The Successor Agency received a Finding of Completion (aka the "Golden Ticket") on July 16, 2013. The Finding of Completion opens the door for the Successor Agency to pay for capital projects using non-housing bond proceeds (2003 Tax Allocation Bond Series A) for which an enforceable obligation did not previously exist on the ROPS. Enforceable obligations for capital projects funded on the ROPS since dissolution of the Avalon Community Improvement Agency ("ACIA") in 2012 have included sewer repairs,

wastewater treatment plan repairs, and Pebbly Beach Road improvements. In the current ROPS 13-14B period (January-June 2014), \$1.3 million in bond proceeds were proposed to be spent on the Lower Terrace Road Strengthening and Utility Protection Project. The Oversight Board and DOF approved the obligation. Significant work on this project has been completed but may continue into the next ROPS 14-15A period. The Successor Agency is therefore proposing to make \$270,000 in non-housing bond proceeds available on the ROPS 14-15A to finish out the project.

Housing Bond Proceeds

In addition to non-housing capital projects, the Successor Agency can use housing bond proceeds (2003 Tax Allocation Bond Series B) to fund housing activities consistent with the bond covenants. In the ROPS 13-14A (July-December 2013), the Successor Agency included a \$500,000 line item to make funding available for the Housing Authority's Low and Moderate Income Down Payment Assistance Program. This item carried over onto the ROPS 13-14B (January-June 2014) since no funds were expended during the July-December period. The eligibility review and application process for the program is currently under way. Depending on the timing of the Housing Authority's approvals on the program applications, the Housing Authority could expend none, some, or all of the funds by June 30, 2014. The Successor Agency is proposing to maintain the \$500,000 funding level on the ROPS 14-15A to address different outcomes by June 30, 2014.

For the current ROPS 13-14B (January-June 2014), the Successor Agency also added a \$3.8 million line item to make housing bond proceeds available for a proposed very low income multifamily housing project pursuant to an Exclusive Negotiating Agreement ("ENA") with Hamilton Pacific, Inc. The ENA process is ongoing. No bond proceeds are expected to be spent until a development agreement with Hamilton Pacific, Inc. is executed, if any such development agreement is ever executed. The Successor Agency is proposing to maintain the \$3.8 million line item on the ROPS 14-15A while the ENA process continues into the July-December 2014 ROPS period.

SERAF Loan Repayment

In addition to providing access to unspent bond proceeds, the Finding of Completion also provides the Successor Agency the ability to repay monies loaned or advanced to the former ACIA from its Low and Moderate Income Housing Fund ("LMIHF") in fiscal years 2009-10 and/or 2010-11 to make required payments to the State's Supplemental Educational Revenue Augmentation Fund ("SERAF") during those years. In fiscal year 2009-10, the ACIA suspended a \$1,000,000 deposit of tax increment in to its LMIHF, creating a \$1,000,000 debt to the LMIHF. With the receipt of the Finding of Completion, the Successor Agency can now repay that \$1,000,000 loan to the Housing Authority's Low and Moderate Income Housing Asset Fund through the ROPS based on a prescribed calculation formula. The Successor Agency is proposing to begin repayments starting in the ROPS 14-15B period (January-June 2015) or later, depending on the projected sufficiency of available property tax revenues. The Oversight Board must first approve a proposed repayment schedule which the Board

will be considering as a separate agenda item at this same February 25, 2014 meeting.

Prior Period Payment "True-up"

The Successor Agency is required to itemize all prior period ROPS payments for enforceable obligations and administrative costs. The prior period included in this next ROPS is July through December 2013 (ROPS 13-14A). The prior period payment "true-up" process compares estimated ROPS 13-14A payments versus actual payments from July through December 2013. If the Successor Agency spent less than it estimated, fund balances should be used to pay for ROPS 14-15A obligations and, under AB 1484, the County Auditor-Controller will adjust down the distribution of RPTTF to the Successor Agency for this next ROPS period by the surplus amount.

DOF Review

Upon submittal of an Oversight Board-approved ROPS, DOF has 45 days to make its determination of the enforceable obligations, including amounts and funding sources. Within five business days of DOF's determination, the Successor Agency may request additional review and an opportunity to meet and confer on disputed items. DOF has until 15 days prior to the date for property tax distribution to make its final decision. The RPTTF distribution date for ROPS 14-15A is June 1, 2014.

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (JANUARY TO JUNE 2014)

HSC Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget for each six-month fiscal period and submit it to the Oversight Board for approval. The minimum Administrative Cost Allowance to the Successor Agency provided for under the dissolution legislation is \$250,000 annually. In addition to the Administrative Cost Allowance, a preexisting 2003 tax sharing agreement between the City, ACIA, and County of Los Angeles provides for a Permitted Administrative Expense ("PAE") to the Successor Agency to fund additional administrative and operational costs. The annual PAE amount increases each year to adjust for inflation. For fiscal year 2014-15, the PAE may provide up to \$499,322 in funding for administrative and operational costs. These costs can include, but are not limited to: personnel, supplies/travel, noticing, professional services, legal services, financial services, and overhead, including property-related fees. Both the Administrative Cost Allowance (\$250,000) and PAE (\$499,322) are not 100% guaranteed funding levels since distributions of those funds are based on the sufficiency and availability of property tax revenues during each ROPS period.

The Successor Agency is requesting that the Oversight Board approve an annual administrative budget of \$749,332 for fiscal year 2014-15 and approve a six-month administrative budget of \$374,666 for July through December 2014. Any unspent funds from Administrative Cost Allowance or PAE revenues must be accounted for in future ROPS periods. The County Auditor-Controller will adjust down RPTTF distributions for ROPS payment obligations based on cash balances held by the Successor Agency.

HOUSING ENTITY ADMINISTRATIVE COST ALLOWANCE

On February 18, Gov. Jerry Brown signed into law Assembly Bill 471 that, among other things, affects the Recognized Obligation Payment Schedule (ROPS) process, effective immediately.

AB 471 revised the definition of “enforceable obligation” to provide an administrative cost allowance for the housing successor entity that assumed the housing obligations of the dissolved redevelopment agency, if the housing successor entity is a local housing authority. From July 1, 2014, to July 1, 2018, such a local housing authority may receive not less than \$150,000 and up to 1% of the property tax allocated to the Redevelopment Obligation Retirement Fund on behalf the successor agency for each fiscal year, defined as the “housing entity administrative cost allowance.” The successor agency must list the housing entity administrative cost allowance on the ROPS for the housing authority to receive the allowance. As a result, after the Successor Agency approved the ROPS 14-15A staff revised it to include a \$150,000 disbursement to the Housing Authority as required by AB 471. Upon approval of the ROPS by the Oversight Board and Department of Finance, the Successor Agency is required to pay the housing authority the approved housing entity administrative cost allowance on each January 2 and July 1. If there are insufficient funds in any fiscal year to pay the housing entity administrative cost allowance, the unfunded amount may be carried over onto future ROPS, until paid in full.

FISCAL IMPACT

Approval of the ROPS 14-15A and Administrative Budget is necessary for the Successor Agency to continue administrative operations and make payments for debt service, contracts, and other enforceable obligations. By not adopting the ROPS and Administrative Budget, the Successor Agency would risk defaulting on loans and other debt agreements, and not being able to fund certain expenses and operations, which would also impact the City’s General Fund. Failure to submit an Oversight Board-approved ROPS to DOF by March 1, 2014 will also result in a \$10,000 per day penalty assessed against the City for each day the ROPS is late.

Attachment:

- A. Oversight Board Resolution Approving the ROPS 14-15A and Six-Month Successor Agency Administrative Budget

OVERSIGHT BOARD RESOLUTION NO. _____

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
AVALON COMMUNITY IMPROVEMENT AGENCY APPROVING THE RECOGNIZED
OBLIGATION PAYMENT SCHEDULE AND SUCCESSOR AGENCY ADMINISTRATIVE
BUDGET FOR THE SIX-MONTH FISCAL PERIOD BEGINNING JULY 1, 2014 AND ENDING
DECEMBER 31, 2014**

WHEREAS, pursuant to Health and Safety Code Section 34177(m), the Successor Agency is required to prepare and submit for Oversight Board approval a Recognized Obligation Payment Schedule ("ROPS") prior to each six-month fiscal period, in a manner prescribed by the California Department of Finance ("DOF"); and

WHEREAS, Assembly Bill 1484 ("AB 1484") (Chapter 26, Statutes of 2012) established new procedural requirements for the preparation, review, and approval of ROPS by the Successor Agency, including clarifications regarding "enforceable obligations"; and

WHEREAS, Exhibit "A" to this resolution establishes a ROPS for the six-month fiscal period beginning July 1, 2014 and ending December 31, 2014 ("ROPS 14-15A"), in a manner consistent with that prescribed by DOF; and

WHEREAS, pursuant to Health and Safety Code Section 34176(g), the Avalon Housing Authority provided notice to the Successor Agency of the designation of \$500,000 in unspent 2003 Series B Bond proceeds to be used to fund the Housing Authority's Low and Moderate Income Down Payment Assistance Program, which is consistent with the bond covenants for the 2003 Tax Allocation Bond Series B, and for which sufficient funding is available; and

WHEREAS, pursuant to Health and Safety Code Section 34176(g), the Avalon Housing Authority further provided notice to the Successor Agency of the designation of \$3,800,000 in unspent 2003 Series B Bond proceeds to be used to provide financial assistance for a proposed 48-unit multifamily affordable housing project, which is consistent with the bond covenants for the 2003 Tax Allocation Bond Series B, and for which sufficient funding is available; and

WHEREAS, on July 16, 2013, DOF issued a Finding of Completion letter to the Successor Agency pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(c), the Successor Agency has separately listed an obligation for excess bond proceeds on ROPS 14-15A to fund the "Lower Terrace Road Strengthening and Utility Protection" project, in an amount not to exceed \$250,000, which is a proposed expenditure for capital improvements that is consistent with the bond covenants for the 2003 Tax Allocation Bond Series A, and for which sufficient funding is available; and

WHEREAS, Health and Safety Code Section 34177(j) requires the Successor Agency to prepare and submit a Successor Agency Administrative Budget ("Administrative Budget") for approval by an oversight board; and

WHEREAS, the Successor Agency will be allocated an "Administrative Cost Allowance," as defined in Health and Safety Code Section 34171(b), which provides for an annual minimum of \$250,000 and an annual cap of three percent (3%) of the total annual allocation of property

tax revenues by the Los Angeles County Auditor-Controller from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund for the payment of enforceable obligations contained in the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"), prepared and approved pursuant to Health and Safety Code Section 34177(l); and

WHEREAS, the Successor Agency will receive additional funding for administrative costs pursuant to Amendment No. 1 to the "Agreement for Reimbursement of Tax Increment Funds," entered into in 2003 by and between the County of Los Angeles, City of Avalon, and Avalon Community Improvement Agency; and

WHEREAS, Exhibit "B" to this resolution presents an annual Administrative Budget of \$749,332 for fiscal year 2014-15 and a six-month Administrative Budget of \$374,666 for the fiscal period beginning July 1, 2014 and ending December 31, 2014.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The action of the Oversight Board to approve the ROPS 13-14B and Successor Agency Administrative Budget does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. Approval of ROPS 14-15A. The Oversight Board hereby approves the Recognized Obligation Payment Schedule for the six-month fiscal period beginning July 1, 2014 and ending December 31, 2014 in substantially the form attached hereto as Exhibit "A," as required by ABX1 26, enacted during the 2011 legislative year, and AB 1484, enacted during the 2012 legislative year.

Section 4. Designation of Housing Bond Proceeds for Low and Moderate Income Down Payment Assistance. The Oversight Board hereby determines that: (1) the designation of unspent bond proceeds totaling \$500,000 by the Avalon Housing Authority to fund the Low and Moderate Income Down Payment Assistance Program is consistent with the bond covenants for the 2003 Tax Allocation Bond Series B; and (2) there are sufficient unspent bond proceeds for such designation.

Section 5. Designation of Housing Bond Proceeds for Financial Assistance for a Low and Moderate Income Housing Project. The Oversight Board hereby determines that: (1) the designation of unspent bond proceeds totaling \$3,800,000 by the Avalon Housing Authority to provide financial assistance for a proposed 48-unit multifamily affordable housing project is consistent with the bond covenants for the 2003 Tax Allocation Bond Series A; and (2) there are sufficient unspent bond proceeds for such designation.

Section 6. Excess Bond Proceeds Obligation for Capital Improvements. The Oversight Board hereby determines that, pursuant to Health and Safety Code Section 34191.4(c), the proposed obligation for excess bond proceeds on ROPS 14-15A to fund the

"Lower Terrace Road Strengthening and Utility Protection" project, in an amount not to exceed \$250,000, is a proposed expenditure for capital improvements that is consistent with the bond covenants for the 2003 Tax Allocation Bond Series A.

Section 7. Approval of Six-Month Administrative Budget. The Oversight Board hereby approves the Successor Agency Administrative Budget for fiscal year 2014-15 and the six-month fiscal period beginning July 1, 2014 and ending December 31, 2014, in substantially the form attached hereto as Exhibit "B," as required by ABX1 26, enacted during the 2011 legislative year, and AB 1484, enacted during the 2012 legislative year.

Section 8. Transmittal to Appropriate Agencies. The Oversight Board hereby directs staff to transmit, by mail or electronic means, to the Los Angeles County Auditor-Controller, State Department of Finance, and the State Controller's Office a copy of the ROPS and Administrative Budget documents for review, and to post the ROPS on the Successor Agency's Internet Web site.

Section 9. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 10. Certification. The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 11. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 25th day of February, 2014 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Robert Kennedy
Oversight Board Chairperson

ATTEST:

Denise Radde
Oversight Board Secretary

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
JULY 1, 2014 – DECEMBER 31, 2014

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary
 Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Avalon
 Name of County: Los Angeles

<u>Current Period Requested Funding for Outstanding Debt or Obligation</u>		<u>Six-Month Total</u>
<u>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</u>		
A	Sources (B+C+D):	\$ 4,620,000
B	Bond Proceeds Funding (ROPS Detail)	4,620,000
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,877,753
F	Non-Administrative Costs (ROPS Detail)	1,677,753
G	Administrative Costs (ROPS Detail)	200,000
H	Current Period Enforceable Obligations (A+E):	\$ 6,497,753

<u>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>		
I	Enforceable Obligations funded with RPTTF (E):	1,877,753
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(49,110)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 1,828,643

<u>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>		
L	Enforceable Obligations funded with RPTTF (E):	1,877,753
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	1,877,753

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.

 Name Title
 /s/_____
 Signature Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail															
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Non-Redevelopmental Property Tax Trust Fund	Reserve Balance	Funding Source	Non-Admin	RPTTF	Six-Month Total
1	2003 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	12/15/2003	9/1/2034	U.S. Bank National Association	Bonds issued to fund non-housing projects	Community Improvement Project Area	\$ 32,444,943	N	\$ 4,620,000	\$ -		\$ 1,687,783	\$ 200,000	\$ 6,497,753
2	2002 Tax Allocation Bonds Series B	Bonds Issued On or Before 12/31/10	12/15/2003	9/1/2034	U.S. Bank National Association	Bonds issued to fund housing projects	Community Improvement Project Area	10,748,783	N				338,683		\$ 338,683
3	Fiscal Agent Fees	Fees	12/15/2003	9/1/2034	U.S. Bank National Association	Fees for fiscal agent services	Community Improvement Project Area	147,000	N				7,000		\$ 7,000
4	Sewer Repairs	Improvement/Structure	3/7/2011	9/1/2034	RBF Consulting	Contract for construction management services for sewer repair project	Community Improvement Project Area	-	Y						\$ -
5	Wastewater Treatment Plant Repairs	Improvement/Structure	3/7/2011	9/1/2034	Environ Strategy	Contract for repairs for wastewater treatment plant, collection system, and sludge distribution system	Community Improvement Project Area	-	Y						\$ -
6	Pebble Beach Road Construction	Improvement/Structure	3/7/2011	9/1/2034	Santa Catalina Island Company	Contract for road/slope improvements pursuant to agreement with Santa Catalina Island Company	Community Improvement Project Area	50,000	N	50,000					\$ 50,000
10	Audit and Accounting Services	Admin Costs	9/17/2008	9/1/2034	Dent, Evans & Company, State of California	Contract for annual financial audit and accounting services, including related costs with State Controller's Office	Community Improvement Project Area	-	N						\$ -
11	Legal Services (Related to Project Obligation of Encinitas)	Legal	9/1/2009	9/1/2034	Best Best & Kieger	General Counsel/legal services	Community Improvement Project Area	3,000,000	N				75,000		\$ 75,000
13	Contract for General Plan, Housing Element, Local Coastal Plan Update, and CEQA	Professional Services	5/8/2010	9/1/2034	Rincon Consultants	Contract for Consulting Services for General Plan Update, Housing Element Update, LCP Amendment, and CEQA	Community Improvement Project Area	20,000	N				20,000		\$ 20,000
14	SERAF Loan Repayment	SERAF/RAEF	7/2/2005	6/30/2015	Low and Moderate Income Housing Fund	Repayment to Housing Fund for suspension of 20% set-aside to make SERAF payment	Community Improvement Project Area	1,000,000	N						\$ -
16	Continuing Bond Disclosure and Bond Arbitrage	Fees	12/15/2003	9/1/2034	Harrell & Co. Advisors and/or US Bank	Continuing disclosure reporting and bond arbitrage requirements for 2003 Tax Allocation Bonds Series A & B	Community Improvement Project Area	250,000	N						\$ -
17	Cumulative Deferred Pass-through to County of Los Angeles	Miscellaneous	12/31/1993	9/1/2034	County of Los Angeles	Cumulative Deferred Pass-through Payments to County of Los Angeles pursuant to 2003 Amendment No. 1 to the Shading Agreement	Community Improvement Project Area	-	Y						\$ -
18	General Administrative Expenses	Miscellaneous	12/31/1993	9/1/2034	County of Los Angeles	Payments to County of Los Angeles pursuant to 2003 Amendment No. 1 to the Shading Agreement	Community Improvement Project Area	-	Y						\$ -
19	Operational and Administrative Support of Successor Agency, Property Management and Maintenance, Office and Hardware Supplies	Admin Costs	1/1/2008	9/1/2034	Various Vendors	Supplies, professional services, financial reporting services, and property management and maintenance	Community Improvement Project Area	-	N						\$ -
20	Successor Agency Administrative Costs	Admin Costs	2/1/2012	9/1/2034	Employees of Successor Agency, Legal Counsel, Consultants, Various Other Vendors	All administrative/operational costs of the Successor Agency, including staffing, overhead, legal counsel, financial consulting, property maintenance, etc.	Community Improvement Project Area	5,000,000	N					50,000	\$ 50,000
21	Low and Moderate Income Housing Down Payment Assistance Program	Miscellaneous	2/19/2013	12/31/2014	Avallon Housing Authority	Pursuant to HSC Section 34178(i), the Avallon Housing Authority received funding from the 2003 Housing Bonds for the purpose of providing funding in the Low and Moderate Income Housing Down Payment Assistance Program.	Community Improvement Project Area	500,000	N	500,000					\$ 500,000
22	Exclusive Negotiating Agreement with Hamilton Pacific for a 48-Unit Low and Moderate Income Housing Project and Related Capital Improvements Consistent with Bond Covenants for 2003 TAB Series B	Miscellaneous	9/16/2013	9/1/2034	Avallon Housing Authority	Pursuant to HSC Section 34178(i), the Avallon Housing Authority has requested funding from the 2003 Housing Bond proceeds to fund a proposed affordable housing project and related capital improvements consistent with the bond covenants of the 2003 TAB Series B.	Community Improvement Project Area	3,800,000	N	3,800,000					\$ 3,800,000
23	Lower Terrace Road Strengthening and Utility Protection Project - Capital Project Consistent with Bond Covenants for 2003 TAB Series A	Improvement/Structure	5/20/2013	9/1/2034	Under Construction	Pre-2011 bond-funded capital project for infrastructure improvements consistent with the bond covenants of the 2003 TAB Series A.	Community Improvement Project Area	270,000	N	270,000					\$ 270,000
24	Housing Successor Entity Administrative Cost Allowance	Admin Costs	2/18/2014	9/1/2034	Avallon Housing Authority	Administrative cost allowance established by AB 471, HSC Section 34171(f).	Community Improvement Project Area	3,000,000	N				150,000		\$ 150,000

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

A	B	Pursuant to Health and Safety Code section 34177(1), 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									
		C	D	E	F Fund Sources			G	H		
					Reserve Balance		Other		RPTTF	Non-Admin and Admin	Comments
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS period distributed as reserve for next bond payment						
Cash Balance Information by ROPS Period											
ROPS 13-14A Actuals (07/01/13 - 12/31/13)											
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	5,438,800	-	36,652			2,352	56,070		Amounts in columns E and H consist of RPTTF retained from Prior Period Adjustments	
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013							1,700,596			
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs							1,707,556			
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A										
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.										
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 5,438,800	\$ -	\$ 36,652	\$ -	\$ -	\$ 2,352	\$ (0)			
ROPS 13-14B Estimate (01/01/14 - 06/30/14)											
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,438,800	\$ -	\$ 36,652	\$ -	\$ -	\$ 2,352	\$ 49,110		Other revenues in the amount of \$211,615 consist of a Permitted Administrative Expense distributed by the County pursuant to a 2003 agreement with the County. It is spent on administrative costs (outside of the administrative cost allowance) and part of the Successor Agency's administrative budget.	
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014						211,615	866,601			
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)			36,652			211,615	866,601			
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B										
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ 5,438,800	\$ -	\$ -	\$ -	\$ -	\$ 2,352	\$ 49,110			

Recognized Obligation Payment Schedule 14-15A - Notes
July 1, 2014 through December 31, 2014

Item #	Notes/Comments
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EXHIBIT B

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET
JULY 1, 2014 – DECEMBER 31, 2014

SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY

ANNUAL & SIX-MONTH ADMINISTRATIVE BUDGETS

FISCAL YEAR 2014-15

	ANNUAL FY 2014-15	SIX-MONTH JUL - DEC 2014
Expenses		
Salaries	\$ 251,111	\$ 125,555
Benefits/Insurance	156,296	78,148
Personnel	\$ 407,406	\$ 203,703
Supplies & Travel	\$ 10,000	\$ 5,000
Noticing	2,000	1,000
Professional Services	80,000	40,000
Legal Services	194,926	97,463
Financial Services	30,000	15,000
Overhead & Property Related Fees	25,000	12,500
Other Line Items	\$ 341,926	\$ 170,963
Total Expenses	\$ 749,332	\$ 374,666

NOTES:

* Sources of payment for proposed expenditures are: (1) Successor Agency annual Administrative Cost Allowance of \$250,000; and (2) Permitted Administrative Expense under County Agreement for Reimbursement of Tax Increment of \$499,332. All available revenue sources total \$749,332.

** Successor Agency will reimburse the City for operational and administrative costs (staffing, overhead).