

**SPECIAL MEETING OF THE  
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
AVALON COMMUNITY IMPROVEMENT AGENCY  
WEDNESDAY, FEBRUARY 18, 2015– 12:25 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**

1. Minutes from the September 17, 2014 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: Anni Marshall, Chris Blehm, Eric Huart, John Thompson and Gabrielle Morones.  
Recommended Action  
Adopt a resolution approving minutes from the September 17, 2014 Oversight Board Meeting.
  
2. ROPS 15/16A and Successor Agency Administrative Budget  
Health and Safety Code Section 34177 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  
Adopt a resolution approving the Recognized Obligation Payment Schedule 15-16A and Successor Agency Administrative Budget for Fiscal Year 2015-2016.
  
3. Resolution of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency approving Agreement for Repayment of loan from Low and Moderate Income Housing Fund to make 2009-10 SERAF Payment  
Pursuant to Health and Safety Code section 33690, the Redevelopment Agency was required to make a payment in 2009-10 to the Supplemental Educational Revenue Augmentation Fund (SERAF) in the amount of \$1,000,000, all of which was borrowed from the Low and Moderate Income Housing Fund.

Recommended Action

Adopt a resolution approving repayment of a loan from the Low and Moderate Income Housing Fund of the former Avalon Community Improvement Agency for legally required SERAF Payment.

4. Tax Allocation Bonds Refinancing

The Avalon Community Improvement Agency has 2 series of bonds outstanding which were issued in 2003. The 2003 Series A Bonds mature in 20 years and the interest rate is 4.85%. These bonds can be refinanced at current interest rates of approximately 3.25%. The 2003 Series B Bonds also mature in 20 years and the interest rate is 6.05%. These bonds can be refinanced at current interest rates of approximately 3.95%.

Recommended Action

Adopt resolution approving the issuance of refunding bonds, making certain determinations with respect to the refunding bonds and providing other matters relating thereto.

**ADJOURN**

**NOTICE OF POSTING**

I, Denise Radde, declare that the Oversight Board Agenda for the February 18, 2015 special meeting was posted on Friday, February 13, 2015, on the City of Avalon's website [www.cityofavalon.com](http://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 18, 2015

**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 17, 2014.

**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 17, 2014.

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
AVALON COMMUNITY IMPROVEMENT AGENCY  
MINUTES OF SEPTEMBER 17, 2014**

**CALL TO ORDER:** 12:25 p.m.

**ROLL CALL:** Present - Oversight Board members Anni Marshall, Eric Huart, Chris Blehm, John Thompson and Gabrielle Morones. Absent: James Novak and Julie Moore. Also present- Interim Director of Finance Chris Woidzik, City Clerk/Oversight Board Secretary Denise Radde, and Scott Campbell Oversight Board Counsel.

Two new Boardmembers were introduced for the record, Anni Marshall and John Thompson. They were sworn in prior to the meeting.

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

**General Business**

1. Adopted Oversight Board Resolution 14-05 approving minutes from the Oversight Board meeting on April 1, 2014. Motion by Eric Huart, seconded by Chris Blehm. (3 Ayes- Huart, Blehm and Morones, 2 Abstain- Thompson and Marshall, 2 Absent- Moore and Novak)
2. Adopted Oversight Board Resolution 14-06 approving the Recognized Obligation Payment Schedule for the Six-Month Fiscal period beginning January 1, 2015 and ending June 30, 2015. Motion by Eric Huart, seconded by Gabrielle Morones. (5 Ayes- Marshall, Huart, Blehm, Thompson and Morones, 2 Absent- Moore and Novak)
3. Adopted Oversight Board Resolution 14-07 approving a change to the Housing Asset Transfer Form required by Health and Safety Code Section 34176(a)(2). Motion by Chris Blehm, seconded by Anni Marshall. (5 Ayes-Marshall, Huart, Blehm, Thompson and Morones, 2 Absent- Moore and Novak)

Chairman Robert Kennedy adjourned the meeting at 12:31 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 17, 2014, 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 17, 2014**

**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 17, 2014 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 17, 2014 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 18th day of February, 2015 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
Ann H. Marshall, Chairperson

ATTEST:

\_\_\_\_\_  
Denise A. Radde, Oversight Board Secretary/City Clerk

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

MEETING DATE: February 18, 2015

AGENDA ITEM: 2

ORIGINATING DEPARTMENT: Successor Agency

CITY MANAGER: BH

PREPARED BY: Tara Matthews, Consultant, RSG Inc.  
Suzy Kim, Consultant, RSG Inc.

SUBJECT: Recognized Obligation Payment Schedule (ROPS) 15-16A and Successor Agency Administrative Budget for Fiscal Year 2015-16

---

**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, 2015 and Ending December 31, 2015; and (2) Approving the Successor Agency Administrative Budget for Fiscal Year 2015-16.

**BACKGROUND**

ROPS 15-16A

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. An Oversight Board-approved ROPS covering the period of July 1, 2015 to December 31, 2015 ("ROPS 15-16A") is required to be submitted to DOF by no later than March 3, 2015. If the ROPS is not submitted by that deadline, the City of Avalon (as the City and not as the Successor Agency) will 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).

*Enforceable Obligations*

The majority of the enforceable obligations on the ROPS remain unchanged from prior periods. ROPS 15-16A items requiring funding include debt service payments on the 2003 Tax Allocation Bonds, bond fiscal agent fees, legal services related to project implementation, a contract for Pebbly Beach road and slope improvements (to be paid out of bond proceeds), SERAF loan repayment, and administrative cost allowances.

*Bond Projects*

The Successor Agency has funded several projects on the ROPS using proceeds from the 2003 Tax Allocation Bonds. Four projects have been completed and marked as

retired on the ROPS 15-16A. Completed non-housing projects include a contract with RBF Consulting for sewer repairs and a contract with Environ Strategy for wastewater treatment plant repairs. The Low and Moderate Income Down Payment Assistance Program and an Exclusive Negotiating Agreement with Hamilton Pacific have also been marked as retired on the ROPS. While these projects are ongoing, they are being implemented by the Housing Authority. The Successor Agency transferred \$4.3 million in housing bond proceeds to the Housing Authority to fund these projects as approved by DOF on the ROPS.

Only one project proposed to be funded with bond proceeds remains on the ROPS. The Successor Agency has budgeted \$156,517 to fund remaining road/slope improvements on Pebbly Beach Road.

#### *SERAF Loan Repayment*

The Successor Agency received a Finding of Completion (aka the "Golden Ticket") on July 16, 2013. This enabled the Successor Agency to repay monies loaned or advanced to the former ACIA from its Low and Moderate Income Housing Fund ("LMIHF") to make payments to the State's Supplemental Educational Revenue Augmentation Fund ("SERAF") required in fiscal years 2009-10 and/or 2010-11. In fiscal year 2009-10, the ACIA suspended a \$1,000,000 deposit of tax increment to its LMIHF, creating a \$1,000,000 debt to the LMIHF. 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. Staff proposes to begin repayments on the ROPS 15-16A period. The maximum allowable payment in FY 2015-16 is \$179,766. The Oversight Board must first approve a proposed repayment schedule which staff will present to the board at the same meeting it considers the ROPS 15-16A.

#### *Cash Balance Reconciliation*

Staff and consultants have worked diligently the past several months to audit the Successor Agency's finances and identify accurate fund balances. It has been determined that the Successor Agency had a negative fund balance of \$148,156 as of December 31, 2014. Prior ROPS did not report an accurate cash balance because there were several inter-fund "Due To" and "Due From" transfers that had not been reconciled. The "Report of Cash Balances" form on the ROPS 15-16A reports the audited balance and explains the situation. DOF is aware that the Successor Agency was auditing its finances and staff is prepared to discuss its findings with DOF.

#### *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 2014 (ROPS 14-15A). The prior period payment "true-up" process compares estimated ROPS 14-15A payments versus actual payments from July through December 2014. The Successor Agency spent \$68,867 less than it estimated. The County Auditor-Controller will typically adjust down the distribution of

RPTTF to the Successor Agency in the next ROPS period by the surplus amount. The Successor Agency is expected to apply fund balances toward ROPS 15-16A obligations. However, since the Successor Agency had a negative cash balance as of December 31, 2014, there is no fund balance to apply to ROPS 15-16A obligations. Staff will explain this to DOF and request that the next RPTTF distributed not be adjusted down.

#### *DOF Review*

Upon submittal of an Oversight Board-approved ROPS, DOF has 45 days to make its determination on 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 15-16A is June 1, 2015.

#### SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (JULY TO DECEMBER 2015)

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 2015-16, the PAE may provide up to \$509,319 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 (\$509,319) 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.

Staff is recommending that the Oversight Board approve an annual administrative budget of \$759,319 for fiscal year 2015-16, which is split evenly between the two six-month ROPS periods.

#### **FISCAL IMPACT**

Approval of the ROPS 15-16A and Fiscal Year 2015-16 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 3, 2015 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 15-16A and Successor Agency Administrative Budget for Fiscal Year 2015-16

**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 15-16A AND SUCCESSOR AGENCY  
ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2015-16**

**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, 2015 and ending December 31, 2015 ("ROPS 15-16A"), in a manner consistent with that prescribed by DOF; 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 the ROPS 15-16A to fund the "Pebble Beach Road Construction" project, in an amount not to exceed \$156,517, 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

**WHEREAS**, pursuant to Amendment No. 1 to the Agreement for Reimbursement of Tax Increment Funds entered into by and between the County of Los Angeles, City of Avalon, and Avalon Community Improvement Agency on June 17, 2003, the City and Successor Agency are to be provided a "Permitted Administrative Expense" to fund administrative and operational costs related to the Successor Agency, the estimate of which for fiscal year 2015-16 is \$509,319; and

**WHEREAS**, Exhibit "B" to this resolution presents a draft annual Administrative Budget of \$759,319 for fiscal year 2015-16, divided evenly among the two six-month ROPS A and B periods.

**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 15-16A 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 15-16A. The Oversight Board hereby approves the Recognized Obligation Payment Schedule for the six-month fiscal period beginning July 1, 2015 and ending December 31, 2015 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. 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 the ROPS 15-16A to fund the "Pebble Beach Road Construction" project, in an amount not to exceed \$156,517, is a proposed expenditure for capital improvements that is consistent with the bond covenants for the 2003 Tax Allocation Bond Series A.

Section 5. Approval of Fiscal Year 2015-16 Administrative Budget. The Oversight Board hereby approves the Successor Agency Administrative Budget for Fiscal Year 2015-16, 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 6. 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 7. 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 8. 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 9. 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 18th day of February, 2015 by the following  
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Ann Marshall  
Oversight Board Chairperson

ATTEST:

---

Denise Radde  
Oversight Board Secretary

**EXHIBIT A**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**JULY 1, 2015 TO DECEMBER 31, 2015**

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary**  
 Filed for the July 1, 2015 through December 31, 2015 Period

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

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>		
<b>A Sources (B+C+D):</b>		<b>\$ 156,517</b>
B Bond Proceeds Funding (ROPS Detail)		156,517
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		-
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>		<b>\$ 2,040,877</b>
F Non-Administrative Costs (ROPS Detail)		1,915,877
G Administrative Costs (ROPS Detail)		125,000
<b>H Current Period Enforceable Obligations (A+E):</b>		<b>\$ 2,197,394</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
I Enforceable Obligations funded with RPTTF (E):	2,040,877
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(68,867)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 1,972,010</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
L Enforceable Obligations funded with RPTTF (E):	2,040,877
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>2,040,877</b>

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

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

**Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail**  
 July 1, 2015 through December 31, 2015  
 (Report Amounts in Whole Dollars)

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 \$	Refined	Running Source				P	
										K	L	M	N		
								Non-Refundable Property Tax Trust Fund (Non-RPTTF)				RPTTF			
								Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin			
1	2003 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	12/15/2003	9/1/2004	U.S. Bank National Association	Bonds issued to fund non-housing projects	Community Improvement Project Area	20,742,854	N						2,187,854
2	2003 Tax Allocation Bonds Series B	Bonds Issued On or Before 12/31/10	12/15/2003	9/1/2004	U.S. Bank National Association	Bonds issued to fund housing projects	Community Improvement Project Area	10,231,008	N						1,252,339
3	Flow Agent Fees	Fees	12/15/2003	9/1/2004	U.S. Bank National Association	Fees for fiscal agent services	Community Improvement Project Area	140,000	N						339,072
4	Sewer Repairs	Fees	9/7/2011	9/1/2004	RBF Consulting	Contract for construction management services for sewer repair project	Community Improvement Project Area		Y						7,000
5	Wastewater Treatment Plant Repairs	Improvement and/or maintenance	9/7/2011	9/1/2004	Environ Strategy	Contract for repairs for wastewater treatment plant, including valves, and subwater distribution system	Community Improvement Project Area		Y						
6	Pebble Beach Road Construction	Improvement and/or maintenance	9/7/2011	9/1/2004	Smith Catalina Island Company	Contract for road/grade improvements pursuant to agreement with Santa Catalina Island Company	Community Improvement Project Area	166,517	N						166,517
10	Audit and Accounting Services	Admin Costs	9/7/2006	9/1/2004	Dish, 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	2,000,000	N						
11	Legal Services (Related to Project Implementation of Enforceable Obligations)	Legal	9/7/2009	9/1/2004	Best Best & Krieger	General Counsel legal services	Community Improvement Project Area		N						50,000
13	Contract for General Plan, Housing Element, Local Coastal Plan Update, and CEQA	Professional Services	8/8/2010	9/1/2004	Rincon Consultants	Contract for Consulting Services for General Plan, Housing Element Update, LCP Amendment, and CEQA	Community Improvement Project Area		N						
18	Continuing bond disclosure and Bond Arbitrage	Fees	12/15/2003	9/1/2004	Perrell & 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						12,500
19	Operational and Administrative Support of Successor Agency, Maintenance, Office and Hardware Supplies	Admin Costs	1/7/2009	9/1/2004	Various Vendors	Supplies, professional services, and financial reporting services, and property management and maintenance	Community Improvement Project Area		N						



**Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances**  
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I						
									Fund Sources					
									Bond Proceeds		Reserve Balance		Other	
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	RPTTF								
<b>Cash Balance Information by ROPS Period</b>														
<b>ROPS 14-15A Actuals (07/01/14 - 12/31/14)</b>														
1	Beginning Available Cash Balance (Actual 07/01/14)													
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	4,552,370												
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	3,192					1,678,642							
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	4,339,078					1,656,885							
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S													
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 216,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (148,156)						
<b>ROPS 14-15B Estimate (01/01/15 - 06/30/15)</b>														
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + E6, and H = 5 + 6)	\$ 216,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (148,156)						
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015						800,539							
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)						889,110							
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)													
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 216,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (236,727)						

Prior ROPS reported an inaccurate cash balance. The SA funds were thoroughly audited and determined to have a negative balance, reflected in cells H6 and 7. The excel sheet is protected and will not allow a negative beginning balance to be entered.





**Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes**

July 1, 2015 through December 30, 2015

Item #	Notes/Comments
14	The SERAF loan is eligible for repayment. The Successor Agency received its finding of completion on 7/16/13 and the Oversight Board made a finding of legitimacy on 2/26/15.

**EXHIBIT B**

**SUCCESSOR AGENCY ADMINISTRATIVE BUDGET**  
**FISCAL YEAR 2015-16**

SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY

**ANNUAL & SIX-MONTH ADMINISTRATIVE BUDGETS**

**FISCAL YEAR 2015-16**

	ANNUAL FY 2014-15	JUL-DEC 2015	JAN - JUN 2016
<b>Expenses</b>			
Salaries	\$ 263,667	\$ 131,833	\$ 131,833
Benefits/Insurance	164,111	\$ 82,055	\$ 82,055
<b>Personnel</b>	<b>\$ 427,777</b>	<b>\$ 213,889</b>	<b>\$ 213,889</b>
Supplies & Travel	\$ 10,000	\$ 5,000	\$ 5,000
Noticing	2,000	1,000	1,000
Professional Services	80,000	40,000	40,000
Legal Services	184,542	92,271	92,271
Financial Services	30,000	15,000	15,000
Overhead & Property Related Fees	25,000	12,500	12,500
<b>Other Line Items</b>	<b>\$ 331,542</b>	<b>\$ 165,771</b>	<b>\$ 165,771</b>
<b>Total Expenses</b>	<b>\$ 759,319</b>	<b>\$ 379,660</b>	<b>\$ 379,660</b>

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 \$509,319. All available revenue sources total \$759,319.

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

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

**Meeting Date:** February 18, 2015

**Agenda Item** 3

**Department:** Finance

**City Manager** BH

**Prepared By:** Tara Matthews, Consultant, RSG Inc.  
Suzy Kim, Consultant, RSG Inc.

**Subject:** Resolution of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency approving Agreement for Repayment of loan from Low- and Moderate-Income Housing Fund to make 2009-10 SERAF Payment

---

**RECOMMENDATION**

It is recommended that the Oversight Board to the Successor Agency to the Avalon Community Improvement Agency (the "Oversight Board") adopt a resolution approving repayment of a loan from the Low- and Moderate-Income Housing Fund of the former Avalon Community Improvement Agency ("Redevelopment Agency") for legally required SERAF Payment.

**FACTS**

Pursuant to Health and Safety Code section 33690, the Redevelopment Agency was required to make a payment in 2009-10 to the Supplemental Educational Revenue Augmentation Fund ("SERAF") in the amount of \$1,000,000, all of which was borrowed from the Low- and Moderate-Income Housing Fund.

The legislation that dissolved redevelopment agencies, AB 1X 26 and AB 1484 (collectively, the "Dissolution Act") also prescribes the procedures to be followed for winding down the former redevelopment agency's affairs.

The Successor Agency is the successor entity to the former Redevelopment Agency, and pursuant to the Dissolution Act, is responsible for the wind-down affairs of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

The City of Avalon elected not to retain the housing assets and functions of the former Avalon Community Improvement Agency, and designed the Avalon Housing Authority as the Housing Successor Agency ("Authority").

The proposed Agreement to Repay the Loan from the Low- and Moderate-Income Housing Fund for the 2009-10 SERAF Payment, if approved, would allow the Authority to collect repayment of the loan from the Successor Agency.

The Dissolution Act provides that after fiscal year 2013-14, repayment of loans made by the Low- and Moderate-Income Housing Fund of the former Redevelopment Agency may be repaid, if the Oversight Board approves the repayment schedule. The repayment schedule set forth in the Agreement is in accordance with the formula set forth in Health and Safety Code section 34176(e)(6)(B).

**FISCAL IMPACT**

The SERAF Loan will appear on future ROPS, which will list enforceable obligations of the former Redevelopment Agency that are to be paid with property tax revenues allocated to the Successor Agency, subject to the payment priority provisions of the Dissolution Act.

**ANALYSIS & CONCLUSIONS**

Health and Safety Code section 34176(e)(6)(B) authorizes the repayment of loans from the former redevelopment agency's Low- and Moderate-Income Housing Fund after 2013-2014. The proposed Agreement to Repay the Loan from Low- and Moderate-Income Housing Fund for the 2009-10 SERAF Payment would require the loan be repaid, and deposited into a new Low- and Moderate Income Asset Fund to be used for affordable housing purpose.

**ATTACHMENTS**

- A. Housing Authority Resolution No. \_\_\_\_\_
- B. Successor Agency Resolution No. \_\_\_\_\_
- C. Oversight Board Resolution No. \_\_\_\_\_
- D. Agreement to Repay Loan from the Low- and Moderate-Income Housing Fund For 2009-10 SERAF Payment

**OVERSIGHT BOARD RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY  
APPROVING AGREEMENT FOR REPAYMENT OF LOAN FROM  
LOW- AND MODERATE-INCOME HOUSING FUND TO MAKE 2009-10  
SERAF PAYMENT**

WHEREAS, pursuant to Assembly Bill 1X 26, enacted on June 28, 2011, and Assembly Bill 1484, enacted on June 27, 2012 (collectively the “Dissolution Act”), the Avalon Community Improvement Agency (“Redevelopment Agency”) was dissolved on February 1, 2012; and

WHEREAS, pursuant to Assembly Bill 1 X 26, the City Council of the City of Avalon is the “Successor Agency” to the Avalon Community Improvement Agency; and

WHEREAS, the City of Avalon elected not to retain the housing assets and functions of the former Avalon Community Improvement Agency, and designated the Avalon Housing Authority as the Housing Successor Agency; and

WHEREAS, the Oversight Board to the Successor Agency was established under the Dissolution Act to direct and oversee the Successor Agency’s action in winding down the affairs of the Redevelopment Agency and to perform other related functions; and

WHEREAS, the Low- and Moderate-Income Housing Fund loaned \$1,000,000 (the “Loan”) to the former Redevelopment Agency to enable the Redevelopment Agency to make a payment to the Supplemental Educational Revenue Augmentation Fund (“SERAF”) for the 2009-10 fiscal year, as required by Health and Safety Code section 33690; and

WHEREAS, pursuant to Health and Safety Code section 34176(e)(6)(B), repayment of loans made by the Low- and Moderate-Income Housing Fund are authorized after fiscal year 2013-14 if the Oversight Board has approved the repayment schedule; and

WHEREAS, no portion of the Loan has been repaid.

NOW, THEREFORE BE IT RESOLVED, the Oversight Board hereby finds and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein.

Section 2. The Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-10 SERAF Payment, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved.

Section 3. All legal prerequisites to the adoption of this Resolution have been satisfied.

Section 4. The Executive Director of the Successor Agency or designee is hereby authorized to take such actions as are necessary and appropriate to implement this decision of the Oversight Board, including, but not limited to, listing the Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-10 SERAF Payment on the Successor Agency's ROPS as an enforceable obligation. The repayment schedule is consistent with the provisions of Health and Safety Code section 34176(e)(6)(B).

Section 5. This Resolution shall become effective in accordance with Health and Safety Code section 34179(h), which authorizes the Department of Finance to review all actions taken by the Oversight Board.

PASSED AND ADOPTED this 17th day of February 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Ann H. Marshall, Chairperson

---

Denise A. Radde, Oversight Board Secretary

SUCCESSOR AGENCY RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY OF AVALON AS SUCCESSOR AGENCY TO AVALON  
COMMUNITY IMPROVEMENT AGENCY APPROVING AGREEMENT FOR  
REPAYMENT OF LOAN FROM LOW- AND MODERATE-INCOME HOUSING  
FUND TO MAKE 2009-10 SERAF PAYMENT

WHEREAS, pursuant to Assembly Bill 1X 26, enacted on June 28, 2011, and Assembly Bill 1484, enacted on June 27, 2012 (collectively the "Dissolution Act"), the Avalon Community Improvement Agency ("Redevelopment Agency") was dissolved on February 1, 2012; and

WHEREAS, the City of Avalon elected not to retain the housing assets and functions of the former Avalon Community Improvement Agency, and designated the Avalon Housing Authority as the Housing Successor Agency; and

WHEREAS, pursuant to Assembly Bill 1 X 26, the City Council of the City of Avalon is the "Successor Agency" to the Avalon Community Improvement Agency; and

WHEREAS, the Oversight Board to the Successor Agency was established under the Dissolution Act to direct and oversee the Successor Agency's action in winding down the affairs of the Redevelopment Agency and to perform other related functions; and

WHEREAS, the Low- and Moderate-Income Housing Fund loaned \$1,000,000 (the "Loan") to the former Redevelopment Agency to enable the Redevelopment Agency to make a payment to the Supplemental Educational Revenue Augmentation Fund ("SERAF") for the 2009-10 fiscal year, as required by Health and Safety Code section 33690; and

WHEREAS, pursuant to Health and Safety Code section 34176(e)(6)(B), repayment of loans made by the Low- and Moderate-Income Housing Fund are authorized after fiscal year 2013-14 if the Oversight Board has approved the repayment schedule; and

WHEREAS, no portion of the Loan has been repaid.

NOW, THEREFORE BE IT RESOLVED, the Successor Agency to the Avalon Community Improvement Agency hereby finds and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein.

Section 2. The Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-10 SERAF Payment, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and the Successor Agency is hereby authorized to execute said agreement.

Section 3. All legal prerequisites to the adoption of this Resolution have been satisfied.

Section 4. The Executive Director of the Successor Agency or designee is hereby authorized to take such actions as are necessary and appropriate to implement this decision of the Successor Agency, including, but not limited to, listing the Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-10 SERAF Payment on the Successor Agency's ROPS as an enforceable obligation. The repayment schedule is consistent with the provisions of Health and Safety Code section 34176(e)(6)(B).

PASSED AND ADOPTED this 17th day of February 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Ann H. Marshall, Chairperson

---

Denise A. Radde, Agency Secretary

HOUSING AUTHORITY RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF AVALON  
APPROVING AGREEMENT FOR REPAYMENT OF LOAN FROM LOW- AND  
MODERATE-INCOME HOUSING FUND TO MAKE 2009-10 SERAF PAYMENT

WHEREAS, pursuant to Assembly Bill 1X 26, enacted on June 28, 2011, and Assembly Bill 1484, enacted on June 27, 2012 (collectively the "Dissolution Act"), the Avalon Community Improvement Agency ("Redevelopment Agency") was dissolved on February 1, 2012; and

WHEREAS, the City of Avalon elected not to retain the housing assets and functions of the former Avalon Community Improvement Agency, and designated the Avalon Housing Authority as the Housing Successor Agency; and

WHEREAS, pursuant to Assembly Bill 1 X 26, the City Council of the City of Avalon is the "Successor Agency" to the Avalon Community Improvement Agency; and

WHEREAS, the Oversight Board to the Successor Agency was established under the Dissolution Act to direct and oversee the Successor Agency's action in winding down the affairs of the Redevelopment Agency and to perform other related functions; and

WHEREAS, the Low- and Moderate-Income Housing Fund loaned \$1,000,000 (the "Loan") to the former Redevelopment Agency to enable the Redevelopment Agency to make a payment to the Supplemental Educational Revenue Augmentation Fund ("SERAF") for the 2009-10 fiscal year, as required by Health and Safety Code section 33690; and

WHEREAS, pursuant to Health and Safety Code section 34176(e)(6)(B), repayment of loans made by the Low- and Moderate-Income Housing Fund are authorized after fiscal year 2013-14 if the Oversight Board has approved the repayment schedule; and

WHEREAS, no portion of the Loan has been repaid.

NOW, THEREFORE BE IT RESOLVED, the Housing Authority of the City of Avalon hereby finds and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein.

Section 2. The Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-10 SERAF Payment, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and the Housing Authority is hereby authorized to execute said agreement.

Section 3. All legal prerequisites to the adoption of this Resolution have been satisfied.

Section 4. The Executive Director of the Housing Authority or designee is hereby authorized to take such actions as are necessary and appropriate to implement this decision of the Commissioners of the Housing Authority of the City of Avalon, including, but not limited to, listing the Agreement to Repay Loan from Low- and Moderate-Income Housing Fund for 2009-10 SERAF Payment on the Successor Agency's ROPS as an enforceable obligation. The repayment schedule is consistent with the provisions of Health and Safety Code section 34176(e)(6)(B).

PASSED AND ADOPTED this 17th day of February 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Ann H. Marshall, Chairperson

---

Denise A. Radde, Agency Secretary

**AGREEMENT TO REPAY LOAN FROM LOW- AND MODERATE-INCOME  
HOUSING FUND FOR 2009-10 SERAF PAYMENT**

THIS AGREEMENT (this "Agreement") is entered into this 17th day of February, 2015, by and between the SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY, a public body (the "Successor Agency") and the CITY OF AVALON HOUSING AUTHORITY, in its capacity as the Housing Successor to the former Redevelopment Agency ("Authority").

**RECITALS**

The Authority and the Successor Agency (individually, a "Party" and collectively, the "Parties") enter into this Agreement with reference to the following facts and circumstances:

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the City Council activated the Redevelopment Agency of the City of Avalon (the "Avalon Community Improvement Agency") and subsequently adopted the Redevelopment Plan for the Avalon Redevelopment Project (the "Redevelopment Plan").

B. Pursuant to Health and Safety Code sections 33690 and 33690.5, the Redevelopment Agency was required to make payments to the Supplemental Educational Revenue Augmentation Fund ("SERAF") for the 2009-10 fiscal year. Because the Redevelopment Agency did not have sufficient funds to make the payment in those fiscal years, it borrowed the necessary funds from its Low and Moderate-Income Housing Fund, as authorized by those statutes.

C. In 2010, the Redevelopment Agency borrowed \$1,000,000 from the Low- and Moderate-Income Housing Fund in order to make the required SERAF payments for the 2009-10 fiscal year (the "SERAF Loan").

D. Assembly Bill 1X 26 ("AB 26"), enacted in June 2011, and AB 1484 ("AB 1484"), enacted in June 2012 (collectively, the "Dissolution Act") required the dissolution of redevelopment agencies and established certain procedures and requirements for the wind-down of their activities.

E. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

F. The City of Avalon elected not to retain the housing assets and functions of the former Avalon Community Improvement Agency and instead, designated the Avalon Housing Authority as the Housing Successor Agency.

G. Pursuant to Health and Safety Code section 34176(e)(6)(B), after fiscal year 2013-14, amounts borrowed from the Low- and Moderate-Income Housing Fund may begin to

be repaid.

H. The parties desire to enter into this Agreement to repay the amounts borrowed from the Low- and Moderate-Income Housing Fund and to have the payments deposited into the newly-created Low- and Moderate-Income Housing Asset Fund to be used by the Authority, as the housing successor, for affordable housing purposes.

### AGREEMENT

**NOW, THEREFORE**, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Recitals. All of the above recitals are true and correct and are incorporated herein.

2. Purpose. The purpose of this Agreement is to document the obligation to repay the SERAF Loan as an enforceable obligation to be listed by the Successor Agency on each successive Recognized Obligation Payment Schedule ("ROPS"), as required to be prepared under Health and Safety Code section 34177, until such time as the SERAF Loan has been fully repaid.

3. Loan Amount. It is the understanding and agreement of the parties that the total amount of the SERAF Loan is ONE MILLION DOLLARS (\$1,000,000).

4. Schedule of Repayment. Pursuant to Health and Safety Code section 34176 (e)(6)(B), repayments of SERAF loans are restricted to the formula set forth therein. Therefore the repayment of the SERAF Loan each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code section 34176(e)(6)(B).

5. Deposit in Low- and Moderate-Income Housing Asset Fund. Repayments of the SERAF Loan shall be made to the Authority as the housing successor. Authority shall deposit such repayments in a Low- and Moderate-Income Housing Asset Fund, established pursuant to Health and Safety Code section 34176(d), and shall use them in accordance with the requirements for such fund.

*[Signatures on following page]*

IN WITNESS WHEREOF, the Authority, as housing successor, and Successor Agency have executed this Agreement as of the date first set forth above.

**CITY OF AVALON HOUSING  
AUTHORITY, as Housing Successor**

By: \_\_\_\_\_  
Ann H. Marshall, Chairperson

ATTEST:

By: \_\_\_\_\_  
Denise A. Radde, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Elizabeth Hull, Authority Counsel

**SUCCESSOR AGENCY TO THE AVALON  
COMMUNITY IMPROVEMENT AGENCY**

By: \_\_\_\_\_  
Ann H. Marshall, Executive Director

ATTEST:

By: \_\_\_\_\_  
Denise A. Radde, Agency Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Elizabeth Hull, Oversight Board Counsel

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

**MEETING DATE:** February 17, 2015

**AGENDA ITEM:** 4

**ORIGINATING DEP:** Finance Department

**CITY MANAGER:** BH

**PREPARED BY:** Chris Woidzik, Interim Finance Director

**SUBJECT:** Tax Allocation Bonds Refinancing

---

**RECOMMENDED ACTION(S):** Adopt resolution approving the issuance of refunding bonds, making certain determinations with respect to the refunding bonds and providing other matters relating thereto.

**REPORT SUMMARY:** The Dissolution Act for redevelopment agencies authorized successor agencies to refinance outstanding tax allocation bonds if the annual debt service payments can be lowered. Any reduction in payments on the bonds due to the refinancing will be shared by the City and the other taxing agencies, such as the school district.

**Refinancing Outstanding Bonds**

The Avalon Community Improvement Agency has 2 series of bonds outstanding which were issued in 2003. The 2003 Series A Bonds mature in 20 years and the interest rate is 4.85%. These bonds can be refinanced at current interest rates of approximately 3.25%. The 2003 Series B Bonds also mature in 20 years and the interest rate is 6.05%. These bonds can be refinanced at current interest rates of approximately 3.95%.

Interest on the 2003 Series A Bonds is exempt from inclusion as gross income for federal income tax purposes to the investor and interest on the 2003 Series B Bonds is treated as taxable income to the investor. Likewise, the interest on bonds issued to pay off the 2003 Series A Bonds (usually called "Refunding Bonds") will have similar tax treatment to the investors, being treated as tax-exempt and the interest on Refunding Bonds issued to pay off the 2003 Series B Bonds will be taxable income to the new investors. Taxable bonds generally bear interest at higher interest rates because the interest income is subject to federal taxation, which accounts for the interest rate difference between the tax-exempt and taxable bonds. The 2003 Series B Bonds were originally issued as taxable bonds because the proceeds of the 2003 Series B Bonds funded low- and moderate-income housing projects which did not meet the requirements for the issuance of tax-exempt bonds.

**Increased Property Tax to City**

Under the Dissolution Act, any tax increment not needed to pay obligations of the Successor Agency is considered "residual" and is distributed every six months to the City, the Long Beach

Unified School District and Long Beach Community College. The City receives about 34% of this residual, with the school and college district sharing the balance.

A refinancing of the 2003 Series A Bonds and the 2003 Series B Bonds will lower the Successor Agency's annual debt service payments by a total of approximately \$4.2 million over the next 20 years. This will increase the residual tax increment by the same amount. Over time, the City's general fund will receive its share of approximately \$1.4 million (34%) of the savings resulting from the increase in the residual tax increment. This will result in an increase in City property tax revenues by approximately \$70,000 annually. There is no restriction on the expenditure of these funds.

### **Authorization Process**

To authorize the sale of the bonds, staff recommends that the Successor Agency approve the resolution authorizing the sale of the bonds in one or more series as needed to accomplish the refinancing and satisfy state law and federal tax law.

Pursuant to the resolution, the amount of tax-exempt bonds to be issued cannot exceed \$21.5 million (to pay off \$21.2 million outstanding 2003 Series A Bonds and pay the costs to issue the bonds) and the amount of taxable bonds to be issued cannot exceed \$6.5 million (to pay off \$6.0 million outstanding 2003 Series B Bonds and pay the costs to issue the bonds). However, bonds will only be issued in the amount needed to accomplish the refinancing and pay costs, even if the authorized amount is higher.

The resolution also approves the form of an Indenture of Trust, which will govern the terms for repaying the Refunding Bonds, and the form of the instructions for the early pay off of the 2003 Bonds.

Once the Department of Finance (DOF) has authorized the Successor Agency to proceed (as described below), staff will return to the Successor Agency Board with additional bond documents for approval relating to the sale of the bonds. These documents will not need to be presented to DOF.

### **Other Approvals**

Pursuant to the Dissolution Act, the Oversight Board must approve the Successor Agency's action taken to refinance the 2003 Bonds. The Oversight Board action is then subject to approval by the DOF. DOF has 60 days to respond to the request for approval, so it will be quite a while before the bonds can be issued.

While the Successor Agency will take future actions with respect to the sale of the bonds, only this initial action is subject to approval by the Oversight Board and DOF.

**FISCAL IMPACTS:** The refinancing of the 2003 Bonds is expected to generate additional property tax available to the City's general fund of \$1.4 million over 20 years. This estimate is based on today's interest rates. Because of the multi-layered approvals required under the Dissolution Act, staff does not expect the bonds will be issued until late May or early June. If

interest rates increase or decrease, the savings will change accordingly. Staff will update the Successor Agency Board as the sale date for the bonds gets closer.

The costs to issue the combined not-to-exceed \$27 million tax-exempt and taxable Refunding Bonds is approximately \$340,000. This cost is paid from the bond proceeds and the debt service savings estimates already factor in the costs to be paid. The costs include bond counsel, financial advisor, disclosure counsel, rating agency fees, the underwriting commission and other miscellaneous fees. The City will also be reimbursed for staff time.

**GOAL ALIGNMENT:** Pursuit of additional revenues where and when available to the City.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** Potential loss to the General Fund of increased residual property tax.

**FOLLOW UP ACTION:** A subsequent resolution will be required to approve bond sale documents.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly posted pursuant to the Brown Act.

**ATTACHMENTS:** Resolution and Debt Service Savings Analysis required under Health and Safety Code Section 34177.5

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE  
SUCCESSOR AGENCY TO THE AVALON COMMUNITY  
IMPROVEMENT AGENCY APPROVING THE ISSUANCE  
OF REFUNDING BONDS, MAKING CERTAIN  
DETERMINATIONS WITH RESPECT TO THE  
REFUNDING BONDS AND PROVIDING OTHER  
MATTERS RELATING THERETO**

**WHEREAS**, the Avalon Community Improvement Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the “Redevelopment Law”);

**WHEREAS**, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the City Council has elected to assume the activities and obligations of the Former Agency, as the successor entity to the Former Agency (the “Successor Agency”);

**WHEREAS**, prior to the dissolution of the Former Agency, the Former Agency issued \$27,350,000 Avalon Community Improvement Project 2003 Tax Allocation Bonds, Series A (the “2003 Series A Bonds”), and its \$7,430,000 Avalon Community Improvement Project 2003 Tax Allocation Bonds, Series B (the “2003 Series B Bonds,” and together with the 2003 Series A Bonds, the “Prior Bonds”) for the purpose of financing redevelopment activities;

**WHEREAS**, pursuant to Section 34179, this Oversight Board has been established for the Successor Agency;

**WHEREAS**, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the “Savings Parameters”);

**WHEREAS**, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency to the Avalon Community Improvement Agency of the Subordinate Tax-Exempt Tax Allocation Refunding Bonds, to be issued in one or more series (the “Tax-Exempt Bonds”) and the Subordinate Taxable Tax Allocation Refunding Bonds, to be issued in one or more series (the “Taxable Bonds,” collectively with the Tax-Exempt Bonds, the “Refunding Bonds”), the Successor Agency has caused its financial advisor, Harrell & Company Advisors (the “Financial Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund all or a portion of the Prior Bonds (the “Debt Service Savings Analysis”);

**WHEREAS**, the Successor Agency by its Resolution No. \_\_\_\_\_ adopted February 17, 2015 (the “Successor Agency Resolution”) approved the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1), Section 34177.5(f) and Section 34180;

**WHEREAS**, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Refunding Bonds and authorized the execution and delivery of an Indenture of Trust, expected to be dated as of the first day of the month in which the Refunding Bonds are issued, by and between the Successor Agency and U.S. Bank National Association, as trustee, providing for the issuance of the Refunding Bonds (the “Indenture of Trust”);

**WHEREAS**, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board approve the issuance of the Refunding Bonds pursuant to the Successor Agency Resolution and the Indenture of Trust, and that this Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds;

**WHEREAS**, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency to be effective upon approval by the California Department of Finance of such approval by the Oversight Board, the Successor Agency, with the assistance of its Financial Advisor, will select an underwriter to sell the Refunding Bonds and will cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the underwriter of the Refunding Bonds to persons and institutions interested in purchasing the Refunding Bonds;

**WHEREAS**, this Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and wishes at this time to give its approval to the foregoing;

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY FIND 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. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to refund and defease all or a portion of the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Oversight Board, which Debt Service Savings Analysis is hereby approved.

Section 3. Approval of Issuance of the Bonds. As authorized by Section 34177.5(f) and Section 34180, this Oversight Board hereby approves the issuance by the Successor Agency of the Refunding Bonds pursuant to Section 34177.5(a)(1) and under other applicable provisions of the Law and the Redevelopment Law and as provided in the Successor Agency Resolution and the Indenture of Trust in the aggregate principal amount of not to exceed \$21,500,000 for the

Tax-Exempt Bonds and \$6,500,000 for the Taxable Bonds, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters, as shall be certified to by the Financial Advisor upon delivery of the Refunding Bonds or any part thereof.

Section 4. Sale and Delivery of Refunding Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Refunding Bonds, then the Oversight Board approves the sale and delivery of the Refunding Bonds from time to time in part. In the event the Refunding Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional parts of the Refunding Bonds without the prior approval of this Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part pursuant to a supplemental Indenture and are in compliance with the Savings Parameters.

Section 5. Determinations by the Oversight Board. As requested by the Successor Agency, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of each series of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of each series of the Refunding Bonds without the approval of the Oversight Board, the California Department of Finance, the Los Angeles County Department of Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34181(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

Section 6. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance unless the Department requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency this \_\_\_\_ day of February, 2015.

AYES:  
NAYS:  
ABSENT:  
ABSTAIN:

---

Ann H. Marshall  
Oversight Board Chairperson

**ATTEST:**

---

Denise A. Radde  
Oversight Board Secretary

**APPROVED AS TO LEGAL FORM:**

BEST BEST & KRIEGER LLP

---

Scott Campbell, City Attorney

SOURCES AND USES OF FUNDS

Avalon Successor Agency  
Refunding Tax Allocation Bonds  
Debt Service Savings Analysis as of February 1, 2015

Sources:	Refund Tax Allocation Bonds (Tax-Exempt Series)	Refund 2034 Maturity (Tax-Exempt Series)	Refund Tax Allocation Bonds (Taxable Series)	Total
<b>Bond Proceeds:</b>				
Par Amount	17,560,000.00	1,300,000.00	6,055,000.00	24,915,000.00
Net Premium/OID	1,879,066.80	138,073.00	133,644.60	2,150,784.40
	<u>19,439,066.80</u>	<u>1,438,073.00</u>	<u>6,188,644.60</u>	<u>27,065,784.40</u>
<b>Uses:</b>				
<b>Refunding Escrow Deposits:</b>				
Cash Deposit	0.12	0.34	0.43	0.89
SLGS Purchases	19,039,278.00	1,376,818.00	6,044,484.00	26,460,580.00
	<u>19,039,278.12</u>	<u>1,376,818.34</u>	<u>6,044,484.43</u>	<u>26,460,580.89</u>
<b>Delivery Date Expenses:</b>				
Cost of Issuance	175,600.00	13,000.00	60,550.00	249,150.00
Underwriter's Discount	114,140.00	8,450.00	39,357.50	161,947.50
Bond Insurance	87,383.50	12,783.33	36,877.96	137,044.79
Surety Bond	22,515.38	20,475.00	7,032.05	50,022.43
	<u>399,638.88</u>	<u>54,708.33</u>	<u>143,817.51</u>	<u>598,164.72</u>
<b>Other Uses of Funds:</b>				
Rounding Amount	149.80	6,546.33	342.66	7,038.79
	<u>19,439,066.80</u>	<u>1,438,073.00</u>	<u>6,188,644.60</u>	<u>27,065,784.40</u>

Note: Interest Rates as of February 1, 2015

**BOND PRICING**

Avalon Successor Agency  
Refunding Tax Allocation Bonds  
Debt Service Savings Analysis as of February 1, 2015

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
<b>Refund Tax Allocation Bonds (Tax-Exempt Series), Serial Bond:</b>						
	09/01/2015	850,000	3.000%	0.300%	100.898	7,633.00
	09/01/2016	745,000	3.000%	0.750%	102.978	22,186.10
	09/01/2017	770,000	4.000%	1.050%	106.780	52,206.00
	09/01/2018	800,000	4.000%	1.350%	108.607	68,856.00
	09/01/2019	830,000	5.000%	1.750%	113.503	112,074.90
	09/01/2020	870,000	5.000%	2.000%	115.102	131,387.40
	09/01/2021	910,000	5.000%	2.300%	115.825	144,007.50
	09/01/2022	865,000	5.000%	2.510%	116.579	143,408.35
		<u>6,640,000</u>				<u>681,759.25</u>
<b>Refund Tax Allocation Bonds (Tax-Exempt Series), Insured Serial Bond:</b>						
	09/01/2023	915,000	5.000%	2.600%	117.874	163,547.10
	09/01/2024	955,000	5.000%	2.700%	118.860	180,113.00
	09/01/2025	825,000	5.000%	2.850%	119.123	157,764.75
	09/01/2026	865,000	5.000%	2.950%	118.140 C	156,911.00
	09/01/2027	910,000	5.000%	3.050%	117.168 C	156,228.80
	09/01/2028	960,000	5.000%	3.150%	116.205 C	155,568.00
	09/01/2029	1,000,000	5.000%	3.200%	115.727 C	157,270.00
	09/01/2030	1,055,000	5.000%	3.250%	115.251 C	160,898.05
		<u>7,485,000</u>				<u>1,288,300.70</u>
<b>Refund Tax Allocation Bonds (Tax-Exempt Series), Insured Term Bond:</b>						
	09/01/2033	3,435,000	3.500%	3.700%	97.351	(90,993.15)
<b>Refund 2034 Maturity (Tax-Exempt Series), Insured Term Bond:</b>						
	09/01/2034	1,300,000	5.000%	3.750%	110.621 C	138,073.00
<b>Refund Tax Allocation Bonds (Taxable Series), Serial Bond:</b>						
	09/01/2015	220,000	3.000%	0.300%	100.898	1,975.60
	09/01/2016	225,000	3.000%	0.750%	102.978	6,700.50
	09/01/2017	230,000	4.000%	1.050%	106.780	15,594.00
	09/01/2018	245,000	4.000%	1.350%	108.607	21,087.15
	09/01/2019	250,000	5.000%	1.750%	113.503	33,757.50
		<u>1,170,000</u>				<u>79,114.75</u>
<b>Refund Tax Allocation Bonds (Taxable Series), Insured Serial Bond:</b>						
	09/01/2020	260,000	3.120%	3.170%	99.753	(642.20)
	09/01/2021	270,000	3.520%	3.570%	99.715	(769.50)
	09/01/2022	285,000	3.730%	3.780%	99.678	(917.70)
	09/01/2023	295,000	5.000%	2.600%	117.874	52,728.30
	09/01/2024	310,000	5.000%	2.700%	118.860	58,466.00
		<u>1,420,000</u>				<u>108,864.90</u>
<b>Refund Tax Allocation Bonds (Taxable Series), Insured 2029 Term Bond:</b>						
	09/01/2029	1,760,000	4.730%	4.780%	99.479	(9,169.60)
<b>Refund Tax Allocation Bonds (Taxable Series), Insured 2033 Term Bond:</b>						
	09/01/2033	1,705,000	3.500%	3.700%	97.351	(45,165.45)
		<u>24,915,000</u>				<u>2,150,784.40</u>

---

---

BOND PRICING

Avalon Successor Agency  
Refunding Tax Allocation Bonds  
Debt Service Savings Analysis as of February 1, 2015

Dated Date	05/01/2015	
Delivery Date	05/01/2015	
First Coupon	09/01/2015	
Par Amount	24,915,000.00	
Premium	2,150,784.40	
Production	27,065,784.40	108.632488%
Underwriter's Discount	(161,947.50)	(0.650000%)
Purchase Price	26,903,836.90	107.982488%
Accrued Interest		
Net Proceeds	26,903,836.90	

Note: Interest Rates as of February 1, 2015

BOND DEBT SERVICE

Avalon Successor Agency  
 Refund Tax Allocation Bonds (Tax-Exempt Series)  
 Debt Service Savings Analysis as of February 1, 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2015	850,000	3.000%	259,625.00	1,109,625.00	1,109,625
03/01/2016			376,687.50	376,687.50	
09/01/2016	745,000	3.000%	376,687.50	1,121,687.50	1,498,375
03/01/2017			365,512.50	365,512.50	
09/01/2017	770,000	4.000%	365,512.50	1,135,512.50	1,501,025
03/01/2018			350,112.50	350,112.50	
09/01/2018	800,000	4.000%	350,112.50	1,150,112.50	1,500,225
03/01/2019			334,112.50	334,112.50	
09/01/2019	830,000	5.000%	334,112.50	1,164,112.50	1,498,225
03/01/2020			313,362.50	313,362.50	
09/01/2020	870,000	5.000%	313,362.50	1,183,362.50	1,496,725
03/01/2021			291,612.50	291,612.50	
09/01/2021	910,000	5.000%	291,612.50	1,201,612.50	1,493,225
03/01/2022			268,862.50	268,862.50	
09/01/2022	865,000	5.000%	268,862.50	1,133,862.50	1,402,725
03/01/2023			247,237.50	247,237.50	
09/01/2023	915,000	5.000%	247,237.50	1,162,237.50	1,409,475
03/01/2024			224,362.50	224,362.50	
09/01/2024	955,000	5.000%	224,362.50	1,179,362.50	1,403,725
03/01/2025			200,487.50	200,487.50	
09/01/2025	825,000	5.000%	200,487.50	1,025,487.50	1,225,975
03/01/2026			179,862.50	179,862.50	
09/01/2026	865,000	5.000%	179,862.50	1,044,862.50	1,224,725
03/01/2027			158,237.50	158,237.50	
09/01/2027	910,000	5.000%	158,237.50	1,068,237.50	1,226,475
03/01/2028			135,487.50	135,487.50	
09/01/2028	960,000	5.000%	135,487.50	1,095,487.50	1,230,975
03/01/2029			111,487.50	111,487.50	
09/01/2029	1,000,000	5.000%	111,487.50	1,111,487.50	1,222,975
03/01/2030			86,487.50	86,487.50	
09/01/2030	1,055,000	5.000%	86,487.50	1,141,487.50	1,227,975
03/01/2031			60,112.50	60,112.50	
09/01/2031	1,105,000	3.500%	60,112.50	1,165,112.50	1,225,225
03/01/2032			40,775.00	40,775.00	
09/01/2032	1,145,000	3.500%	40,775.00	1,185,775.00	1,226,550
03/01/2033			20,737.50	20,737.50	
09/01/2033	1,185,000	3.500%	20,737.50	1,205,737.50	1,226,475
	17,560,000		7,790,700.00	25,350,700.00	25,350,700

**BOND DEBT SERVICE**

Avalon Successor Agency  
 Refund 2034 Maturity (Tax-Exempt Series)  
 Debt Service Savings Analysis as of February 1, 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2015			21,666.67	21,666.67	21,666.67
03/01/2016			32,500.00	32,500.00	
09/01/2016			32,500.00	32,500.00	65,000.00
03/01/2017			32,500.00	32,500.00	
09/01/2017			32,500.00	32,500.00	65,000.00
03/01/2018			32,500.00	32,500.00	
09/01/2018			32,500.00	32,500.00	65,000.00
03/01/2019			32,500.00	32,500.00	
09/01/2019			32,500.00	32,500.00	65,000.00
03/01/2020			32,500.00	32,500.00	
09/01/2020			32,500.00	32,500.00	65,000.00
03/01/2021			32,500.00	32,500.00	
09/01/2021			32,500.00	32,500.00	65,000.00
03/01/2022			32,500.00	32,500.00	
09/01/2022			32,500.00	32,500.00	65,000.00
03/01/2023			32,500.00	32,500.00	
09/01/2023			32,500.00	32,500.00	65,000.00
03/01/2024			32,500.00	32,500.00	
09/01/2024			32,500.00	32,500.00	65,000.00
03/01/2025			32,500.00	32,500.00	
09/01/2025			32,500.00	32,500.00	65,000.00
03/01/2026			32,500.00	32,500.00	
09/01/2026			32,500.00	32,500.00	65,000.00
03/01/2027			32,500.00	32,500.00	
09/01/2027			32,500.00	32,500.00	65,000.00
03/01/2028			32,500.00	32,500.00	
09/01/2028			32,500.00	32,500.00	65,000.00
03/01/2029			32,500.00	32,500.00	
09/01/2029			32,500.00	32,500.00	65,000.00
03/01/2030			32,500.00	32,500.00	
09/01/2030			32,500.00	32,500.00	65,000.00
03/01/2031			32,500.00	32,500.00	
09/01/2031			32,500.00	32,500.00	65,000.00
03/01/2032			32,500.00	32,500.00	
09/01/2032			32,500.00	32,500.00	65,000.00
03/01/2033			32,500.00	32,500.00	
09/01/2033			32,500.00	32,500.00	65,000.00
03/01/2034			32,500.00	32,500.00	
09/01/2034	1,300,000	5.000%	32,500.00	1,332,500.00	1,365,000.00
	1,300,000		1,256,666.67	2,556,666.67	2,556,666.67

**BOND DEBT SERVICE**

Avalon Successor Agency  
 Refund Tax Allocation Bonds (Taxable Series)  
 Debt Service Savings Analysis as of February 1, 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2015	220,000	3.000%	82,089.83	302,089.83	302,089.83
03/01/2016			119,834.75	119,834.75	
09/01/2016	225,000	3.000%	119,834.75	344,834.75	464,669.50
03/01/2017			116,459.75	116,459.75	
09/01/2017	230,000	4.000%	116,459.75	346,459.75	462,919.50
03/01/2018			111,859.75	111,859.75	
09/01/2018	245,000	4.000%	111,859.75	356,859.75	468,719.50
03/01/2019			106,959.75	106,959.75	
09/01/2019	250,000	5.000%	106,959.75	356,959.75	463,919.50
03/01/2020			100,709.75	100,709.75	
09/01/2020	260,000	3.120%	100,709.75	360,709.75	461,419.50
03/01/2021			96,653.75	96,653.75	
09/01/2021	270,000	3.520%	96,653.75	366,653.75	463,307.50
03/01/2022			91,901.75	91,901.75	
09/01/2022	285,000	3.730%	91,901.75	376,901.75	468,803.50
03/01/2023			86,586.50	86,586.50	
09/01/2023	295,000	5.000%	86,586.50	381,586.50	468,173.00
03/01/2024			79,211.50	79,211.50	
09/01/2024	310,000	5.000%	79,211.50	389,211.50	468,423.00
03/01/2025			71,461.50	71,461.50	
09/01/2025	320,000	4.730%	71,461.50	391,461.50	462,923.00
03/01/2026			63,893.50	63,893.50	
09/01/2026	335,000	4.730%	63,893.50	398,893.50	462,787.00
03/01/2027			55,970.75	55,970.75	
09/01/2027	350,000	4.730%	55,970.75	405,970.75	461,941.50
03/01/2028			47,693.25	47,693.25	
09/01/2028	370,000	4.730%	47,693.25	417,693.25	465,386.50
03/01/2029			38,942.75	38,942.75	
09/01/2029	385,000	4.730%	38,942.75	423,942.75	462,885.50
03/01/2030			29,837.50	29,837.50	
09/01/2030	405,000	3.500%	29,837.50	434,837.50	464,675.00
03/01/2031			22,750.00	22,750.00	
09/01/2031	420,000	3.500%	22,750.00	442,750.00	465,500.00
03/01/2032			15,400.00	15,400.00	
09/01/2032	430,000	3.500%	15,400.00	445,400.00	460,800.00
03/01/2033			7,875.00	7,875.00	
09/01/2033	450,000	3.500%	7,875.00	457,875.00	465,750.00
	6,055,000		2,610,092.83	8,665,092.83	8,665,092.83

**SUMMARY OF REFUNDING RESULTS**

Avalon Successor Agency  
 Refunding Tax Allocation Bonds  
 Debt Service Savings Analysis as of February 1, 2015

	Refund Tax Allocation Bonds (Tax-Exempt Series)	Refund 2034 Maturity (Tax-Exempt Series)	Refund Tax Allocation Bonds (Taxable Series)	Total
Dated Date	05/01/2015	05/01/2015	05/01/2015	05/01/2015
Delivery Date	05/01/2015	05/01/2015	05/01/2015	05/01/2015
Arbitrage Yield	3.368095%	3.368095%	3.368095%	3.368095%
Escrow Yield	0.010164%	0.010163%	0.010165%	0.010164%
Value of Negative Arbitrage	52,758.95	3,815.24	16,749.61	73,323.80
Bond Par Amount	17,560,000.00	1,300,000.00	6,055,000.00	24,915,000.00
True Interest Cost	3.235937%	4.239620%	3.909071%	3.480737%
Net Interest Cost	3.441267%	4.484259%	3.931356%	3.659169%
Average Coupon	4.449201%	5.000000%	4.078695%	4.411861%
Average Life	9.972	19.333	10.569	10.605
Par amount of refunded bonds	18,820,000.00	1,360,000.00	5,955,000.00	26,135,000.00
Average coupon of refunded bonds	4.831854%	4.950000%	6.033727%	5.138077%
Average life of refunded bonds	10.002	19.333	11.735	10.882
PV of prior debt	21,168,787.06	1,675,031.08	7,484,603.24	30,328,421.38
Net PV Savings	2,043,288.39	81,869.48	1,055,874.64	3,181,032.51
Percentage savings of refunded bonds	10.857005%	6.019815%	17.730892%	12.171542%
Percentage savings of refunding bonds	11.636039%	6.297652%	17.438062%	12.767540%

Note: Interest Rates as of February 1, 2015

SAVINGS

Avalon Successor Agency  
Refund Tax Allocation Bonds (Tax-Exempt Series)  
Debt Service Savings Analysis as of February 1, 2015

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/01/2015 @ 3.3680951%
09/01/2015	1,218,878.75	1,109,625.00	109,253.75	108,044.12
09/01/2016	1,656,557.50	1,498,375.00	158,182.50	152,043.00
09/01/2017	1,659,157.50	1,501,025.00	158,132.50	146,924.03
09/01/2018	1,659,301.26	1,500,225.00	159,076.26	142,911.52
09/01/2019	1,656,901.26	1,498,225.00	158,676.26	137,831.59
09/01/2020	1,657,098.76	1,496,725.00	160,373.76	134,736.46
09/01/2021	1,655,078.76	1,493,225.00	161,853.76	131,518.43
09/01/2022	1,555,303.76	1,402,725.00	152,578.76	119,942.94
09/01/2023	1,558,003.76	1,409,475.00	148,528.76	112,942.99
09/01/2024	1,557,447.50	1,403,725.00	153,722.50	113,036.85
09/01/2025	1,356,977.50	1,225,975.00	131,002.50	93,218.96
09/01/2026	1,358,857.50	1,224,725.00	134,132.50	92,289.66
09/01/2027	1,358,532.50	1,226,475.00	132,057.50	87,872.07
09/01/2028	1,361,002.50	1,230,975.00	130,027.50	83,674.19
09/01/2029	1,356,022.50	1,222,975.00	133,047.50	82,786.34
09/01/2030	1,358,837.50	1,227,975.00	130,862.50	78,746.60
09/01/2031	1,358,397.50	1,225,225.00	133,172.50	77,485.45
09/01/2032	1,360,235.00	1,226,550.00	133,685.00	75,135.42
09/01/2033	1,359,102.50	1,226,475.00	132,627.50	71,997.95
	28,061,693.81	25,350,700.00	2,710,993.81	2,043,138.59

Savings Summary

PV of savings from cash flow	2,043,138.59
Plus: Refunding funds on hand	149.80
Net PV Savings	2,043,288.39

SAVINGS

Avalon Successor Agency  
 Refund 2034 Maturity (Tax-Exempt Series)  
 Debt Service Savings Analysis as of February 1, 2015

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/01/2015 @ 3.3680951%
09/01/2015	33,660.00	21,666.67	11,993.33	11,860.54
09/01/2016	67,320.00	65,000.00	2,320.00	2,237.63
09/01/2017	67,320.00	65,000.00	2,320.00	2,164.13
09/01/2018	67,320.00	65,000.00	2,320.00	2,093.04
09/01/2019	67,320.00	65,000.00	2,320.00	2,024.29
09/01/2020	67,320.00	65,000.00	2,320.00	1,957.79
09/01/2021	67,320.00	65,000.00	2,320.00	1,893.48
09/01/2022	67,320.00	65,000.00	2,320.00	1,831.28
09/01/2023	67,320.00	65,000.00	2,320.00	1,771.12
09/01/2024	67,320.00	65,000.00	2,320.00	1,712.95
09/01/2025	67,320.00	65,000.00	2,320.00	1,656.68
09/01/2026	67,320.00	65,000.00	2,320.00	1,602.26
09/01/2027	67,320.00	65,000.00	2,320.00	1,549.62
09/01/2028	67,320.00	65,000.00	2,320.00	1,498.72
09/01/2029	67,320.00	65,000.00	2,320.00	1,449.49
09/01/2030	67,320.00	65,000.00	2,320.00	1,401.88
09/01/2031	67,320.00	65,000.00	2,320.00	1,355.83
09/01/2032	67,320.00	65,000.00	2,320.00	1,311.29
09/01/2033	67,320.00	65,000.00	2,320.00	1,268.21
09/01/2034	1,427,320.00	1,365,000.00	62,320.00	32,682.93
	2,672,740.00	2,556,666.67	116,073.33	75,323.15

Savings Summary

PV of savings from cash flow	75,323.15
Plus: Refunding funds on hand	6,546.33
Net PV Savings	81,869.48

SAVINGS

Avalon Successor Agency  
 Refund Tax Allocation Bonds (Taxable Series)  
 Debt Service Savings Analysis as of February 1, 2015

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/01/2015 @ 3.3680951%
09/01/2015	339,071.25	302,089.83	36,981.42	36,571.97
09/01/2016	518,622.50	464,669.50	53,953.00	52,480.42
09/01/2017	518,507.50	462,919.50	55,588.00	52,242.71
09/01/2018	522,797.50	468,719.50	54,078.00	49,164.32
09/01/2019	521,195.00	463,919.50	57,275.50	50,302.83
09/01/2020	518,997.50	461,419.50	57,578.00	48,905.71
09/01/2021	521,205.00	463,307.50	57,897.50	47,525.90
09/01/2022	522,520.00	468,803.50	53,716.50	42,664.48
09/01/2023	522,942.50	468,173.00	54,769.50	42,035.01
09/01/2024	522,472.50	468,423.00	54,049.50	40,122.60
09/01/2025	521,110.00	462,923.00	58,187.00	41,729.33
09/01/2026	518,565.00	462,787.00	55,778.00	38,694.85
09/01/2027	520,112.50	461,941.50	58,171.00	38,994.27
09/01/2028	520,450.00	465,386.50	55,063.50	35,705.90
09/01/2029	519,577.50	462,885.50	56,692.00	35,524.37
09/01/2030	522,495.00	464,675.00	57,820.00	35,013.81
09/01/2031	518,900.00	465,500.00	53,400.00	31,256.17
09/01/2032	519,095.00	460,800.00	58,295.00	32,925.35
09/01/2033	522,777.50	465,750.00	57,027.50	31,105.28
09/01/2034	519,645.00		519,645.00	272,566.67
	10,231,058.75	8,665,092.83	1,565,965.92	1,055,531.98

Savings Summary

PV of savings from cash flow	1,055,531.98
Plus: Refunding funds on hand	342.66
Net PV Savings	1,055,874.64

SAVINGS

Avalon Successor Agency  
 Refunding Tax Allocation Bonds  
 Debt Service Savings Analysis as of February 1, 2015

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/01/2015 @ 3.3680951%
09/01/2015	1,591,610.00	1,433,381.50	158,228.50	156,476.63
09/01/2016	2,242,500.00	2,028,044.50	214,455.50	206,761.06
09/01/2017	2,244,985.00	2,028,944.50	216,040.50	201,330.87
09/01/2018	2,249,418.76	2,033,944.50	215,474.26	194,168.87
09/01/2019	2,245,416.26	2,027,144.50	218,271.76	190,158.71
09/01/2020	2,243,416.26	2,023,144.50	220,271.76	185,599.96
09/01/2021	2,243,603.76	2,021,532.50	222,071.26	180,937.81
09/01/2022	2,145,143.76	1,936,528.50	208,615.26	164,438.70
09/01/2023	2,148,266.26	1,942,648.00	205,618.26	156,749.12
09/01/2024	2,147,240.00	1,937,148.00	210,092.00	154,872.40
09/01/2025	1,945,407.50	1,753,898.00	191,509.50	136,604.97
09/01/2026	1,944,742.50	1,752,512.00	192,230.50	132,586.77
09/01/2027	1,945,965.00	1,753,416.50	192,548.50	128,415.96
09/01/2028	1,948,772.50	1,761,361.50	187,411.00	120,878.82
09/01/2029	1,942,920.00	1,750,860.50	192,059.50	119,760.21
09/01/2030	1,948,652.50	1,757,650.00	191,002.50	115,162.29
09/01/2031	1,944,617.50	1,755,725.00	188,892.50	110,097.45
09/01/2032	1,946,650.00	1,752,350.00	194,300.00	109,372.07
09/01/2033	1,949,200.00	1,757,225.00	191,975.00	104,371.44
09/01/2034	1,946,965.00	1,365,000.00	581,965.00	305,249.60
	40,965,492.56	36,572,459.50	4,393,033.06	3,173,993.72

Savings Summary

PV of savings from cash flow	3,173,993.72
Plus: Refunding funds on hand	7,038.79
Net PV Savings	3,181,032.51

Note: Interest Rates as of February 1, 2015