



TOWN OF APPLE VALLEY TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** August 14, 2012
From: Orlando Acevedo **Item No:** 11
Economic Development Manager
Subject: ADOPTION OF RESOLUTION APPROVING RECOGNIZED
OBLIGATIONS PAYMENT SCHEDULE (ROPS) NO.3

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

That the Town Council as the Successor Agency to the dissolved Apple Valley Redevelopment Agency adopt the attached SA Resolution No. 2012-06 approving Recognized Obligation Payment Schedule (ROPS) No. 3.

SUMMARY:

Per the redevelopment dissolution proceedings set forth in ABx1 26 and AB 1484, the Apple Valley Oversight Board, comprised of various representatives from local and county taxing entities, is tasked with overseeing that the Successor Agency of the dissolved Redevelopment Agency pay only the debts and obligations provided on an approved Recognized Obligation Payment Schedule (ROPS).

Each previous ROPS, ROPS No.1 (January-June 2012) and ROPS No.2 (July-December 2012), was respectively approved by the Apple Valley Oversight Board during the course of several meetings this spring, as well as by the State Department of Finance on May 24, 2012.

The attached resolution includes ROPS No. 3, to be submitted to the State Department of Finance by September 4, 2012, setting forth those same enforceable obligations previously approved and the amount of payments to be made for each of them for the sixth month period from January 2013 through June 2013.

Upon approval by the Oversight Board at its meeting of August 15, 2012, the Successor Agency will provide a copy of ROPS No.3 to the Auditor-Controller, the State Department of Finance, and the State Controller, and post the approved ROPS on the Successor Agency's website. Because the Department of Finance may review Oversight Board actions, the Oversight Board's action to approve the ROPS is not effective for five business days, pending a request for review by the Department of Finance.

Once a ROPS is approved, the County Auditor-Controller will allocate property tax increment to the Successor Agency to pay down the dissolved Redevelopment Agency's enforceable obligations using the appropriate funding sources.

Accordingly, staff recommends adoption of the attached resolution.

BACKGROUND:

On February 1, 2012, all redevelopment agencies were dissolved and many successor agencies assumed the responsibilities of winding down the former agencies' affairs and paying off debts. The Town Council at its January 10th meeting adopted Resolution No. 2012-03 to serve as the successor agency of the former Redevelopment Agency of the Town of Apple Valley ("Agency").

The Successor Agency will be responsible for paying off the enforceable obligations listed on the ROPS with funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund, managed by the County Auditor-Controller. The Town's liabilities, as the Successor Agency, will be limited to the amount of property tax received to pay enforceable obligations.

The Successor Agency is further required to prepare a proposed administrative budget ("Budget") and submit it for approval to the Oversight Board. The Budget is required to include an estimated amounts for Successor Agency administrative costs for the same sixth period as the ROPS, proposed sources of payment for all administrative costs, and proposals for arrangements for administrative and operations services provided by the Town of Apple Valley.

Each previous ROPS, ROPS No.1 (January-June 2012) and ROPS No.2 (July-December 2012), was respectively approved by the Apple Valley Oversight Board during the course of several meetings this spring, as well as by the State Department of Finance on May 24, 2012.

FISCAL IMPACT:

Enforceable obligations delineated on the ROPS No. 3 were included in the adopted Town's 2012-13 Fiscal Year Budget allocating former redevelopment funding sources only; there are no direct impacts upon the Town's General Fund at this time.

SA RESOLUTION NO. 2012-06

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY ACTING AS THE SUCCESSOR AGENCY OF THE APPLE VALLEY REDEVELOPMENT AGENCY APPROVING RECOGNIZED OBLIGATION PAYMENT SCHEDULE NO. 3 TO PART 1.8 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE AS PROVIDED BY AB 1X 26

WHEREAS, pursuant to Health and Safety Code section 34173(d), the Town of Apple Valley (“RDA Successor Agency”) is the successor agency to the dissolved Redevelopment Agency of the Town of Apple Valley (“Agency”), confirmed by Resolution No. 2012-03 adopted on January 10, 2012;

WHEREAS, the RDA Successor Agency has prepared and submitted its ROPS for January to June 2012 and July to December 2012 (collectively “ROPS”) to the County of San Bernardino Auditor-Controller pursuant to Health and Safety Code section 34177(1)(2), as modified by the Supreme Court opinion in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861; the RDA Successor Agency has submitted the ROPS to the Oversight Board; the Oversight Board has approved the ROPS (“Approved ROPS”); and the RDA Successor Agency has submitted a copy of the Approved ROPS to the County of San Bernardino Auditor-Controller, the California State Controller, and the State of California Department of Finance and posted the Approved ROPS on the RDA Successor Agency’s website;

WHEREAS, the ROPS were approved by the State of California Department of Finance in a letter dated May 24, 2012;

WHEREAS, a third ROPS for the period January 2013 through July 2013 is due prior to September 4, 2012;

WHEREAS, Health and Safety Code section 34177(1)(2) requires the RDA Successor Agency to submit the ROPS to the Oversight Board of the RDA Successor Agency for approval and, upon such approval, the RDA Successor Agency is required to submit a copy of such approved ROPS to the County of San Bernardino Auditor-Controller, the California State Controller, and the State of California Department of Finance and post the approved ROPS on the RDA Successor Agency’s website;

WHEREAS, Health and Safety Code section 34180(g) requires the Oversight Board to approve the RDA Successor Agency’s establishment of the ROPS prior to the RDA Successor Agency acting upon the ROPS;

NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED BY THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY ACTING AS THE SUCCESSOR AGENCY OF THE APPLE VALLEY REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. CEQA Compliance. The determination given in this Resolution does not commit the RDA Successor Agency to any action that may have a significant effect on the environment. As a result, such approval does not constitute a project subject to the requirements of the California Environmental Quality Act. The RDA Successor Agency directs staff to file a Notice of Exemption within five (5) days following adoption of this Resolution with the Clerk of the Board of Supervisors of the County of San Bernardino.

SECTION 3. Approval of the ROPS. The RDA Successor Agency hereby approves the Recognized Obligation Payment Schedule, in substantially the form attached hereto as Exhibit A, as required by Health and Safety Code Section 34169. The RDA Successor Agency staff is hereby authorized and directed to post a copy of the ROPS on the RDA Successor Agency's website. RDA Successor Agency staff is further authorized and directed to take such steps necessary to facilitate the approval by the Oversight Board's approval of the ROPS, and to transmit the ROPS, by mail or electronic means, to the San Bernardino County Auditor-Controller, the State Controller and the Department of Finance, and other information as required by AB 1X 26 and AB 1484.

SECTION 4. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Town Council of the Town of Apple Valley acting as the RDA Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 5. Certification. The Town Clerk shall certify to the adoption of this Resolution.

SECTION 6. Effective Date . This Resolution shall become effective upon its adoption.

APPROVED and **ADOPTED** this 14th day of August 2012.

Barb Stanton, Mayor

ATTEST:

La Vonda M-Pearson, Town Clerk

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE NO. 3
For the period of January 2013 through June 2013

[Attached behind this page]

Successor Agency Contact Information

Name of Successor Agency: Town of Apple Valley
County: San Bernardino

Primary Contact Name: Marc Puckett
Primary Contact Title: Finance Director

Address 14975 Dale Evans Parkway, Apple Valley, CA 92307

Contact Phone Number: (760) 240-7000 ext 7700

Contact E-Mail Address: mpuckett@applevalley.org

Secondary Contact Name: Orlando Acevedo

Secondary Contact Title: Economic Development Manager

Secondary Contact Phone Number: (760) 240-7000 ext 7920

Secondary Contact E-Mail Address: oacevedo@applevalley.org

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Town of Apple Valley

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		\$ 77,760,921
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	7141244
B	Enforceable Obligations Funded with RPTTF	3567628
C	Administrative Allowance Funded with RPTTF	126499
D	Total RPTTF Funded (B + C = D)	3694127
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>		\$ 10,835,371
E	Enter Total Six-Month Anticipated RPTTF Funding	3,694,127
F	Variance (D - E = F). <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	-
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (e))		
G	Enter Estimated Obligations Funded by RPTTF <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i>	375627
H	Enter Actual Obligations Paid with RPTTF	3177116
I	Enter Actual Administrative Expenses Paid with RPTTF	1369721
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-4171210
K	Adjustment to RPTTF	\$ 7,865,337.00

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 _____

January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
									LMHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTIF	Other	Six-Month Total
1	2005 Tax Allocation Bonds	6/1/2005		US Bank	2005 Tax Allocation Bonds for capital projects	WEDA	7,693,000.00	572,213	593,244				346,607		10,635,371
2	2007 Tax Allocation Bonds	6/1/2007		US Bank	2007 Tax Allocation Bonds for capital projects	WEDA	8,260,000.00	544,163					352,092		600,000
3	Loan Agreement/ODA	6/28/2011		AMCAL	Bond proceeds for senior affordable housing construction	WEDA	2,100,000.00	100,000			800,000				
4	Employment agreement	1/1/2008		Ken Henderson	Employment separation agreement and release	WEDA	22,960.00	22,960							
5	AMCAL Multi-Housing Loan Agreement	6/28/2011		AMCAL/Various	LMHF for senior affordable housing construction project	WEDA	1,575,000.00	200,000			200,000				200,000
6	Loan to 80% for ERAF	4/27/2011		LMHF	Loan to PAV SERAF	WEDA	401,767.00	401,767						401,767	401,767
7	HELP Loan	1/15/2003		CAL FHA	Loan for CAL FHA Down Payment Assistance	WEDA	162,500.00	10,000							
8	2007 Tax Allocation Bonds	7/1/2007		US Bank	2007 Tax Allocation Bonds for capital/housing projects	PA2	33,535,000.00	2,382,900	293,244						2,382,900
9	Yucca Loma Bridge Corridor	7/1/2007		Various	Bond proceeds for Yucca Loma Bridge construction servid	PA2	16,214,000.00	5,000,000			5,000,000				5,000,000
10	Yucca Loma Bridge Corridor	4/27/2007		Dokeen Engineering	Design services for Yucca Loma Bridge	PA2	623,000.00	623,000							623,000
11	Yucca Loma Bridge Corridor	1/18/2008		CAA Engineering	Project management services for YLB	PA2	500,000.00	125,000			125,000				125,000
12	Employment agreement	1/1/2008		Ken Henderson	Employment separation agreement and release	PA2	22,961.00	22,961							
13	Loan Agreement/ODA	6/28/2011		AMCAL	AMCAL Multi-Housing Inc	PA2	4,643,300.00	200,000			200,000				200,000
14	Loan to 80% for ERAF	6/28/2011		AMCAL/Various	Bond proceeds for senior affordable housing construction	PA2	1,575,000.00	375,506					375,506		375,506
15	AMCAL Multi-Housing Loan Agreement	6/28/2011		AMCAL/Various	LMHF for senior affordable housing construction project	PA2	1,575,000.00	100,000			100,000				100,000
16	HELP Loan	1/15/2003		CAL FHA	Loan for CAL FHA Down Payment Assistance	PA2	162,500.00	10,000							
17	Personnel Services			Various	Dissolution Activities and Services	WEDAWYRDA PA2	178,997	178,997				89,499			89,499
18	Education and Training			Various	Dissolution Activities and Services	WEDAWYRDA PA2	6,000	6,000				3,000			3,000
19	Meetings and Conferences			Various	Dissolution Activities and Services	WEDAWYRDA PA2	2,000	2,000				1,000			1,000
20	Mileage			Various	Dissolution Activities and Services	WEDAWYRDA PA2	4,000	4,000				2,000			2,000
21	Office Expenses			Various	Dissolution Activities and Services	WEDAWYRDA PA2	2,000	2,000				1,000			1,000
22	Postage			Various	Dissolution Activities and Services	WEDAWYRDA PA2	2,000	2,000				1,000			1,000
23	Printing			Various	Dissolution Activities and Services	WEDAWYRDA PA2	1,000	1,000				500			500
24	Audit			TBD	Dissolution Activities and Services	WEDAWYRDA PA2	14,000	14,000				14,000			14,000
25	Contract Services			Emily Wong	Dissolution Activities and Services	WEDAWYRDA PA2	18,000	18,000				0			18,000
26	Legal			BB&K	Dissolution Activities and Services	WEDAWYRDA PA2	30,000	30,000				15,000			15,000
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Pursuant to Health and Safety Code section 34186 (a)
 PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
 January 1, 2012 through June 30, 2012

Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMHF		Bond Proceeds		Reserve Balance		Admin Allowance		RP/TF		Other
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	
		Grand Total				\$ 82,168	\$ 327,865	\$ -	\$ 368,418	\$ -	\$ -	\$ 325,385	\$ 1,393,721	\$ 50,242	\$ 3,177,116	\$ -
1.00	1)	2005 Tax Allocation Bonds	US Bank	Fund capital improvements	WVEDA											
1.00	2)	2007 Tax Allocation Bonds	US Bank	Fund RDA activities	WVEDA										511,690	
1.00	3)	New Housing/RR/PDAP	Various	Construction services	WVEDA										547,898	
1.00	4)	Administration	Town of Apple Valley	Operating Transfer	WVEDA											
1.00	5)	Contract for consulting services	McGregor/Sheet	Marketing Services	WVEDA									10,121		
1.00	6)	Contract for consulting services	BB&K	Legal counsel	WVEDA	24,000.00	20,626.00								1,061	
1.00	7)	Contract for consulting services	Keyser Marston	90-Unit Senior Project	WVEDA	19,000									980	
1.00	8)	Loan Agreement/DDA	AMCAL	90-Unit Senior Project	WVEDA			100,002								
1.00	9)	Loan to 80% for ERAF	20% Low Income Fund	Loan to pay ERAF	WVEDA											
1.00	10)	HELP Loan	Cal HFA	Loan for Down Payment Assistance	WVEDA											
1.00	11)	RDA Dissolution Implementation	Emily Wozniak/Other	Professional Services	WVEDA									15,000	2,461	
1.00	12)	Employment agreement	former RDA Exec Dir	Separation agreement and release	WVEDA	27,168						27,168				
1.00	29)	5% Admin Allowance	Town of Apple Valley	Administration Allowance	WVEDA							87,678				
2.00	1)	2007 Tax Allocation Bonds	US Bank	Fund (65%) RDA activities	AVRDA PA-2											
2.00	2)	2007 Tax Allocation Bonds	US Bank	Fund (20%) Housing projects	AVRDA PA-2		283,508									
2.00	3)	Yucca Loma Bridge Construction	Various	Construction services	AVRDA PA-2			35,000	221,897							
2.00	4)	Loan Agreement/DDA	AMCAL	Senior Project Loan Agreement	AVRDA PA-2			100,000								
2.00	5)	Contract for consulting services	McGregor/Sheet	Marketing services	AVRDA PA-2									10,121	1,061	
2.00	6)	Contract for consulting services	BB&K	Legal counsel	AVRDA PA-2	12,000	13,372									
2.00	7)	New Housing/RR/PDAP	Various	Construction services	AVRDA PA-2											
2.00	8)	Loan to 80% for ERAF	PA2 - 20 Percent Low Inco	Loan to pay ERAF	AVRDA PA-2											
2.00	9)	Help Loan	Cal HFA	Loan for Down Payment Assistance	AVRDA PA-2											
2.00	10)	Yucca Loma Bridge	Dakken Engineering	Professional Services	AVRDA PA-2				166,731							
2.00	11)	RDA Dissolution Implementation	Emily Wozniak/Other	Professional Services	AVRDA PA-2											
2.00	12)	Administration	Town of Apple Valley	Operating Transfer	AVRDA PA-2									15,000	17,108	
2.00	13)	Employment agreement	former RDA Exec Dir	Separation agreement and release	AVRDA PA-2							27,168				
2.00	29)	Administration Allowance	Town of Apple Valley	Administration Allowance	AVRDA PA-2							183,421			770,967	