

OVERSIGHT BOARD RESOLUTION NO. OB 15-02

**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.

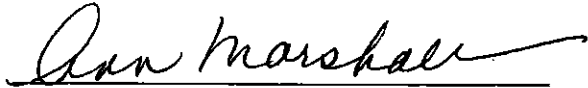
PASSED, APPROVED AND ADOPTED this 18th day of February, 2015 by the following vote:

Ayes: Chairman Marshall, Boardmembers Morones, Huart, Moore and Blehm

Noes: None

Abstain: None

Absent: Boardmembers Novak and Thompson



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

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

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

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

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)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	2003 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/15/2003	8/17/2004	U.S. Bank National Association	Bonds issued to fund non-housing projects	Community Improvement Project	Community Improvement Project	30,734,434	N	1,595,517	1,595,517		1,595,517	235,000	21,537,864
2	2003 Tax Allocation Bonds Series B	Bonds Issued On or Before 12/15/2003	8/17/2004	U.S. Bank National Association	Bonds issued to fund non-housing projects	Community Improvement Project	Community Improvement Project	10,231,029	N				339,072		4,232,550
3	Hazard Agent Fees	Fees	12/15/2003	U.S. Bank National Association	Fees for fiscal agent services	Community Improvement Project	Community Improvement Project	140,000	N		7,000				7,000
4	Sewer Repairs	Fees	3/7/2011	REI Consulting	Contract for construction management services for sewer repair project	Community Improvement Project	Community Improvement Project		Y						
5	Wastewater Treatment Plant Repairs	Improvement/infrastructure	3/7/2011	Environ Strategy	Contract for repairs for wastewater treatment plant, collection system, and saltwater distribution system	Community Improvement Project	Community Improvement Project		Y						
6	Pebble Beach Road Construction	Improvement/infrastructure	3/7/2011	Santa Catalina Island Company	Contract for road/slope improvements pursuant to agreement with Santa Catalina Island Company	Community Improvement Project	Community Improvement Project	159,517	N	159,517					159,517
10	Audit and Accounting Services	Admin Costs	8/17/2008	Delan, Evans & Company, State of California	Contract for annual financial audit and accounting services, including related fees with State Controller's Office	Community Improvement Project	Community Improvement Project	2,000,000	N				50,000		50,000
11	Legal Services (Related to Project Implementation of Encoreable Obligations)	Legal	8/17/2008	Beel Best & Gagner	General course legal services	Community Improvement Project	Community Improvement Project		N						
13	Contract for General Plan, Housing Element, Local Coastal Plan Update, and CEQA	Professional Services	8/9/2010	Rincon Consultants	Contract for Consulting Services for General Plan Update, Housing Element Update, LCP Amendment, and CEQA	Community Improvement Project	Community Improvement Project		N						
14	SEPA Planning Agreement	SEPA/ERAP	7/2/2005	Environmental Science Solutions	SEPA/ERAP	Community Improvement Project	Community Improvement Project	100,000	N						178,766
15	Continuing Bond Disclosure and Bond Rollage	Fees	12/16/2003	Harral & Co. Advisors and/or US Bank	Continuing disclosure reporting and bond amortization requirements for 2003 Tax Allocation Bonds Series A & B	Community Improvement Project	Community Improvement Project	250,000	N				12,500		12,500
16	SEPA/ERAP	SEPA/ERAP	12/16/2003	Environmental Science Solutions	SEPA/ERAP	Community Improvement Project	Community Improvement Project		N						
17	Community Administrative Services	Admin Costs	12/16/2003	Various Vendors	Supplies, professional services, financial reporting services, and property management and maintenance	Community Improvement Project	Community Improvement Project		N						
18	Community Administrative Services	Admin Costs	12/16/2003	Various Vendors	Supplies, professional services, financial reporting services, and property management and maintenance	Community Improvement Project	Community Improvement Project		N						
19	Operational and Administrative Support of Successor Agency, Facilities, Office and Hardware Supplies	Admin Costs	1/17/2009	Various Vendors	Supplies, professional services, financial reporting services, and property management and maintenance	Community Improvement Project	Community Improvement Project		N						

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

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P											
																Funding Sources										
																Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)	Reserve Balances	Other Funds	Non-Admin	Admin	Sh-Month Total					
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	Bond Proceeds	Reserve Balances	Other Funds	Non-Admin	Admin	Sh-Month Total											
20	Successor Agency Administrative Costs	Admin Costs	2/7/2012	9/7/2014	Employees of Successor Agency, Legal Counsel, Consultants, Various Other Vendors	All administrative/operational costs of the Successor Agency, including staffing, overhead, legal counsel, financial consulting, property maintenance, etc.	Community Improvement Project Area	5,000,000	N					125,000	\$ 125,000											
21	Low and Moderate Income Housing Down Payment Assistance Program	Miscellaneous	2/19/2013	1/23/2014	Avalon Housing Authority	Pursuant to HSC Section 34176(g), the Avalon Housing Authority requested funding from the 2003 Housing Bond proceeds to replenish available funding for the Low and Moderate Income Housing Down Payment Assistance Program.	Community Improvement Project Area		Y						\$											
22	Exclusive Negotiating Agreement with Hamilton Pacific for a 48-Unit Low and Moderate Income Housing Project and Related Capital Improvements Consistent with Bond Covenants for 2003 TAB Series B	Miscellaneous	9/16/2013	9/1/2014	Avalon Housing Authority	Pursuant to HSC Section 34176(g), the Avalon Housing Authority has requested funding from the 2003 Housing Bond proceeds to fund a proposed affordable housing project and related capital improvements consistent with the bond covenants of the 2003 TAB Series B.	Community Improvement Project Area		Y						\$											
23	Housing Successor Agency Administrative Costs	Miscellaneous	2/8/2014	9/1/2014	Avalon Housing Authority	Administrative costs for the Successor Agency.	Community Improvement Project Area		N						\$ 75,000											

Recognized Obligation Payment Schedule (ROPS 14-15A) - 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	RPTTF		
Bonds issued on or before 12/31/10	Prior ROPS period balances and DDR RPTTF balances retained	Rent, Grants, Interest, Etc.	Non-Admin and Admin											
Cash Balance Information by ROPS Period														
ROPS 14-15A Actuals (07/01/14 - 12/31/14)														
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	3,152					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)	4,339,076					1,658,886							
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	\$ -	\$ -	\$ -	\$ -	\$ 66,667	\$ (148,156)						
ROPS 14-15B Estimate (01/01/15 - 06/30/15)														
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 5; F = H4 + F4 + F6, 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
Expenses			
Salaries	\$ 263,667	\$ 131,833	\$ 131,833
Benefits/Insurance	164,111	\$ 82,055	\$ 82,055
Personnel	\$ 427,777	\$ 213,889	\$ 213,889
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
Other Line Items	\$ 331,542	\$ 165,771	\$ 165,771
Total Expenses	\$ 759,319	\$ 379,660	\$ 379,660

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).

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.
CITY OF AVALON)

I, DENISE A. RADDE, OVERSIGHT BOARD SECRETARY AND CITY CLERK OF THE CITY OF AVALON, do hereby certify that the foregoing is a true and correct copy of Oversight Board Resolution No. 15-02, and was duly passed, approved, and adopted by the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency at its special meeting of February 18, 2015, by the following vote:

Ayes: Chairman Marshall, Boardmembers Morones, Blehm, Moore and Huart
Noes: None
Absent: Boardmembers Novak and Thompson
Abstain: None

and that the same has not been amended nor repealed.

Dated this 19th day of February, 2015.



Denise A. Radde
Oversight Board Secretary / City Clerk,
City of Avalon, California