

SPECIAL MEETING AGENDA

**Oversight Board to the Mendota Designated Local Authority,
as Successor Agency to the Mendota Redevelopment Agency**

Wednesday, February 12, 2014 at 4:30 PM

Mendota City Council Chambers

643 Quince Street, Mendota, CA 93640

The agenda for Special Meetings is posted 24 hours prior to each special meeting outside of the Mendota City Hall located at 643 Quince Street, Mendota, CA 93640, and is available at each meeting. The agenda and related reports are also available at the Mendota City Clerk's Office and are available on the Designated Local Authority's website at www.kosmont.com. Any writing distributed within 24 hours of the meeting will be made available to the public by placing it with the City Clerk at the time it is distributed to the Oversight Board.

Public Comments:

Members of the public may comment on any item not appearing on the agenda and within the subject matter jurisdiction of the Boards. Comments will be limited to a maximum of 5 minutes per person, and each person may speak once during this time. Time cannot be yielded to another person. Under State Law, matters presented under this item cannot be discussed or acted upon at this time by the Boards. The public will be invited to make comments on agenda items when the item comes up for the Boards' consideration. Please state your name and address for the record.

Call to Order of the:

Oversight Board to the Mendota Designated Local Authority, as Successor Agency to the Mendota Redevelopment Agency

Roll Call

Board Members: Chair, Robert Silva, City of Mendota
 Vice Chair, Becky Cline, Fresno Westside Mosquito Abatement District
 Bryce Atkins, City of Mendota
 Ken Stoppenbrink, West Hills Community College District
 Jose Alcaide, Mendota Unified School District
 Doug Vagim, Fresno County
 Sandra Sosa-Ramirez, Fresno County Community Member

Public Comments:

Members of the public may comment on any item not appearing on the agenda and within the subject matter jurisdiction of the Board. Comments will be limited to a maximum of 5 minutes per person, and each person may speak once during this time. Time cannot be yielded to another person. Under State Law, matters presented under this item cannot be discussed or acted upon at this time by the Board. The public will be invited to make comments on agenda items when the item comes up for the Board's consideration. Please state your name and address for the record.

Information Items:

- A. Update on DLA Bank Account and City Services Agreement – Oral update only – no action will be taken.
- B. Update on Payment of Past Due Principal and Interest on Bonded Indebtedness by the DLA – Oral update only – no action will be taken.

Action Items:

1. Approval of Minutes:

Recommendation: It is recommended that the Oversight Board to the Mendota Designated Local Authority, acting as Successor Agency to the Mendota Redevelopment Agency, approve the minutes of the December 9, 2013 meeting.

2. Approval of ROPS 14-15A:

Recommendation: It is recommended that the Oversight Board to the Mendota Designated Local Authority, as Successor Agency to the Mendota Redevelopment Agency, adopt Resolution 2014-001, Approving the Recognized Obligation Payment Schedule (ROPS 14-15A) for July 1, 2014 through December 31, 2014

Other:

- Board member comments
- Staff and counsel comments

Adjournment:

Americans with Disabilities Act Notice: Any individual, who because of a disability need special assistance to attend or participate in this meeting may request assistance by contacting the DLA Staff 24 hours in advance of the meeting.

DLA Staff Contact: Chris Jicha, (951) 203-8730, cjicha@kosmont.com

Affidavit of Posting:

I, _____, City staff of the City of Mendota, do hereby affirm that a copy of the foregoing agenda was posted at City Hall 24 hours in advance of this meeting.

City of Mendota

**REPORT TO THE MENDOTA DESIGNATED LOCAL AUTHORITY,
AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF MENDOTA**

TO: DESIGNATED LOCAL AUTHORITY BOARD MEMBERS
FROM: CHRISTOPHER JICHA, STAFF TO SUCCESSOR AGENCY
DATE: FEBRUARY 12, 2014
SUBJECT: APPROVAL OF RESOLUTION OB 2014-01, A RESOLUTION OF THE MENDOTA DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY OF THE MENDOTA REDEVELOPMENT AGENCY, APPROVING THE PAYMENT OF UP TO \$2,900,000 TO THE BOND TRUSTEE FOR PAYMENT OF PAST DUE PRINCIPAL AND INTEREST ON THE 1994 TAX ALLOCATION BONDS ISSUED BY THE FORMER MENDOTA REDEVELOPMENT AGENCY, REPLENISHMENT OF BOND RESERVES AND RELATED TRUSTEE FEES AND COSTS

RECOMMENDATION

Approve Resolution OB 2014-01, a resolution of the Mendota Designated Local Authority, as Successor Agency of the Mendota Redevelopment Agency, approving the payment of up to \$2,900,000 to the bond trustee for payment of past due principal and interest on the 1994 Tax Allocation Bonds issued by the former Mendota Redevelopment Agency, replenishment of bond reserves and related trustee fees and costs.

BACKGROUND

The Mendota Designated Local Authority, as Successor Agency to the Mendota Redevelopment Agency ("DLA"), was established by statute to take actions to wind down the affairs of the former Mendota Redevelopment Agency in accordance with the California Health and Safety Code.

Pursuant to Health and Safety Code Section 34179.5, the DLA employed a licensed accountant, Price, Page & Company, approved by the County-Auditor Controller, to conduct a due diligence review of LMIHF and of all Other Funds to determine the unencumbered LMIHF and Other Funds balances available for disbursement to the taxing entities.

The DLA conducted a public hearing on the LMIHF and Other Assets DDRs on December 20, 2012 and January 10, 2013 then following the public comment period submitted the DDRs to the Oversight Board, the County Auditor-Controller, the State Controller and the Department of Finance ("DOF") pursuant to Health and Safety Code Sections 34179.6 and 34180(j).

DOF issued determination letter for the LMIHF DDR on February 15, 2013 and for the Other Funds DDR on April 8, 2013. DLA staff submitted requests for Meet & Confer following receipt of the determination letters but due to the stop work order issued by the DOF in March 2013, the scheduling of the Meet & Confer was delayed.

The Meet & Confer was completed on October 1, 2013 and the DOF issued revised determination letters (Attachment A) (the "Determination Letters") which indicated the following:

LMIHF - The DOF allowed the request to retain \$1,294,217 for funding of enforceable obligations which were originally denied.

Other Funds – The DOF denied the transfer of funds totaling \$76,426 to the City of Mendota which was also denied as an enforceable obligation. The DOF allowed the request to restrict balances of \$1,728,897 and retain the \$76,426 transferred to the City to allow the DLA to make past due bond payments.

DISCUSSION

Notwithstanding the fact that the Determination Letters authorize the Successor Agency to retain LMIHF monies in the amount of \$1,294,217 and OFA monies in the amount of \$1,728,897, the actual amount of unencumbered cash included in those amounts as disclosed in the LMIHF DDR and OFA DDR as of June 30, 2012 was a total of \$2,417,371 (\$1,293,806 in available LMIHF cash as of 6/30/12 (pg 18 per the LMIHF DDR) plus \$1,123,565 in available OFA cash as of 6/30/12 (pg 23 per the OFA DDR)).

Though the Determination Letter regarding the OFA DDR authorizes the payment of \$76,426 originally designated to be paid on the Agency's 1989 Lease Revenue Bonds, the Successor Agency desires additional time to locate evidence that the 1989 Lease Revenue Bonds are an enforceable obligation of the Successor Agency, and therefore is not requesting to disburse those funds at this time. In the event the Successor Agency is unable to locate evidence that the 1989 Lease Revenue Bonds are an enforceable obligation of the Successor Agency, the Successor Agency will seek direction at a later date to disburse an additional \$76,426 to the bond trustee in payment of past due principal and interest on the 1994 TABS.

Attachment B consists of the trial balance of the DLA as of December 31, 2013, and indicates that the DLA has approximately \$2,964,000 in available cash and cash equivalents. The increase in cash from June 30, 2013 is primarily due to receipt of RPTTF. Staff is in the process of having those funds transferred from the City cash accounts to a bank account held by the DLA/Successor Agency. Once the transfer is complete, staff requests direction to make a payment of up to \$2,900,000 to the bond trustee for payment of past due principal and interest on the 1994 TABS, replenishment of bond reserves and payment of trustee fees, with the exact amount to be determined by staff in consultation with the City finance department, DLA accountant and DLA counsel.

Staff currently estimates the actual payment to be approximately \$2,800,000, as staff desires to retain the approximately \$76,000 denied by DOF for payment on the 1989 Lease Revenue bonds and the balance for interest expense and administrative expenses such as audit fees. Accordingly, staff and DLA counsel requested an estimate from the trustee of how an estimated payment of approximately \$2,800,000 would be applied to balances due. The amount actually paid may be more than \$2,800,000 as January receipts of RPTTF are not reflected in the December 31, 2013 cash balance.

Attachment C consists of an email from the trustee detailing various amounts due and the estimated application of a \$2,800,000 payment received by the trustee. Past due principal and interest payments on the 1994 TABS through February 1, 2014, total \$4,146,976, and will increase to \$5,462,635 in August, absent any payment of the bonds.

A payment of \$2,800,000 would be applied by the trustee as follows (no principal payments will be made):

- Trustee's accrued and unpaid fees and expenses to date (including attorneys' fees) – approximately \$21,000
- Accrued and unpaid interest (including the payment due 2/1/14) - \$2,176,976.25
- Reserve Fund replenishment - \$415,113.63
- Balance to remain in Debt Service Fund toward payment of the August 1, 2014 interest payment – approximately \$187,000

Staff utilized the trustee estimates in formulating the ROPS 14-15A Detail schedule, which reflects interest payments of \$2,176,976 and does not show any pay-down of past-due principal amounts.

Staff will report back to the Board once the actual payment amount is calculated.

ATTACHMENTS

Attachment A – Determination Letters

Attachment B – Trial Balance

Attachment C – Email from Trustee

Resolution 2014-001



November 15, 2013

Mr. Chris J. Jicha, Senior Consultant, Kosmont Companies
City of Mendota Designated Local Authority
865 South Figueroa Street, 35th Floor
Los Angeles, CA 90017

Dear Mr. Jicha:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supersedes Finance's original Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) determination letter dated February 15, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the Mendota Designated Local Authority (Authority) submitted an oversight board approved LMIHF DDR to the California Department of Finance (Finance) on January 22, 2013. Finance issued a LMIHF DDR determination letter on February 15, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer Session was held on October 1, 2013.

Based on a review of additional or clarifying information provided to Finance during the Meet and Confer process, Finance is revising some of the adjustments made in our previous DDR determination letter. Specifically, we are revising the following adjustments:

- The request to restrict non-cash assets totaling \$1,020,722 was originally denied the request to restrict non-cash assets because the Authority was unable to provide sufficient documentation to support the request. Finance no longer denies the request; through the Meet and Confer process, the Authority was able to provide sufficient documentation to substantiate the amount of restricted non-cash assets claimed.
- The request to retain \$1,294,217 for the funding of enforceable obligations was originally denied because the Agency did not request authorization for LMIHF on any previously submitted Recognized Obligation Payment Schedules. Finance no longer denies the request. Through the Meet and Confer process, the Authority provided documentation indicating the former redevelopment agency (RDA) was in danger of defaulting on their 1994 Tax Allocation Bonds, and requested the use of LMIHF to bring the debt service payments current.

However, Finance continues to believe some of the adjustments made to the DDR's stated balance of LMIHF available for distribution to the taxing entities is appropriate. HSC section 34179.6 (d) authorizes Finance to make these adjustments. We maintain the adjustments continue to be necessary for the following reason:

- The transfer to the County of Fresno for the Supplemental Educational Revenue Augmentation Fund (SERAF) payment in the amount of \$64,049 was originally disallowed because the transfer was not made pursuant to HSC section 34191.4 (b) (2) (B), which requires SERAF payments to be distributed to the Low and Moderate Income Housing Asset Fund established by subdivision (d) of section 34176. Finance continues to disallow the request. The Agency should reverse the transaction, and recover the funds from the County of Fresno.

The Agency's LMIHF balance available for distribution to the affected taxing entities has been revised to \$64,049 (see table below).

LMIHF Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ -
Finance Adjustments	
Add:	
Disallowed transfers:	\$ 64,049
Total LMIHF available to be distributed:	\$ 64,049

This is Finance's final determination of the LMIHF balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a Finding of Completion from Finance. Without a Finding of Completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former RDA and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's Long-Range Property Management Plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the

Mr. Chris J. Jicha
November 15, 2013
Page 3

city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Please direct inquiries to Nichelle Thomas, Supervisor or Alex Watt, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Craig Mellon, Chair, Designated Local Authority, City of Mendota Designated Local Authority
Mr. George Gomez, Accounting Financial Manager, Fresno County
California State Controller's Office



November 15, 2013

Mr. Chris J. Jicha, Senior Consultant, Kosmont Companies
City of Mendota Designated Local Authority
865 South Figueroa Street, 35th Floor
Los Angeles, CA 90017

Dear Mr. Jicha:

Subject: Other Funds and Accounts Due Diligence Review

This letter supersedes the California Department of Finance's (Finance) original Other Funds and Accounts (OFA) Due Diligence Review (DDR) determination letter dated April 8, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the Mendota Designated Local Authority (Authority) submitted an oversight board approved Other Funds and Accounts (OFA) Due Diligence Review (DDR) Finance on January 22, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Since the Authority did not meet the January 15, 2013 submittal deadline pursuant to HSC section 34179.6 (c), Finance was not bound to completing its review and making a determination by the April 1, 2013 deadline pursuant to HSC section 34179.6 (d). Finance issued an OFA DDR determination letter on April 8, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer session was held on October 1, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed. Specifically, the following adjustments were made:

- Transfers to the City of Mendota totaling \$76,426. Finance continues to object to the transfer of these funds. Payments for this item were also denied as enforceable obligations in Finance's letter dated October 5, 2012. While we understand the former Mendota Redevelopment Agency (RDA) may have some obligations under the 1989 bond indenture, the Authority did not provide the documentation requested to support the RDA's actual portion of the obligation. Therefore, this transfer is not allowed and the OFA balance available for distribution is increased by \$76,426.
- The request to restrict balances in the amount of \$1,728,897 is allowed. The Authority provided additional documentation during the meet and confer demonstrating that when the RDA was dissolved on February 1, 2012, the RDA had outstanding debt service principal and interest payments dating back to 2004 related to its 1994 Tax Allocation Bonds. Our review indicates that these funds are needed to make the past due debt service payments; therefore, the Agency will be permitted to retain these funds. In addition, the Agency will be permitted to retain the disallowed amount \$76,426

(referenced in the previous bullet) to be applied towards the outstanding debt service on the 1994 Tax Allocation Bonds. Therefore, the Authority is permitted to restrict \$1,805,323 (\$1,728,897 + \$76,426).

- Sufficient documentation was not provided to support the total amount of assets held as of June 30, 2012 as indicated in the DDR. However, at this time we are accepting this amount until sufficient documentation is provided. The Authority did not object to our determination during the Meet and Confer process and Finance maintains its position.

The Agency's OFA balance available for distribution to the affected taxing entities is \$0 (see table below).

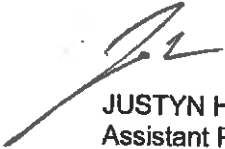
OFA Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ -
Finance Adjustments	
Add:	
Disallowed transfers	\$ 76,426
Additional allowed retention	\$ (76,426)
Total OFA available to be distributed:	\$ -

This is Finance's final determination of the OFA balances available for distribution to the taxing entities.

Pursuant to HSC sections 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Craig Mellon, Chair, Designated Local Authority, City of Mendota Designated Local Authority
Mr. George Gomez, Accounting Financial Manager, Fresno County Auditor Controller
California State Controller's Office

City of Mendota
RDA Successor Trust
December 31, 2013

	For the Six Months Ended December 31, 2013		For the Six Months Ended June 30, 2014	
	RDA Capital (Debt Service)	RDA (Low-Mod)	Total	Total
Cash and cash equivalents	1,667,488.85	1,296,949.29	2,964,438.14	-
Restricted cash (Held by US Bank as Trustee)	290,689.34	-	290,689.34	(1)
Interest receivable	11,205.31	34,500.00	45,705.31	-
Non-performing loans (HOME Program)	-	515,580.00	515,580.00	-
Note receivable - Opportunity Builders	-	100,000.00	100,000.00	-
Advance to General Fund	304,290.00	-	304,290.00	-
Interfund loan (SERAF)	(375,142.00)	375,142.00	-	-
TOTAL ASSETS	1,898,531.50	2,322,171.29	4,220,702.79	-
Due to Joint Powers Authority (1989 Lease Revenue)	(205,000.00)	-	(205,000.00)	-
Bonds Payable (1994 Tax Anticipation Notes)	(6,550,000.00)	-	(6,550,000.00)	-
Accrued interest payable (1994 bond issue)	(1,424,243.96)	-	(1,424,243.96)	(2)
Compensated absences	(927.86)	-	(927.86)	-
TOTAL LIABILITIES	(8,180,171.82)	-	(8,180,171.82)	-
FUND BALANCE	(6,281,640.32)	2,322,171.29	(3,959,469.03)	-
Property Taxes (ROPS)	346,246.00	-	346,246.00	-
Interest income	1,284.67	2,106.51	3,391.18	-
Interest expense	-	-	-	-
Excess of Revenue over Expense	347,530.67	2,106.51	349,637.18	-
Beginning Fund Balance, 7/1/13	(6,282,924.96)	2,320,064.78	(3,962,860.21)	-
Prior period adjustment	(346,246.00)	-	(346,246.00)	-
Ending Fund Balance, 12/31/13	(6,281,640.32)	2,322,171.29	(3,959,469.03)	-
Interest Receivable:				
LAF and Westamerica interest allocation	-	-	-	-
Opportunity Builders note	-	34,500.00	34,500.00	-
Advance to General Fund	11,205.31	-	11,205.31	-
Balance, 12/31/13	11,205.31	34,500.00	45,705.31	-

(1) - This is the balance reported by U.S. Bank at 6/30/12. The City stopped receiving statements from U.S. Bank during the fiscal year ended 6/30/13.

(2) - This is the accrued interest that was due at 6/30/12. No accrual was made for interest on the 1994 TAN issue after 6/30/12.

Carmen Ortiz

From: Joy Otsuki
Sent: Tuesday, February 11, 2014 11:15 AM
To: Carmen Ortiz
Subject: FW: Mendota Follow-up
Attachments: Mendota payment history 08_01_03 - 02_01_14.pdf; Mendota Forecast Payments Due 08_01_03 - 08_01_15.pdf

Please save on system and print. Thanks!

From: SANDRA.SPIVEY@usbank.com [mailto:SANDRA.SPIVEY@usbank.com]
Sent: Tuesday, February 11, 2014 11:10 AM
To: Joy Otsuki
Cc: Ted Cohen; Bill Opdyke
Subject: Mendota Follow-up

Joy:

Following up on our last discussion and your subsequent discussion with Ted Cohen, attached is an updated debt service spreadsheet through and including 2/01/14 with the total unpaid amounts. Also attached is the same spreadsheet forecasting payments due through and including 8/01/15. You also requested that the Trustee project its fees and expenses (including attorneys' fees) through August 2015. In the accounting below, we set forth the approximate amount of fees and expenses (including attorneys' fees) accrued to date and unpaid. Moreover, the Trustee's Annual Administration Fee is \$3,250 and is due this upcoming August for the period August 1, 2014 through July 31, 2015. The Trustee will also have extraordinary fees and expenses (including attorneys' fees) between now and August 2015, but we cannot predict the amount of such fees and expenses.

You indicated in your email yesterday the revised amount that you expect the Trustee will receive next month is \$2.8 million. The Trustee anticipates applying those funds as follows:

Trustee's accrued and unpaid fees and expenses to date (including attorneys' fees) – approximately \$21,000

Accrued and unpaid interest (including the payment that was due 2/1/14) - \$2,176,976.25

Bringing the Reserve Fund up to the required amount - \$415,113.63

Balance to remain in Debt Service Fund toward payment of the August 1, 2014 interest payment – approximately \$187,000

No principal payments will be made.

Please let us know if you have any questions and please keep us updated as to the status of the \$2.8 million payment.

Thank you.

Sandra

Sandra Spivey
Vice President
U.S. Bank

Mendota Redevelopment Agency					
Tax Allocation Bonds, Project No. 1 1994					
Mendota payment history 8/1/03 - 2/1/14					
	CUSIP	Amount	Status	Cumulative Unpaid Interest	Cumulative Unpaid Principal
Debt Service due 8/1/03					
Principal	586749AW3	\$135,000.00	Paid, Full amt rec'd 8/1/03.		\$0.00
Interest		\$246,408.75	Paid, Full amt rec'd 8/1/03.	\$0.00	
		\$381,408.75			
Debt Service due 2/1/04					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 06/22/05	\$0.00	
		\$241,886.25			
Debt Service due 8/1/04					
Principal	586749AX1	\$145,000.00	Maturity not paid		\$145,000.00
Interest		\$241,886.25	Paid 10/18/05	\$0.00	
		\$386,886.25			
Debt Service due 2/1/05					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 10/17/06	\$0.00	
		\$241,886.25			
Debt Service due 8/1/05					
Principal	586749AY9	\$150,000.00	Maturity not paid		\$150,000.00
Interest		\$241,886.25	paid 5/24/07	\$0.00	
		\$391,886.25			
Debt Service due 2/1/06					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	paid 10/17/07	\$0.00	
		\$241,886.25			
Debt Service due 8/1/06					
Principal	586749AZ6	\$160,000.00	Maturity not paid		\$160,000.00
Interest		\$241,886.25	Paid 10/15/08	\$0.00	
Debt Service due 2/1/07					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 5/13/09	\$0.00	
Debt Service due 8/1/07					
Principal	586749BA0	\$175,000.00	Maturity not paid		\$175,000.00
Interest		\$241,886.25	Paid 10/22/09	\$0.00	
Debt Service due 2/1/08					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 5/13/10	\$0.00	
Debt Service due 8/1/08					
Sinking Fund Payment	586749BB8	\$185,000.00	MSF not paid		\$185,000.00
Interest		\$241,886.25	Paid 11/18/10	\$0.00	
Debt Service due 2/1/09					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 5/12/11	\$0.00	
Debt Service due 8/1/09					
Sinking Fund Payment	586749BB8	\$200,000.00	MSF not paid		\$200,000.00
Interest		\$241,886.25	Paid 10/20/2011	\$0.00	
Debt Service due 2/1/10					
Sinking Fund Payment		\$0.00	None due		\$0.00
Interest		\$241,886.25	Not paid	\$241,886.25	
Debt Service due 8/1/10					
Sinking Fund Payment	586749BB8	\$215,000.00	MSF not paid		\$215,000.00
Interest		\$241,886.25	Not paid	\$241,886.25	

Debt Service due 2/1/11						
Sinking Fund Payment		\$0.00	None due		\$0.00	
Interest		\$241,886.25	Not paid	\$241,886.25		
Debt Service due 8/1/11						
Sinking Fund Payment	586749BB8	\$230,000.00	MSFnot paid		\$230,000.00	
Interest		\$241,886.25	not paid	\$241,886.25		
Debt Service due 2/1/12						
Sinking Fund Payment		\$0.00	None due		\$0.00	
Interest		\$241,886.25	Not paid	\$241,886.25		
Debt Service due 8/1/12						
Sinking Fund Payment	586749BB8	\$245,000.00	MSFnot paid		\$245,000.00	
Interest		\$241,886.25	not paid	\$241,886.25		
Debt Service due 2/1/13						
Sinking Fund Payment		\$0.00	None due		\$0.00	
Interest		\$241,886.25	Not paid	\$241,886.25		
Debt Service due 8/1/13						
Sinking Fund Payment	586749BB8	\$265,000.00	MSFnot paid		\$265,000.00	
Interest		\$241,886.25	Not paid	\$241,886.25		
Debt Service due 2/1/14						
Sinking Fund Payment		\$0.00	None due		\$0.00	
Interest		\$241,886.25	Not paid	\$241,886.25		
Total amounts unpaid				\$2,176,976.25	\$1,970,000.00	\$4,146,976.25

Mendota Redevelopment Agency					
Tax Allocation Bonds, Project No. 1 1994					
Mendota payment history 8/1/03 - 2/1/14					
	CUSIP	Amount	Status	Cumulative Unpaid Interest	Cumulative Unpaid Principal
Debt Service due 8/1/03					
Principal	586749AW3	\$135,000.00	Paid, Full amt rec'd 8/1/03.		\$0.00
Interest		\$246,408.75	Paid, Full amt rec'd 8/1/03.	\$0.00	
		\$381,408.75			
Debt Service due 2/1/04					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 06/22/05	\$0.00	
		\$241,886.25			
Debt Service due 8/1/04					
Principal	586749AX1	\$145,000.00	Maturity not paid		\$145,000.00
Interest		\$241,886.25	Paid 10/18/05	\$0.00	
		\$386,886.25			
Debt Service due 2/1/05					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 10/17/06	\$0.00	
		\$241,886.25			
Debt Service due 8/1/05					
Principal	586749AY9	\$150,000.00	Maturity not paid		\$150,000.00
Interest		\$241,886.25	paid 5/24/07	\$0.00	
		\$391,886.25			
Debt Service due 2/1/06					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	paid 10/17/07	\$0.00	
		\$241,886.25			
Debt Service due 8/1/06					
Principal	586749AZ8	\$160,000.00	Maturity not paid		\$160,000.00
Interest		\$241,886.25	Paid 10/15/08	\$0.00	
Debt Service due 2/1/07					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 5/13/09	\$0.00	
Debt Service due 8/1/07					
Principal	586749BA0	\$175,000.00	Maturity not paid		\$175,000.00
Interest		\$241,886.25	Paid 10/22/09	\$0.00	
Debt Service due 2/1/08					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 5/13/10	\$0.00	
Debt Service due 8/1/08					
Sinking Fund Payment	586749BB8	\$185,000.00	MSF not paid		\$185,000.00
Interest		\$241,886.25	Paid 11/18/10	\$0.00	
Debt Service due 2/1/09					
Principal		\$0.00	None due		\$0.00
Interest		\$241,886.25	Paid 5/12/11	\$0.00	
Debt Service due 8/1/09					
Sinking Fund Payment	586749BB8	\$200,000.00	MSF not paid		\$200,000.00
Interest		\$241,886.25	Paid 10/20/2011	\$0.00	
Debt Service due 2/1/10					
Sinking Fund Payment		\$0.00	None due		\$0.00
Interest		\$241,886.25	Not paid	\$241,886.25	
Debt Service due 8/1/10					
Sinking Fund Payment	586749BB8	\$215,000.00	MSF not paid		\$215,000.00
Interest		\$241,886.25	Not paid	\$241,886.25	

RESOLUTION NO. 2014-001

A RESOLUTION OF THE MENDOTA DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY OF THE MENDOTA REDEVELOPMENT AGENCY, APPROVING THE PAYMENT OF UP TO \$2,900,000 TO THE BOND TRUSTEE FOR PAYMENT OF PAST DUE PRINCIPAL AND INTEREST ON THE 1994 TAX ALLOCATION BONDS ISSUED BY THE FORMER MENDOTA REDEVELOPMENT AGENCY, REPLENISHMENT OF BOND RESERVES AND RELATED TRUSTEE FEES AND COSTS

WHEREAS, the Mendota Designated Local Authority, as Successor Agency of the Mendota Redevelopment Agency (the "Successor Agency") is charged with the implementation of recognized enforceable obligations and winding down of the affairs of the former Redevelopment Agency of the City of Mendota (the "Agency") in accordance with the California Health and Safety Code; and

WHEREAS, in accordance Health and Safety Code Section 34179.5, the Successor Agency prepared and submitted "Due Diligence Reviews" for the Low and Moderate Income Housing Fund ("LMIHF") and the Other Funds and Accounts ("OFA") of the former Agency; and

WHEREAS, after receiving letters from the Department of Finance ("DOF") regarding the LMIHF DDR and OFA DDR, the Successor Agency requested a Meet and Confer with DOF, which occurred on October 1, 2013; and

WHEREAS, subsequent to the Meet and Confer, DOF issued determination letters dated November 15, 2013, regarding the LMIHF DDR and the OFA DDR (the "Determination Letters"); and

WHEREAS, the Determination Letters authorize the Successor Agency to retain LMIHF monies in the amount of \$1,294,217 and OFA monies in the amount of \$1,728,897, all for payment of past due debt service on the 1994 Tax Allocation Bonds issued by the Agency ("1994 TABS"); and

WHEREAS, notwithstanding the fact that the Determination Letters authorize the Successor Agency to retain LMIHF monies in the amount of \$1,294,217 and OFA monies in the amount of \$1,728,897, the actual amount of unencumbered cash included in those amounts as disclosed in the LMIHF DDR and OFA DDR as of June 30, 2012 was a total of \$2,417,371; and

WHEREAS, though the Determination Letter regarding the OFA DDR authorizes the retention of \$76,426 originally designated to be paid on the Agency's 1989 Lease Revenue Bonds, the Successor Agency desires additional time to locate evidence that the 1989 Lease Revenue Bonds are an enforceable obligation of the Successor Agency; and

WHEREAS, in the event the Successor Agency is unable to locate evidence that the 1989 Lease Revenue Bonds are an enforceable obligation of the Successor Agency, the Successor Agency will be directed at a later date to disburse an additional \$76,426 to the bond trustee in payment of past due principal and interest on the 1994 TABS; and

WHEREAS, past due principal and interest payments on the 1994 TABS through February 1, 2014, total \$4,146,976; and

WHEREAS, the City is in the process of reconciling its cash accounts, which such cash accounts are currently co-mingled with the DLA cash accounts; and

WHEREAS, the books and records of the DLA currently reflect a cash balance of approximately \$2,964,000; and

WHEREAS, the Successor Agency desires to approve and direct a payment of up to \$2,900,000 to the bond trustee for payment of past due principal and interest on the 1994 TABS, replenishment of bond reserves and payment of trustee fees, with the exact amount to be determined by staff in consultation with the City finance department, DLA accountant and DLA counsel; and

WHEREAS, any such payment amount shall include of LMIHF monies and OFA monies totaling \$2,417,371, as permitted by the Determination Letters; and

WHEREAS, this Resolution shall take effect from and after the date of its adoption in accordance with applicable law.

NOW, THEREFORE, THE MENDOTA DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY OF THE MENDOTA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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

SECTION 2. The Mendota Designated Local Authority, as Successor Agency to the Mendota Redevelopment Agency, hereby approves, authorizes and directs the payment of up to \$2,900,000 to the bond trustee for payment of past due principal and interest, replenishment of bond reserves and related trustee fees on the 1994 Tax Allocation Bonds issued by the former Mendota Redevelopment Agency.

SECTION 3. Christopher Jicha, or his designee, or another employee of Kosmont Companies designated by Larry Kosmont, is hereby directed and authorized to determine the exact amount of the payment (not to exceed \$2,900,000) in consultation with the City finance department, DLA accountant and DLA counsel.

SECTION 4. Christopher Jicha, or his designee, or another employee of Kosmont Companies designated by Larry Kosmont, is hereby authorized to cause such funds to be wire transferred to the trustee of the 1994 Tax Allocation Bonds, and to take such other actions on behalf of the Successor Agency with respect to the foregoing as may be reasonably necessary to effect the intent of this resolution in accordance with applicable law.

SECTION 5. 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 Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

PASSED, APPROVED AND ADOPTED at a special meeting of the Mendota Designated Local Authority, as Successor Agency of the Mendota Redevelopment Agency, held this 12th day of February, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson, Mendota Designated Local
Authority, as Successor Agency to the
Mendota Redevelopment Agency

ATTEST:

Secretary

MEETING MINUTES

Oversight Board to the Mendota Designated Local Authority, as Successor Agency for the Mendota Redevelopment Agency

Monday, December 16, 2013 at 2:30 PM

Mendota City Council Chambers

643 Quince Street, Mendota, CA 93640

1. Call to Order: The meeting was called to order at 2:35 PM.

2. Roll Call:

Present: Vice Chair Becky Cline, Don Pauley, Ken Stoppenbrink, Doug Vagim

Absent: Chari Robert Silva, Jose Alcaide, Sandra Sosa-Ramirez

Staff Present: Chris Jicha, Secretary

3. Public Comments: None

Action Items:

4. Approval of Minutes:

Motion by Stoppenbrink to approve September 30, 2013 Minutes with correction to absent members, second by Vagim. Motion carried 4-0

5. Approve letter of recognition and thanks to City of Mendota staff, Nancy Diaz and authorize the DLA Chair to sign and send to the City Manager:

Motion by Vagim to approve letter of recognition and thanks to City of Mendota staff, Nancy Diaz and authorize the DLA Chair to sign and send to the City Manager, second by Stoppenbrink. Motion carried 4-0

6. Adopt Resolution MOB-2013-06 approving a contract for fiscal services with the City of Mendota for the period January 1, 2014 through December 31, 2014.

Motion by Stoppenbrink to adopt Resolution MOB-2013-06 approving a contract for fiscal services with the City of Mendota for the period January 1, 2014 through December 31, 2014, second by Vagim, abstained by Pauley. Motion carried 3-0

7. Adjournment:

Meeting was adjourned by the Chair at 3:25 PM.

Submitted:

**Secretary, Christopher J. Jicha
DLA Staff**

Approved:

**Chair, Robert Silva
Oversight Board to the Mendota Designated Local Authority,
as Successor Agency to the Mendota Redevelopment Agency**

RESOLUTION NO. 2014-001

A RESOLUTION OF THE OVERSIGHT BOARD TO THE MENDOTA DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY OF THE MENDOTA REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 14-15A) FOR JULY 1, 2014 THROUGH DECEMBER 31, 2014

WHEREAS, the Oversight Board to the Mendota Designated Local Authority, as Successor Agency of the Mendota Redevelopment Agency (the "Successor Agency") is charged with overseeing the implementation of recognized enforceable obligations and winding down of the affairs of the former Redevelopment Agency of the City of Mendota (the "Agency") in accordance with the California Health and Safety Code; and

WHEREAS, Health and Safety Code Section 34169 requires the Successor Agency to prepare and adopt a "Recognized Obligation Payment Schedule" that lists all obligations of the former redevelopment agency that are enforceable within the meaning of subdivision (d) of Section 34167 for six month periods, including July 2014 through December 2014; and

WHEREAS, AB 1484 requires that the ROPS 14-15A for the period July 1, 2014 through December 31, 2014 must be submitted to the Department of Finance and the State Controller's office, after approval by the Oversight Board, no later than March 3, 2014 or be subject to penalties; and

WHEREAS, this Resolution shall take effect from and after the date of its passage and adoption in accordance with HSC section 34179(h).

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE MENDOTA DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY OF THE MENDOTA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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

SECTION 2. The Schedule attached hereto as Exhibit A as the Recognized Obligation Payment Schedule 14-15A for the period July 1, 2014 through December 31, 2014 is hereby approved. Pursuant to Health & Safety Code Section 34173, the Successor Agency's liability, including, but not limited to, its liability for the obligations on the attached schedule, is limited to the total sum of property tax revenues it receives pursuant to Part 1.85 of AB X1 26.

SECTION 3. Christopher Jicha, or his designee, or another employee of Kosmont Companies designated by Larry Kosmont, is hereby authorized to submit the ROPS to such parties as may be required in accordance with the Health & Safety Code,

and to take such other actions on behalf of the Successor Agency with respect to the ROPS as may be necessary in accordance with applicable law.

SECTION 4. 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 Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 5. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Health & Safety Code.

PASSED, APPROVED AND ADOPTED at a special meeting of the Oversight Board to the Mendota Designated Local Authority, as Successor Agency of the Mendota Redevelopment Agency, held this 12th day of February, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson, Oversight Board to the
Mendota Designated Local Authority, as
Successor Agency to the Mendota
Redevelopment Agency

ATTEST:

Secretary

Attachment: ROPS 14-15A