

RESOLUTION NO. 2020-008

A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF THE COUNTY OF MERCED APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021 (ROPS 20-21) FOR THE MERCED DESIGNATED LOCAL AUTHORITY AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF MERCED IN ACCORDANCE WITH HEALTH & SAFETY CODE SECTION 34180(a)

WHEREAS, on June 29, 2011, the Legislature of the State of California (the "State") adopted Assembly Bill x1 26 ("AB 26"), which amended provisions of the State's Community Redevelopment Law (Health & Safety Code sections 33000 et seq.); and

WHEREAS, pursuant to AB 26 and the State Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matasantos, et al.*, which upheld AB 26 (together with AB 1484, as amended to date, the "Dissolution Law"), the former Redevelopment Agency of the City of Merced ("Dissolved RDA") was dissolved on February 1, 2012; and

WHEREAS, pursuant to the Dissolution Law, the City of Merced declined to become the Successor Agency to the Former Agency. As a result, the Merced Designated Local Authority was formed by operation of law in accordance with Health & Safety Code Section 34173(d) to serve as the Successor Agency to the Redevelopment Agency of the City of Merced ("Successor Agency") effective February 1, 2012; and

WHEREAS, effective July 1, 2018, the Countywide Oversight Board of the County of Merced ("Countywide Oversight Board") was established in accordance with Health & Safety Code section 34179(j) to approve certain successor agency actions pursuant to Health & Safety Code section 34180 and to direct the successor agencies in certain other actions pursuant to Health & Safety Code section 34181; and

WHEREAS, Successor Agency staff has prepared the proposed Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 ("ROPS 20-21"), in the form shown in Attachment "A", attached hereto and incorporated herein by this reference;

WHEREAS, Successor Agency staff has prepared an administrative budget for the fiscal period commencing on July 1, 2020 and continuing through June 30, 2021 ("FY 2020-21 Administrative Budget"), in the form shown in Attachment "B", attached hereto and incorporated herein by this reference;

WHEREAS, the Successor Agency is entitled to an administrative cost allowance (the "Administrative Cost Allowance") pursuant to Sections 34171(b) and 34183(a)(3) of the Health and Safety Code in the approximate amount of \$160,000 for the 2020-21

fiscal year of which approximately \$80,000 will be disbursed July 1, 2020 and approximately \$80,000 will be disbursed January 2, 2021;

WHEREAS, the Merced Designated Local Authority, acting in its capacity as the governing board of the Successor Agency, approved the ROPS 20-21 and FY 2020-21 Administrative Budget by adoption of Resolution No. 2020-005, shown in the Staff Report attached hereto and incorporated herein by this reference;

WHEREAS, by adoption of Resolution No. 2020-005, the Successor Agency's governing board represents and warrants that it has examined all of the items on the ROPS 20-21 and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition in accordance with the Dissolution Act, the continued administration of its ongoing enforceable obligations, or the expeditious wind-down of the affairs of the Former Agency by the Successor Agency;

WHEREAS, pursuant to Section 34177 and 34180(g) of the Health and Safety Code, the ROPS 20-21 and FY 2020-21 Administrative Budget must be submitted to the Countywide Oversight Board for the Countywide Oversight Board's approval; and

WHEREAS, the staff report, Successor Agency resolution and ROPS 20-21 attached hereto and supporting documentation submitted to Countywide Oversight Board staff in connection therewith are incorporated herein by this reference, and provide the supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, THE COUNTYWIDE OVERSIGHT BOARD OF THE COUNTY OF MERCED DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference, and, together with information provided by the Merced Designated Local Authority staff, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Under Section 34180(g) of the Health and Safety Code, the Countywide Oversight Board must approve the establishment of the recognized obligation payment schedules of the Successor Agency.

SECTION 3. The Countywide Oversight Board hereby approves the ROPS 20-21 attached hereto as Attachment A (the "Approved ROPS 20-21"). In connection with such approval, the Countywide Oversight Board makes the specific findings set forth below.

SECTION 4. The Countywide Oversight Board or its designee has examined the items on the Approved ROPS 20-21 and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency

until disposition in accordance with the Dissolution Act, the continued administration of the ongoing agreements of the Successor Agency and/or Dissolved RDA, and/or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.

SECTION 5. The Countywide Oversight Board Chairperson, Successor Agency Executive Director or Chairperson, and Countywide Oversight Board Counsel are collectively authorized to make any technical or clerical corrections to the Approved ROPS 20-21 prior to filing with the Department of Finance.

SECTION 6. Under Section 34177(j) of the Health and Safety Code, the Countywide Oversight Board must approve the Administrative Budget for the Successor Agency.

SECTION 7. In accordance with the Dissolution Act, the Countywide Oversight Board hereby approves the FY 2020-21 Administrative Budget, attached hereto as Attachment B (the "Approved Administrative Budget").

SECTION 8. The Countywide Oversight Board hereby authorizes and directs the Chairperson or Executive Director of the Merced Designated Local Authority ("Director"), or the Director's designees, to take all actions and sign any and all documents necessary to implement and effectuate the actions approved by this Resolution as determined necessary by the Director or the Director's designee. The Countywide Oversight Board hereby further authorizes and directs the Director, or Director's designee, to execute all documents on behalf of the Successor Agency, and to administer the Successor Agency's obligations and duties to be performed pursuant to this Resolution.

SECTION 9. 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 Countywide Oversight Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 10. The Countywide Oversight Board hereby authorizes and directs the Countywide Oversight Board staff and the Successor Agency staff to take all actions necessary under the Dissolution Act to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of this Resolution.

SECTION 11. Countywide Oversight Board staff is hereby directed to submit a signed copy of this Resolution, including all attachments and related staff reports to the Department of Finance in accordance with the Dissolution Law. The Successor Agency is further directed to promptly provide the Countywide Oversight Board Chair, Countywide Oversight Board counsel, and Countywide Oversight Board staff with copies of all correspondence to and from the Department of Finance with respect to this Countywide Oversight Board Resolution.

SECTION 12. 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 Dissolution Law.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Countywide Oversight Board of the County of Merced, held this 23rd day of January, 2020.

AYES: BOARD MEMBERS: Silveira, Riley, Urquidez, Jones, Villalta

NOES: BOARD MEMBERS: None

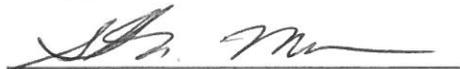
ABSENT: BOARD MEMBERS: McWatters

ABSTAIN: BOARD MEMBERS: None



Mike Villalta, Chairperson
Countywide Oversight Board of the
County of Merced

ATTEST:



Steve Masura, Secretary

Countywide Oversight Board of the County of Merced

Attachments:

Exhibit A – ROPS 20-21

Exhibit B – Administrative Budget FY 20-21

EXHIBIT A

ROPS 20-21

[ATTACHED]

Recognized Obligation Payment Schedule (ROPS 20-21) - Summary
Filed for the July 1, 2020 through June 30, 2021 Period

Successor Agency: Merced City
County: Merced

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 1,233,573	\$ -	\$ 1,233,573
B Bond Proceeds	-	-	-
C Reserve Balance	1,055,000	-	1,055,000
D Other Funds	178,573	-	178,573
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 2,058,588	\$ 3,428,062	\$ 5,486,650
F RPTTF	1,978,588	3,348,062	5,326,650
G Administrative RPTTF	80,000	80,000	160,000
H Current Period Enforceable Obligations (A+E)	\$ 3,292,161	\$ 3,428,062	\$ 6,720,223

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) 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 successor agency.

Mike Villalba, CHAIR
 Name Title

/s/ *[Signature]*, 1-23-2020
 Signature Date

Merced City
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
 July 1, 2020 through June 30, 2021

Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
							\$38,243,171			\$6,720,223	\$-	\$1,055,000	\$178,573	\$1,978,588	\$80,000	\$3,292,161	\$-	\$-	\$-	\$3,348,062	\$80,000	\$3,428,062	
2	Project Area #2/2003 TAB	Bonds Issued On or Before 12/31/10	05/29/2003	12/31/2023	U.S. Bank	Debt payment	Project Area #2	8,440,000	N	\$3,165,000		1,055,000		1,055,000		\$2,110,000				1,055,000		\$1,055,000	
3	Project Area #2/Trustee Services	Fees	03/25/1999	12/31/2023	U.S. Bank	Bond agent professional services	Project Area #2	7,800	N	\$1,950				1,950		\$1,950							\$-
4	Project Area #2/Cost of Continuing Disclosure CAB portion	Fees	11/13/2003	12/31/2023	Kosmont Companies - Eide Bailley	Continuing Disclosure	Project Area #2	20,000	N	\$5,000						\$-				5,000			\$5,000
6	Project Area #2/Loan Gurantee	Miscellaneous	01/01/2001	01/01/2023	Wells Fargo	Loan Guarantee - Laurel Glen Apartments	Project Area #2	60,748	N	\$60,748			60,748			\$60,748							\$-
9	Project Area #2/Costco, Inc. DDA-Brownfield	Remediation	04/16/1992	01/01/2023	Various Environmental Consultants	Environmental Guarantee Remediation	Project Area #2		N	\$-						\$-							\$-
10	Project Area #2/Merced Center DDA's	Remediation	11/07/2005	01/01/2023	Various Environmental Consultants - Provost & P	Environmental Guarantee Remediation	Project Area #2	105,000	N	\$105,000				105,000		\$105,000							\$-
14	Gateways/ Cost of Continuing Disclosure	Fees	11/13/2003	09/01/2038	Kosmont Companies - Vavrinek Trine Day	Continuing Disclosure	Gateways	95,000	N	\$5,000						\$-				5,000			\$5,000
18	Property, Development Rights & Environmental Indemnity Obligations	OPA/DDA/ Construction	04/16/1992	01/01/2023	Costco, Inc.*** (note 3 & 4)	Costco Parking Lot & Related Rights DDA and others	Project Area #2	30,000	N	\$30,000				15,000		\$15,000				15,000			\$15,000
19	Property, Development Rights & Environmental Indemnity Obligations	OPA/DDA/ Construction	11/07/2005	01/01/2011	Merced Community College District	Merced Center Site DDA	Project Area #2		N	\$-						\$-							\$-
20	Property, Development Rights &	OPA/DDA/ Construction	01/01/2001	01/01/2023	Weslamerica Bancorporation	Merced Center Lease-1801 M Street	Project Area #2		N	\$-						\$-							\$-

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					Q 20-21A Total	ROPS 20-21B (Jan - Jun)					W 20-21B Total	
											Fund Sources						Fund Sources						
											L Bond Proceeds	M Reserve Balance	N Other Funds	O RPTTF	P Admin RPTTF		R Bond Proceeds	S Reserve Balance	T Other Funds	U RPTTF	V Admin RPTTF		
						OPA compliance per HSC 34171 (b) - Costco property and related remediation (ROPS lines 18, 55 and 56)																	
75	Project # 2/ Lease of DLA property to Costco for Parking Lot Option to Purchase same	Miscellaneous	07/13/1993	07/12/2016	Various	Obligation to Lease Property to Costco & grant of Option to Purchase Property to Costco	Project Area #2	-	N	\$-													
76	R Street Remediation	Remediation	12/01/2012	12/31/2032	Provost & Pritchard	Remediation of R Street Properties per Consultant Services Agreement between DLA and Provost and Pritchard	Project Area #2	43,300	N	\$43,300			43,300			\$43,300							
90	Costco Property and remediation activities	Property Maintenance	01/01/2019	12/31/2020	Kosmont Companies	Services for bond, project & contract/DDA/ OPA compliance per HSC 34171 (b) - Costco property and related remediation (ROPS lines 18, 55 and 56)	All	-	N	\$-													
93	Gateways/ Debt Service Funding Agreement	Miscellaneous	01/01/2001	12/31/2014	City of Merced	Reimbursement to City for CDBG Funds Paid for HUD 108 Loan Guarantee - The Grove Apartments - \$53,770 on 1/23/2014	Gateways	-	N	\$-													
94	DLA	Admin Costs	02/01/	09/01/2038	Various	Admin costs	All	4,250,000	N	\$160,000						80,000	\$80,000					80,000	\$80,000

Merced City
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	C Bonds issued on or before 12/31/10	D Bonds issued on or after 01/01/11	E			F Rent, grants, interest, etc.	G RPTTF Non-Admin and Admin	H Comments
				Fund Sources					
				Bond Proceeds		Reserve Balance			
				Prior ROPS RPTTF and Reserve Balances retained for future period(s)					
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount.				2,112,815	1,519,751	151,010	Reserve Balance includes 1,186,763 of RPTTF retained from prior ROPS Statement of Cash Balance (G3) also (G1) was adjusted to equal the amount determined as available for Debt Reserve of 151,010	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller				-	85,133	2,288,385		
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)				1,137,564	667,052	2,287,340		
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				884,649	923,305	151,010		
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC			No entry required			1,045		
6	Ending Actual Available Cash Balance (06/30/18)	\$-	\$-		\$90,602	\$14,527	\$-		

C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)						
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Merced City
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
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32	Amount represents reimbursement to the City of Merced for funds disbursed to construct an affordable housing project on Highway 59.
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EXHIBIT B

ADMINISTRATIVE BUDGET

Kosmont Companies	(administrative support)	\$ 50,000
Kosmont Companies	(property disposition)	\$ 10,000
Leibold McClendon & Mann	(legal counsel)	\$ 40,000
City of Los Banos Support	(fiscal agent)	\$ 24,000
Accounting		\$ 20,000
Other		<u>\$ 16,000</u>
	Total	<u>\$160,000</u>