

**OVERSIGHT BOARD OF SUCCESSOR AGENCY
TO ORANGE COVE REDEVELOPMENT AGENCY
Special Meeting**

Thursday, January 28, 2016 at 3:00 P.M.

Meeting To Be Held At
Orange Cove Council Chambers
633th Street, Orange Cove, California.

A. Call to Order/Welcome

B. Public Forum

Members of the public wishing to address the Oversight Board on an item that is not on the agenda may do so now. No action will be taken by the Oversight Board this evening. But items presented may be referred to staff for follow up and a report. In order to allow time for all comments, each individual is limited to three minutes. When addressing the Oversight Board, you are requested to come forward to the speakers microphone, state your name and address, and then proceed with your comments.

C. Administration

1. **SUBJECT:** APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 FOR THE JULY 2016 THROUGH JUNE 2017 PERIOD AND APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2016-17

RECOMMENDATION: The Oversight Board to consider approving the following:

1. Adopt Resolution No. OB2016-01 Approving the Successor Agency's Administrative Budget for Fiscal Year 2016-17 pursuant to Health & Safety Code Section 34177(j)
 2. Adopt Resolution No. OB2016-02 Approving the Recognized Obligation Payment Schedule 16-17 for July 2016 through June 2017 and Authorizing its Transmittal
2. **SUBJECT:** CONSIDERATION OF A PROPOSAL FOR FISCAL YEAR 2016-17 SUCCESSOR AGENCY CONSULTING SERVICES BY RSG, INC

RECOMMENDATION: Adopt a Resolution of the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency Approving a Contract with Rosenow Spevacek Group, Inc. to Provide Consulting Services to the Successor Agency in Fiscal Year 2016-17

E. Adjournment

ADA Notice: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (559) 626-4488 ext. 214. Notification 48 hours prior to the meeting will enable the Oversight Board to make arrangements to ensure accessibility to this meeting.

Documents: Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection at front counter at City Hall and at the Orange Cove Library located at 815 Park Blvd., Orange Cove, CA during normal business hours. In addition, most documents are posted on City's website at cityoforangecove.com. under "Oversight Board."

DATE: January 28, 2016

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO ORANGE COVE REDEVELOPMENT AGENCY

FROM: Sam Escobar, City Manager
SUCCESSOR AGENCY TO THE ORANGE COVE REDEVELOPMENT AGENCY

RE: APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 FOR THE JULY 2016 THROUGH JUNE 2017 PERIOD AND APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2016-17

RECOMMENDATION

1. Adopt Resolution No. OB 2016-01 Approving the Successor Agency's Administrative Budget for Fiscal Year 2016-17 pursuant to Health & Safety Code Section 34177(j)
2. Adopt Resolution No. OB 2016-02 Approving the Recognized Obligation Payment Schedule 16-17 for July 2016 through June 2017 and Authorizing its Transmittal

FISCAL IMPLICATIONS:

Adoption and transmittal of the Recognized Obligation Payment Schedule and Successor Agency Administrative Budget is necessary to receive money from the Redevelopment Property Tax Trust Fund to fund the Successor Agency's financial obligations from July 2016 through June 2017.

BACKGROUND AND OVERVIEW:

Assembly Bill ("AB") x1 26, as amended by AB 1484 and Senate Bill ("SB") 107, and codified in the California Health & Safety Code ("H&SC") requires successor agencies to adopt a Recognized Obligation Payment Schedule ("ROPS") before each twelve-month fiscal period. A ROPS covering the period of July 1, 2016 through June 30, 2017 ("ROPS 16-17") is due by February 1, 2016 pursuant to H&SC Section 34177(o). The ROPS projects necessary payments for each enforceable obligation of the former Orange Cove Redevelopment Agency for the twelve-month period.

Staff has prepared a resolution adopting the ROPS for the Oversight Board's consideration, which is attached to this staff report. If it is approved by the Oversight Board, Staff will transmit it electronically to the Department of Finance, State Controller, and Fresno County Auditor-Controller for their review. The adopted ROPS must be transmitted by February 1, 2016; if it is not transmitted on time the Successor Agency will be subject to a penalty of \$10,000 per day. With DOF approval, the Auditor-Controller will be authorized to disperse property tax revenue to pay ROPS obligations on June 1, 2016.

DISCUSSION OF RECENT LEGISLATIVE CHANGES TO ROPS PROCESS:

On September 22, 2015, Governor Brown signed SB 107, which went into effect immediately. SB 107 made several key changes to the Health and Safety Code (HSC) sections that establish the ROPS process. These changes are summarized below:

Annual Submission Beginning for Fiscal Year 2016-17

Beginning in 2016, ROPS will be due to the DOF annually by February 1st, instead of biannually as in previous years. ROPS periods will cover July 1st to June 30th. Once per ROPS period, but not later than October 1st, successor agencies may submit to their oversight board and the DOF one amendment to the DOF-approved ROPS if the oversight board makes a finding that the revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period.

Bifurcation of ROPS and Prior Period Adjustment Processes

Previously, on ROPS, successor agencies provided the DOF both an itemized list of payments of enforceable obligations for the upcoming ROPS period and an itemized list of differences between actual payments and past estimated obligations for the preceding ROPS period ("Prior Period Adjustment"). SB 107 specifies that, beginning in 2018, the Prior Period Adjustment process will be handled separately from the ROPS by county auditor-controllers and on an annual basis, instead of biannually as in previous years. Successor agencies will provide information regarding their Prior Period Adjustment to county auditor-controllers on October 1, 2018, and each October 1st thereafter. The law does not specify a change to when or how the successor agencies will provide this information before October 1, 2018. ROPS 16-17 does not include the Prior Period Adjustment tab.

Administrative Cost Allowance

Previously, the administrative cost allowance for each fiscal year was the greater of \$250,000 or three percent of the RPTTF funding that the successor agency received during the fiscal year. Beginning in Fiscal Year 2016-17, the administrative cost allowance for each fiscal year cannot exceed 50 percent of the total RPTTF funding distributed to pay enforceable obligations in the preceding fiscal year, less the administrative cost allowance and any loan repayments to the city or county. However, there is ambiguous language that states the \$250,000 minimum applies unless reduced by the Oversight Board or the Successor Agency enters into an agreement with DOF. It is unclear as to how this provision will be implemented.

SB 107 also specifies that oversight boards are no longer required to submit administrative budgets to the DOF for approval. Administrative budgets still require oversight board approval.

Last and Final ROPS

Beginning January 1, 2016, successor agencies may submit a Last and Final ROPS for approval by the oversight board and the DOF if all of the following conditions are met:

1. Remaining debt includes only administrative costs and enforceable obligations with set payment schedules, such as debt service, loan agreements, and contracts;
2. All remaining obligations have been previously listed on a ROPS and approved by the DOF; and
3. The successor agency has no outstanding or unresolved litigation.

Once the DOF approves a successor agency's Last and Final ROPS, the successor agency may submit up to two requests to amend it.

ROPS 16-17:

It is important to remember that the ROPS is merely a projection of estimated payments for the ensuing twelve-month fiscal period. The actual payments made could be the same or less. The proposed ROPS includes a reconciliation page for the July 2015 through June 2016 (ROPS 15-16)

period, and is being presented for your approval as part of the ROPS 16-17. The Successor Agency's actual expenditures generally match what was estimated on the ROPS 15-16.

It is anticipated that there will be sufficient RPTTF available to fully fund Successor Agency's obligations in the ROPS 16-17 period. A five-year cash flow analysis shows that the Successor Agency should have sufficient revenues to fund all of its known obligations through Fiscal Year 2020-21. It is estimated that approximately \$480,000 will be split among all affected taxing entities in the ROPS 16-17 period.

HSC Section 34177(j) requires the Successor Agency to prepare an Administrative Budget and submit it to the Oversight Board for approval. The Administrative Budget includes the proposed administrative expenditures for Fiscal 2016-17. The Successor Agency anticipates needing the entire \$250,000 minimum annual administrative allocation described in HSC Section 34171(b). The Successor Agency is requesting \$125,000 for the 16-17A ROPS period and \$125,000 for the ROPS 16-17B period.

Staff recommends that the Oversight Board:

1. Adopt Resolution No. OB 2016-01 Approving the Successor Agency's Administrative Budget for Fiscal Year 2016-17 pursuant to Health & Safety Code Section 34177(j)
2. Adopt Resolution No. OB2016-01 Approving the Recognized Obligation Payment Schedule 16-17 for July 2016 through June 2017 and Authorizing its Transmittal

RESOLUTION NO. 0B 2016-01

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE ORANGE COVE REDEVELOPMENT AGENCY
APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET
FOR FISCAL YEAR 2016-17
PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)**

WHEREAS, the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the Orange Cove Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26 and 1484 and Senate Bill 107, as codified in the California Health and Safety Code); and

WHEREAS, Section 34179 of the Dissolution Act provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

WHEREAS, Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare a proposed administrative budget and submit it to the Oversight Board for approval; and

WHEREAS, pursuant to Section 34177(j), the Successor Agency's "Administrative Budget" is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the up-coming six-month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and

WHEREAS, the Successor Agency's proposed Fiscal Year 2016-17 Administrative Budget for the period July 1, 2016 to December 31, 2016 and for the period January 1, 2017 to June 30, 2017 has been reviewed and by this Resolution the Oversight Board desires to approve such Administrative Budget; and

WHEREAS, the Administrative Budget, when and as approved by the Oversight Board, will be provided to the County of Fresno Auditor-Controller pursuant to Section 34177(k) so that the Successor Agency's estimated administrative costs in the approved Administrative Budget will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for each applicable six-month period.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency does hereby resolve as follows:

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

SECTION 2. The Oversight Board hereby approves the Fiscal Year 2016-17 Administrative Budget for the period July 1, 2016 to December 31, 2016 and for the period January 1, 2017 to June 30, 2017 submitted herewith as Exhibit A, which is incorporated herein by this reference.

SECTION 3. Successor Agency staff is hereby authorized to send the Administrative Budget to the Fresno County Auditor-Controller and post it on the Successor Agency's website.

SECTION 4. The Oversight Board Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency held this 28th day of January, 2016 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson Oversight Board

ATTEST:
Oversight Board Secretary

EXHIBIT "A"
SUCCESSOR AGENCY ADMINISTRATIVE BUDGET
FOR FISCAL YEAR 2016-17

RESOLUTION NO. 0B 2016-02

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE ORANGE COVE REDEVELOPMENT AGENCY
APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2016-17
FOR THE JULY 2016 THROUGH JUNE 2017 PERIOD
AND AUTHORIZING ITS TRANSMITTAL**

WHEREAS, the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the Orange Cove Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26 and 1484 and Senate Bill 107, as codified in the California Health and Safety Code); and

WHEREAS, among the duties of successor agencies under the Dissolution Act is the preparation of a Recognized Obligation Payment Schedule ("ROPS") for the ensuing twelve-month period for consideration by a local oversight board and the California Department of Finance ("DOF") for purposes of administering the wind-down of financial obligations of the former Redevelopment Agency; and,

WHEREAS, the Dissolution Act requires that the proposed ROPS be approved by to the local Oversight Board, transmitted for review to the Fresno County Auditor-Controller, State Controller's Office, and DOF; and,

WHEREAS, pursuant to Health and Safety Code sections 34177(o) and 34180(g), the Oversight Board must approve all ROPS for them to become established, valid, and operative for the applicable six-month fiscal period.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency does hereby resolve as follows:

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

SECTION 2. The Oversight Board hereby approves and adopts the ROPS 16-17 covering the period of July 1, 2016 to June 30, 2017, in substantially the form attached hereto as Exhibit A, and incorporated herein by reference, as required by the Dissolution Act.

SECTION 3. The Successor Agency is hereby authorized and directed to transmit a copy of the ROPS to DOF, the State Controller, and the Fresno County Auditor-Controller for their review.

SECTION 4. The Oversight Board Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency held this 28th day of January, 2016 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Chairperson Oversight Board

ATTEST:
Oversight Board Secretary

EXHIBIT "A"
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17
JULY 2016 THROUGH JUNE 2017

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Orange Cove
 County: Fresno

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):				
A	Bond Proceeds Funding	\$ 738,201	\$ 722,389	\$ 1,460,590
B	Reserve Balance Funding	722,389	722,389	1,444,778
C	Other Funding	15,812	-	15,812
D		-	-	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 196,012	\$ 207,324	\$ 403,336
F	Non-Administrative Costs	88,824	82,324	169,148
G	Administrative Costs	109,188	125,000	234,188
H	Current Period Enforceable Obligations (A+E):	\$ 934,213	\$ 929,713	\$ 1,863,926

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (c) 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.

 Name Title
 /s/ _____
 Signature Date

Orange Cove Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	16-17A				16-17B				W	
											L	M	N	C	P	Q	R	S		T
Item #	Priest Name/Child Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Date/Date Due or Obligation	Retired	ROPS 16-17 Total	Bond Proceeds	Reserve Balance	Other Funds	Admin	16-17A Total	Bond Proceeds	Reserve Balance	Other Funds	Admin	16-17B Total
10	Successor Agency Administration & Funding Costs	Administrative	01/02/12	01/02/12	Successor Agency	Administrative Costs	Orange Cove	\$ 10,811,887	N	\$ 1,383,600	\$ 722,319	\$ 19,212	\$ 66,002	\$ 105,083	\$ 834,173	\$ 722,319	\$ 19,212	\$ 66,002	\$ 105,083	\$ 834,173
11	Community Center Improvements	Improvements	07/02/14	07/02/14	City and/or vendors (to be determined)	Add all existing and later pending improvements to community center	Orange Cove	\$ 4,100,766	N	\$ 201,318	\$ 100,750	\$ 19,212	\$ 66,002	\$ 186,664	\$ 200,750	\$ 19,212	\$ 66,002	\$ 186,664	\$ 200,750	
12	Park Improvements	Improvements	07/02/14	07/02/14	Contractors to be determined	Park improvements /	Orange Cove	\$ 288,000	N	\$ 978,000	\$ 288,000	\$ 19,212	\$ 66,002	\$ 373,212	\$ 288,000	\$ 19,212	\$ 66,002	\$ 373,212	\$ 288,000	
13	Housing Rehabilitation Grants	Grants	07/02/14	07/02/14	Grant recipients (to be determined)	Grants for affordable housing improvements, equity affordability	Orange Cove	\$ 332,650	N	\$ 695,200	\$ 332,650	\$ 19,212	\$ 66,002	\$ 427,862	\$ 332,650	\$ 19,212	\$ 66,002	\$ 427,862	\$ 332,650	
14	2014 TABES, Series 2014	Bonds Issued After 12/31/10	07/02/14	07/02/14	U.S. Bank National Association	(Maturity of 2014 TABES Series A (Non-Interest & Non-Calling))	Orange Cove	\$ 6,077,472	N	\$ 189,248	\$ 6,077,472	\$ 19,212	\$ 66,002	\$ 6,261,732	\$ 6,077,472	\$ 19,212	\$ 66,002	\$ 6,261,732	\$ 6,077,472	
17	Trustee Administration Fee	Fees	07/02/14	07/02/14	U.S. Bank	Trustee Administration Fee charged for administering the 2014 TABES	Orange Cove	\$ 24,000	N	\$ 1,500	\$ 24,000	\$ 19,212	\$ 66,002	\$ 109,212	\$ 24,000	\$ 19,212	\$ 66,002	\$ 109,212	\$ 24,000	
18	Continuing Disclosure	Fees	02/25/14	02/25/14	A.L. Peck & Associates, LLC	Disclosure and/or Service Charge Program of 2014 TABES, Series 2014	Orange Cove	\$ 45,000	N	\$ 3,000	\$ 45,000	\$ 19,212	\$ 66,002	\$ 109,212	\$ 45,000	\$ 19,212	\$ 66,002	\$ 109,212	\$ 45,000	

Orange Cove Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(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. For tips on how to complete the Report of Cash Balances Form, see CASH BALANCE TIPS SHEET.										
A	B	C	D	E	F	G	H	I	Fund Sources	
									Bond Proceeds	Reserve Balance
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments		
Cash Balance Information by ROPS Period										
ROPS 15-16A Actuals (07/01/15 - 12/31/15)										
1	Beginning Available Cash Balance (Actual 07/01/15)		722,418		15,812		207,408			
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015									
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)		21				215,460			
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						214,769			
5	ROPS 15-16A RPTTF Balances Remaining									
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ 722,439	\$ -	\$ 15,812	\$ -	\$ 208,099			
ROPS 15-16B Estimate (01/01/16 - 06/30/16)										
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ 722,439	\$ -	\$ 15,812	\$ -	\$ 208,099			
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016									
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						207,324			
10	Retention of Available Cash Balance (Estimate 06/30/16) 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)	\$ -	\$ 722,439	\$ -	\$ 15,812	\$ -	\$ 775			

Orange Cove Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017

Item #	Notes/Comments
13-15	Bond proceed expenditures - the same amount is requested in the A and B periods because it is unknown which periods the funds will actually be spent and drawn down from the bond trustee.

DATE: January 28, 2016

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO ORANGE COVE
REDEVELOPMENT AGENCY

FROM: Sam Escobar, City Manager
SUCCESSOR AGENCY TO THE ORANGE COVE REDEVELOPMENT AGENCY

RE: CONSIDERATION OF A PROPOSAL FOR FISCAL YEAR 2016-17 SUCCESSOR AGENCY
CONSULTING SERVICES BY RSG, INC

RECOMMENDATION

1. Adopt a Resolution of the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency Approving a Contract with Rosenow Spevacek Group, Inc. to Provide Consulting Services to the Successor Agency in Fiscal Year 2016-17

FISCAL IMPLICATIONS:

A contract is proposed to cover Successor Agency consulting services needed in the remainder of FY 2015-16 and FY 2016-17. The contract will be paid out of the Successor Agency's administrative cost allowance and is within the amount approved by the Oversight Board and DOF in the Successor Agency Administrative Budget.

BACKGROUND AND OVERVIEW:

The dissolution of the Orange Cove Redevelopment Agency is complex and arduous. The City of Orange Cove requires financial, real estate, and management consulting services to help manage the numerous deadlines and requirements of ABx1 26, AB 1484, SB 107, SB 341 and any new legislation that may come into effect.

Redevelopment Dissolution Consulting Services

The City of Orange Cove and the Successor Agency to the Orange Cove Redevelopment Agency have employed Rosenow Spevacek Group, Inc. ("RSG") to provide consulting services related to the dissolution of the former Orange Cove Redevelopment Agency since 2012. To date, RSG has assisted with:

- Operational startup activities to create the Successor Agency, Housing Successor Entity, and Oversight Board
- Recognized Obligation Payment Schedules (ROPS) covering six month periods from January 2012 to the present
- The Successor Agency's Administrative Budget for Fiscal Years 2012-13, 2013-14, 2014-15, and 2015-16
- Five-Year Cash Flow Analyses to aid preparation of the ROPS and inform other planning activities
- City Loan Agreements to cover shortfalls in prior ROPS periods
- Due Diligence Review advisory services

- Zero-Property Long Range Property Management Plan and the sale of three properties
- Review and analysis of contracts, agreements, and other documents
- Documents and presentations for City Council, Successor Agency, and Oversight Board Meetings
- Documents and presentations for meetings with State and County agencies
- Correspondence with State, County, and other agencies as needed
- General project advisory and management Services
- Legislative tracking, analysis, and advice
- Other services as needed

A new contract for administrative services is proposed in a not-to-exceed amount of \$20,000 to continue providing consulting services in the remainder of FY 2015-16 and 2016-17.

RSG will consult on all activities required by the Dissolution Act, which may include but are not limited to:

- Financial Planning and Transition Services, including preparation of Recognized Obligation Payment Schedules (ROPS), Administrative Budgets, and Cash Flows
- Completion of the Senate Bill 341 Report for the Housing Successor Entity
- General Financial Advisory Services
- Project Advisory Services
- Project Management Services
- Meeting, Agenda, Staff Report Assistance for the City Council, Successor Agency, and Oversight Board
- Meeting Preparation and Attendance with State, County and other agencies as required
- Taxing Entity Consultations
- Monitoring of Legal Requirements and Agreements
- Legislative Analysis
- Others Services as Designated

The fee stated in the proposal matches the amount approved by the Successor Agency and Oversight Board in the FY 2016-17 Administrative Budget. Costs for services will be paid on a monthly basis as they accrue on a time and material basis by the Successor Agency.

Staff recommends that the Oversight Board:

1. Adopt Resolution No. OB 2016-xx Approving a Contract with Rosenow Spevacek Group, Inc. to Provide Consulting Services to the Successor Agency in Fiscal Year 2016-17

RESOLUTION NO. 0B 2016-03

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE ORANGE COVE REDEVELOPMENT AGENCY
APPROVING A CONTRACT WITH ROSENOW SPEVACEK GROUP, INC.
TO PROVIDE CONSULTING SERVICES TO THE SUCCESSOR AGENCY IN FISCAL YEAR 2016-17**

WHEREAS, the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the Orange Cove Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26 and 1484 and Senate Bill 107, as codified in the California Health and Safety Code); and

WHEREAS, Health & Safety Code Section 34177.3(b) states that successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including acquiring necessary professional administrative services; and

WHEREAS, the Successor Agency desires to approve a contract with Rosenow Spevacek Group, Inc. to provide Successor Agency consulting services through Fiscal Year 2016-17 as outlined in the proposal attached as Exhibit "A" ("RSG Contract"); and

WHEREAS, the RSG Contract is to be funded by the administrative cost allowance pursuant to Health & Safety Code Section 34171(b); and

WHEREAS, the Successor Agency and Oversight Board adopted an Administrative Budget for Fiscal Year 2016-17 pursuant to Health & Safety Code Section 34177(j)(3) that included services to be provided under the RSG Contract; and

WHEREAS, Health & Safety Code Section 34177(j)(3) requires proposals for arrangements for administrative and operations services provided by a city, county, or other entity to be submitted to the oversight board for its approval; and

WHEREAS, the Oversight Board desires to approve the RSG Contract.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency does hereby resolve as follows:

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

SECTION 2. The Oversight Board hereby approves the RSG Contract.

SECTION 3. The Oversight Board Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Orange Cove Redevelopment Agency held this 28th day of January, 2016 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson Oversight Board

ATTEST:

Oversight Board Secretary

EXHIBIT "A"
RSG PROPOSAL FOR
FY 2016-17 SUCCESSOR AGENCY CONSULTING SERVICES



BETTER COMMUNITIES. BOLDER FUTURES.

ROSENOW SPEVACEK GROUP INC.
309 WEST 4TH STREET
SANTA ANA, CALIFORNIA
92701-4502

T 714 541 4585
F 714 541 1175
E INFO@WEBRSG.COM
WEBRSG.COM

Via Electronic Mail

January 21, 2016

Mr. Sam Escobar
City Manager
CITY OF ORANGE COVE
633 6th St,
Orange Cove, CA 93646

**PROPOSAL FOR SUCCESSOR AGENCY ADMINISTRATIVE CONSULTING SERVICES
2016-17**

Dear Mr. Escobar:

RSG is pleased to present this proposed scope of work and budget to provide the Successor Agency to the Redevelopment Agency of the City of Orange Cove ("Successor Agency") administrative consulting services for the 2016-17 fiscal year. RSG has been working with the Successor Agency since the beginning of the dissolution of the Orange Cove Redevelopment Agency in 2012. With RSG's assistance, the Successor Agency has overcome many hurdles and fulfilled numerous state reporting requirements. RSG would like to continue to serve the Successor Agency in its capacity as Administrative Consultants and see the Successor Agency through to the end of this arduous process.

Senate Bill 107, approved by the Governor on September 22, 2015, modified the Dissolution Act and the wind-down process of former redevelopment agencies. Some notable changes include:

- Annual ROPS – Instead of preparing the ROPS twice per year, it will be completed once per year due on February 1st annually.
- Administrative Allocation – Beginning on July 1, 2016, a successor agency administrative allowance will be limited to 50% of the total Redevelopment Property Tax Trust Fund distributed to pay enforceable obligations in the preceding fiscal year reduced by administrative costs and revitalized loan repayments, the latter amount is the administrative cost allowance.
- County-wide Oversight Board – On July 1, 2018, there will be only oversight board for the entire county and your local oversight board will be terminated.
- Prior Period Adjustments - Commencing October 1, 2018 and annually thereafter, the differences between actual payments and past estimated obligations on the ROPS shall be submitted by SA to the county auditor-controller.

FISCAL HEALTH
ECONOMIC DEVELOPMENT
REAL ESTATE, HOUSING
AND HEALTHY COMMUNITIES

SCOPE OF SERVICES

The proposed Scope of Services is based upon our experience with the Successor Agency and upcoming tasks that we have identified. RSG is happy to discuss modifications to the scope as needed to satisfy the City's needs. RSG has identified the following tasks:

Task 1: Budget and Cash Flow Work

The Successor Agency has faced many challenges throughout the dissolution process, not the least of which has been budget shortfalls during Recognized Obligation Payment Schedule periods. RSG will continue to maintain a working cash flow model for the Successor Agency to anticipate any future budget shortfalls. In addition, RSG will assist the Successor Agency in working to close any budget gaps by employing the variety of methods.

Task 2: Complete Annual ROPS and accompanying Administrative Budgets

The Successor Agency must submit a Recognized Obligation Payment Schedule ("ROPS") to the Oversight Board and Department of Finance annually. RSG will assist the Successor Agency in completing the 2017-18 ROPS that will be addressed during the 2016-17 fiscal year. Should an issue arise during the Department of Finance's review of the ROPS, RSG would assist the Successor Agency in drafting a Meet and Confer request and is available to attend the meeting. The Successor Agency must submit an annual administrative budget supporting the use of the annual administrative allowance allowed by law. RSG will assist the Successor Agency in preparing the annual administrative budget for fiscal year 2017-18, which will be submitted along with ROPS. The Successor Agency is allowed to amend the ROPS once during the period. RSG can assist the Successor Agency if this needed arises.

Task 3: Help the Successor Agency Navigate New Legislation

RSG will keep abreast of new legislation and help the Successor Agency adapt and adjust their processes as needed.

Task 4: Senate Bill 341 Report

Senate Bill 341 was enacted in 2013 requiring all housing successor entities to prepare an annual report on its Low and Moderate Income Housing Asset Fund activities. The report for FY 2014-15 is due to the California Department of Housing and Community Development by April 1, 2016. RSG can work with staff to draft this report.

Task 5: Attend Meetings as Necessary

RSG will make a staff member available to the Successor Agency should they need assistance at any Successor Agency or Oversight Board meetings.

Task 6: Additional Administrative Services as Needed

RSG will assist the Successor Agency with any additional administrative tasks as they arise.

Mr. Sam Escobar
City Manager
CITY OF ORANGE COVE
January 21, 2015
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TIMELINE

RSG will begin this portion of its contract with the Successor Agency February 1, 2016 and will conclude June 30, 2017.

PROJECT TEAM

Ms. Tara Matthews, Partner will be the principal in charge of this engagement. Suzy Kim, Senior Associate will be the Project Manager, and will be assisted by additional staff as needed.

FEE PROPOSAL

RSG will complete consulting services for remainder of FY 2015-16 and FY 2016-17 services on a time-and-materials basis, with a not to exceed amount of **\$20,000**. RSG does not charge clients for mileage (except direct costs related to field surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

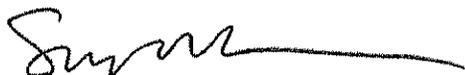
HOURLY BILLING RATES:

Principal/Director	\$ 235
Senior Associate	180
Associate	160
Senior Analyst	135
Analyst	125
Research Assistant	110
Technician	80
Clerical	60
Reimbursable Expenses	Cost plus 10%

Mr. Sam Escobar
City Manager
CITY OF ORANGE COVE
January 21, 2015
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We appreciate the opportunity to submit our proposal to the City and Successor Agency, and look forward to working with you again. If you have any questions, please do not hesitate to contact me at 714.316.2116.

Sincerely,
ROSENOW SPEVACEK GROUP, INC.



Suzy Kim
Senior Associate

APPROVED AND AUTHORIZED:

Signed: _____

Title: _____

Date: _____

REDEVELOPMENT OBLIGATION RETIREMENT FUND CASH FLOW (FY 2016-17 through 2020-21)
ORANGE COVE SUCCESSOR AGENCY

See Note	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
	A	B	A	B	A	B	A	B	A	B
	Jul-Dec 2016	Jan-Jun 2017	Jul-Dec 2017	Jan-Jun 2018	Jul-Dec 2018	Jan-Jun 2019	Jul-Dec 2018	Jan-Jun 2019	Jul-Dec 2018	Jan-Jun 2019
	Total		Total		Total		Total		Total	
PROJECTED REVENUES										
RPTTF Distribution to Successor Agency										
RPTTF Available	659,000	713,000	659,000	713,000	659,000	713,000	659,000	713,000	659,000	713,000
Less County Administrative Fees	(244)	(813)	(244)	(813)	(244)	(813)	(244)	(813)	(244)	(813)
Less Pass-Through Payments	(222,918)	(246,841)	(222,918)	(246,841)	(222,918)	(246,841)	(222,918)	(246,841)	(222,918)	(246,841)
Net RPTTF Available to Fund Obligations	435,839	465,346	435,839	465,346	435,839	465,346	435,839	465,346	435,839	465,346
ANTICIPATED EXPENDITURES										
ROPS Obligations										
Trustee Administration Fee	(1,100)	-	(1,100)	-	(1,100)	-	(1,100)	-	(1,100)	-
Continuing Disclosure	(2,625)	-	(2,625)	-	(2,625)	-	(2,625)	-	(2,625)	-
2014 TABS	(83,324)	(82,324)	(170,381)	(168,725)	(193,789)	(188,548)	(198,264)	(188,987)	(197,081)	(187,712)
Total ROPS Obligations	(86,049)	(82,324)	(174,087)	(168,725)	(197,518)	(188,273)	(201,973)	(197,974)	(196,806)	(185,429)
Administrative Costs	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Total Expenditures	(211,049)	(207,324)	(299,087)	(293,725)	(322,518)	(313,273)	(327,973)	(322,974)	(321,806)	(310,429)
RPTTF DISTRIBUTION										
Total Approved ROPS Obligations	211,050	207,324	299,087	293,725	322,519	313,274	327,974	322,975	321,807	310,430
Less Trust-Up Adjustment from Prior ROPS	-	-	-	-	-	-	-	-	-	-
Total RPTTF Distribution SA	211,050	207,324	299,087	293,725	322,519	313,274	327,974	322,975	321,807	310,430
Residual RPTTF to Taxing Entities	224,789	288,022	136,792	171,622	109,350	143,737	107,419	167,282	169,589	279,271
Deficit for ROPS Obligations	0	0	0	0	0	0	0	0	0	0

NOTES
 1 Actual amounts through ROPS 15-16B. Future periods are estimated based on past periods, rounded down to the nearest 1,000. Assumes a 0% growth rate in assessed values.
 2 Actual amounts through ROPS 15-16B. Future fees estimated at the same amount.
 3 Actual amounts through ROPS 15-16B. Future payments estimated at the same amount.