

**Agenda Of The Special Meeting – Oversight Board to the Successor Agency to the
Redevelopment Agency of the City of National City
Council Chambers
Civic Center
1243 National City Boulevard
National City, California
Tuesday, January 23, 2018 – 3:00 P.M.**

Open To The Public

Please complete a request to speak form prior to the commencement of the meeting and submit it to the Oversight Board Secretary.

It is the intention of your National City Oversight Board to be receptive to your concerns in this community. Your participation in local government will assure a responsible and efficient City of National City. We invite you to bring to the attention of the Board Chairman any matter that you desire the National City Oversight Board to consider. We thank you for your presence and wish you to know that we appreciate your involvement.

ROLL CALL

Pledge of Allegiance to the Flag by Chairman Ron Morrison

Public Oral Communications (Three-Minute Time Limit)

NOTE: Pursuant to state law, items requiring National City Oversight Board action must be brought back on a subsequent National City Oversight Board Agenda unless they are of a demonstrated emergency or urgent nature.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**It Is Requested That All Cell Phones
And Pagers Be Turned Off During The Meetings**

OVERSIGHT BOARD ACTIONS

1. Approval of the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on September 20, 2017.
2. Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2018 through June 30, 2019 (ROPS 18-19) with Expenditures Totaling \$10,660,702.

REPORTS

3. Update on Redevelopment Issues, Resignation of Board Member Fellows

ADJOURNMENT

Adjourn to the next Regular meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency scheduled on February 21, 2018 at 3:00 p.m. in Council Chambers, Civic Center.

MINUTES OF THE REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF NATIONAL CITY

September 20, 2017

This Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 3:10 p.m. by Chair Ron Morrison.

ROLL CALL

Board Members Present: Fellows, Desrochers, Perri, McCarthy, Kerl, Morrison
Board Members Absent: Carson

OTHER STAFF PRESENT: Deputy City Manager Brad Raulston, Financial Analyst Janel Pehau, Director of Finance Mark Roberts

PLEDGE OF ALLEGIANCE by Chair Ron Morrison

PRESENTATIONS: None.

OVERSIGHT BOARD ACTIONS

1. **SUBJECT:** Approval of the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on May 17, 2017.

RECOMMENDATION: Approve the minutes as presented.

ACTION: Motion by Perri, seconded by Kerl to approve the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on May 17, 2017.

Motion carried by the following vote:

Ayes: Morrison, Fellows, Desrochers, Perri, McCarthy, Kerl
Abstain: None.
Absent: Carson

2. **SUBJECT:** Approval of the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on June 21, 2017.

RECOMMENDATION: Approve the minutes as presented.

ACTION: Motion by Perri, seconded by Fellows to approve the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on June 21, 2017.

Motion carried by the following vote:

Ayes: Morrison, Fellows, Desrochers, Perri, McCarthy, Kerl
Abstain: None.
Absent: Carson

3. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving an Increase in the amount of \$383,203 to the Recognized Obligation Payment Schedule (ROPS) for the Period January 1, 2018 through June 30, 2018 (ROPS 17-18B).

Presented by Financial Analyst Janel Pehau.

RECOMMENDATION: Approve the resolution as presented.

ACTION: Motion by Desrochers, seconded by McCarthy to approve Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving an Increase in the amount of \$383,203 to the Recognized Obligation Payment Schedule (ROPS) for the Period January 1, 2018 through June 30, 2018 (ROPS 17-18B).

Motion carried by the following vote:

Ayes: Morrison, Fellows, Desrochers, Perri, McCarthy, Kerl
Abstain: None.
Absent: Carson

4. **SUBJECT:** Staff Report: Status Report on the Refunding of the Successor Agency's \$47.2 Million in Outstanding Tax Allocation Bonds with Anticipated Annual Debt Service Savings of over \$1.0 Million.

Item introduced by Deputy City Manager Brad Raulston and presented by NHA Advisors.

No vote required.

REPORTS

5. Update on Redevelopment Issues: In response to a question posed by Member Desrochers, Deputy City Manager explained the circumstances of a lawsuit regarding tax increment for low and moderate income housing.

The regular meeting was adjourned to the next Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held on February 21, 2018 at 3:00 p.m., Council Chambers – National City Civic Center, California.

The meeting adjourned at 3:25 p.m.

Clerk

Secretary

The foregoing minutes were approved at the Special Meeting of January 23, 2018.

Oversight Board Chairman

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: January 23, 2018

AGENDA ITEM NO. 2

ITEM TITLE: Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2018 through June 30, 2019 (ROPS 18-19) with Expenditures Totaling \$10,660,702.

PREPARED BY: Brad Raulston, Executive Director

DEPARTMENT: Successor Agency

PHONE: (619) 336-4256

APPROVED BY: 

EXPLANATION:

Effective February 1, 2012, all redevelopment agencies in California were dissolved and "Successor Agencies" were established to wind down the affairs of the former redevelopment agency in accordance with the direction of an oversight board. Health and Safety Code Section 34177 requires Successor Agencies to perform a number of functions, one of which is to prepare a Recognized Obligation Payment Schedule (ROPS) before each fiscal period that details amounts required to be spent and the source of funds for those expenditures. Each ROPS must be submitted to the Oversight Board for approval after which it is forwarded for review and approval to the State Department of Finance, with copies to the County Auditor and Controller and State Controller's Office.

Before the Oversight Board today is the proposed ROPS for the period July 1, 2018 through June 30, 2019 (ROPS 18-19), in which a total of \$10.7 million in expenditures is itemized. Upon the Oversight Board's approval, it will be submitted to the State Department of Finance and other agencies as noted above. ROPS 18-19 is due to the State Department of Finance by February 1, 2018. Please see attached staff report for further details regarding the ROPS.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO. Pursuant to AB 1X 26/AB 1484/ SB 107

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

Pursuant to Title 15 of the California Code of Regulations, Section 15378(b)(4), this item is not subject to the California Environmental Quality Act review because the recommended approvals are not considered a project and are governmental funding mechanisms and fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant environmental impact.

ORDINANCE: **INTRODUCTION:** **FINAL ADOPTION:**

STAFF RECOMMENDATION:

Adopt the resolution to approve the ROPS 18-19 and authorize staff to submit it to the State Department of Finance, the State Controller and the County of San Diego.

BOARD / COMMISSION RECOMMENDATION:

Successor Agency: Adopt the resolution to approve the ROPS 18-19 and authorize staff to submit it to the State Department of Finance, the State Controller and the County of San Diego.

ATTACHMENTS:

1. Staff Report
2. Proposed Oversight Board Resolution 2018-01
3. Recognized Obligation Payment Schedule for the period July 1, 2018 through June 30, 2019 (ROPS 18-19)

CITY OF NATIONAL CITY
OVERSIGHT BOARD STAFF REPORT

January 23, 2018

Item:

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2018 through June 30, 2019 (ROPS 18-19) with Expenditures Totaling \$10,660,702.

Background:

Effective February 1, 2012, all redevelopment agencies in California were dissolved and “successor agencies” were established to wind down the affairs of the former redevelopment agencies under the direction of oversight boards. Health and Safety Code Section 34177 requires successor agencies to perform a number of functions, one of which is to prepare a Recognized Obligation Payment Schedule (ROPS) before each fiscal period that details amounts required to be spent and the source of funds for those expenditures. Each successor agency must submit the ROPS to its oversight board for approval, after which it is forwarded for review and approval to the State Department of Finance, with copies to the County Auditor and Controller and State Controller’s Office. ROPS 18-19 is due to the State Department of Finance by February 1, 2018.

Even though the ROPS covers an entire fiscal year, the standardized form distributed by the State Department of Finance (DOF) requires that obligation payment amounts be assigned to either the “A” portion of the fiscal year (July through December) or the “B” portion of the year (January through June). The assignment of expenses to one half or the other of the fiscal year is designed not to restrict when authorized amounts may be spent during the fiscal year, but to facilitate the distribution of redevelopment property tax trust fund (RPTTF) monies, the primary source of funding for the ROPS. RPTTF monies are distributed on June 1 and January 2 by the County Auditor and Controller; the June 1 distribution applies to expenditures expected to occur during the “A” portion of the upcoming ROPS cycle, while the January 2 distribution provides cash for the second half (“B” portion) of the fiscal year.

Should changes to the ROPS be necessary, each successor agency is allowed to amend the approved ROPS once. The amendment must be submitted to DOF by October 1, and successor agencies may only amend the amounts requested for payment of approved enforceable obligations that fall within the “B” portion of the year; no new obligations can be created through the amendment process.

Discussion:

The proposed Recognized Obligation Payment Schedule for the July 1, 2018 through June 30, 2019 (ROPS 18-19) period for the National City Successor Agency totals \$10.66 million. Of that amount, \$9.84 million is allocated to the first half of the fiscal year and \$0.82 million to the second half of the fiscal year. Enforceable obligations for the ROPS 18-19 period include debt service on the Successor Agency’s tax allocation bonds of \$4.33 million, environmental remediation and related planning and review costs of \$5.91 million for the park component of the WI-TOD housing

project, an administrative cost allowance of \$0.25 million, legal services totaling \$0.12 million, and various other operational costs totaling \$0.05 million.

Debt service: In September 2017 all of the Successor Agency's outstanding tax allocation bonds (Series 1999, 2005B and 2011) were refunded to reduce future interest costs on the bonds. For the ROPS 18-19 period, debt service payments on the 2017 refunding bonds will total \$4.33 million, which is \$0.87 million less than would have been due without the refunding. Overall, the refunding bonds will result in an annual average debt service savings of \$1.0 million through final maturity in August 2032.

WI-TOD (Paradise Creek) Housing Project: The first phase of the Westside Infill Transit-Oriented Development (WI-TOD) housing project, now known as the Paradise Creek apartment community, opened in the spring of 2017 with 109 units. Phase II of the project includes an additional 92 units and a four-acre public park. The housing portion of Phase II is expected to be completed in May 2018. Remediation planning (Item 12) and environmental oversight (Item 13) for the park portion of the project are in progress. As of early January 2018, a soils analysis and draft remediation plan have been completed and submitted to the Department of Toxic Substances Control (DTSC) for review and determination of the appropriate remediation course to follow for construction of the park. Meanwhile, a professional engineer (PE) was engaged to estimate the costs for site remediation and construction of the park based on the draft remediation plan and soils analysis. As of early January 2018, approximately \$20,000 has been invoiced by EnSafe out of the \$200,000 authorized for item 12 in ROPS 17-18. While additional invoices are expected, the amount is uncertain and consequently ROPS 18-19 shows a carry-over of \$180,000 for Item 12. In addition, based on cost estimates provided by the PE, an additional \$30,000 in RPTTF funding is requested for this item. Regarding Item 13, while invoices are expected during FY 2017-18 for DTSC's review of the soils analysis and draft remediation plan referred to above, none have been submitted as of early January 2018. Consequently, the full amount previously authorized for ROPS 17-18, \$100,000, is being carried over to ROPS 18-19. Actual expenditures for this item will not exceed \$100,000 over the two year period. Expenditures for Item 176 are dependent upon the outcome of DTSC's review and determination. It is unlikely that remediation work will be able to start before July 1, 2018. ROPS 18-19 includes \$5.6 million for Item 176 in the "A" portion: \$2.0 million of that amount is a carry-over from ROPS 17-18 (originally authorized in the "B" portion of ROPS 16-17 and subsequently carried over to ROPS 17-18) for environmental remediation of the park, and \$3.6 million is new RPTTF funding that is being requested based on the PE's analysis. The worst case scenario is that all of the soil within 3 feet of the project improvements would need to be excavated and hauled to a Class 1 landfill out of state. If that is the course of action that would be required by DTSC, the total remediation cost is estimated to be \$5.6 million, which necessitates the request for the additional \$3.6 million in RPTTF funding.

Administrative Cost Allowance: The administrative cost allowance is governed by Health and Safety Code (HSC) section 34171 (b) and is calculated based on what is termed "the adjusted Redevelopment Property Tax Trust Fund (RPTTF) distribution" from the prior year. The adjusted RPTTF distribution equals the RPTTF revenue distributed for the prior ROPS year less the prior year's authorized administrative cost allowance (ACA) and less any city loan repayments. This adjusted RPTTF amount is then multiplied by 3%. The 2017-18 adjusted RPTTF for the National City Successor Agency is \$4.3 million. When multiplied by 3%, it would result in an ACA for ROPS 18-19 of \$0.13 million. This calculated amount is less, however, than the minimum provided for in redevelopment dissolution law. The minimum ACA is \$250,000 annually, but may not exceed 50% of the adjusted RPTTF distribution. Based on the foregoing information, the ACA for ROPS 18-19 is set at \$250,000.

Legal Services: As was reported in the staff report for ROPS 17-18, barring any new issues that might arise, the Successor Agency has only one litigation matter remaining: the Affordable Housing Coalition v. Sandoval, et al case. In July, 2013, the Affordable Housing Coalition of San Diego County filed a lawsuit in the Sacramento County Superior Court against the City of National City in its capacity as the Successor Agency to the Community Development Commission of National City, as well as other cities/successor agencies in San Diego County, claiming that 1) the statutes under the former Redevelopment Law imposing affordable housing obligations upon redevelopment agencies created enforceable obligations under the redevelopment dissolution statutes, and 2) if enforceable obligations were not created, the dissolution statutes unconstitutionally impaired the obligations of contracts. In September, 2016, the Court ruled against the petitioner and in favor of the respondent cities/successor agencies. Judgment based upon this ruling was entered in November, 2016, but the ruling was appealed.

The cost of the litigation is being shared by eight agencies. ROPS 17-18, Item 179, included \$20,000 for the Successor Agency's share of the costs. In the Amended ROPS 17-18B, \$10,000 was added, bringing the authorized total spending for this obligation to \$30,000. To date, \$14,300 of the \$30,000 has been spent. While more expenses are expected to be incurred through the end of the ROPS 17-18 period, the amount is uncertain. Consequently, ROPS 18-19 includes a request to carry over the as yet unspent balance of \$15,700. If more than the \$30,000 authorized for this item over the two year period is needed, a request for additional funds will be presented in September 2018 as part of the amended ROPS process.

In addition to the \$15,700 noted above, ROPS 18-19 requests \$109,000 for legal services (spread across Items 144, 146, 147, and 167) that will provide subject matter expertise to ensure compliance with agreements entered into by the former redevelopment agency and for active environmental remediation activities.

Other Operational Costs: Other operational costs of \$47,000 include amounts for environmental monitoring services arising from agreements entered into by the former redevelopment agency (Items 110 and 111), and for financial services related to the tax allocation refunding bonds (Items 128 and 162).

Recommendation:

Adopt the resolution and direct staff to submit the ROPS 18-19 to the State Department of Finance, the State Controller and the County of San Diego.

Fiscal Impact Statement:

The expenditures for the items listed on ROPS 18-19 total \$10.7 million, \$8.3 million of which is proposed to be funded from RPTTF, and \$2.4 million from Reserve Balance (unspent RPTTF amounts from prior periods). The amount of new RPTTF projected to be available to the Successor Agency for ROPS 18-19 is \$14.4 million. If RPTTF funding projections are correct and if all of the items on the ROPS proposed to be funded by RPTTF are approved, approximately \$6.1 million would be available for distribution to the affected taxing entities as residual balance. The \$6.1 million would yield approximately \$0.5 million on the June 1, 2018 distribution date and \$5.6 million on January 2, 2019.

RESOLUTION NO. 2018 – 01

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY APPROVING
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD
JULY 1, 2018 THROUGH JUNE 30, 2019 (ROPS 18-19) WITH EXPENDITURES TOTALING
\$10,660,702

WHEREAS, the City Council established the Redevelopment Agency of the City of National City (the "Redevelopment Agency") by Ordinance No. 1164, dated April 11, 1967; and

WHEREAS, the City Council established the Housing Authority of the City of National City (the "Housing Authority") by Ordinance No. 1484, dated October 14, 1975; and

WHEREAS, the City Council established the Community Development Commission of the City of National City (the "CDC") by Ordinance No. 1484, dated October 14, 1975, and vested the CDC with all of the powers, duties, and responsibilities of both the Redevelopment Agency and the Housing Authority, among other matters, for the purpose of enabling the CDC to operate and govern the Redevelopment Agency and the Housing Authority under a single board and as a single operating entity. The CDC acting in its capacity as the Redevelopment Agency of the City of National City is referred to herein as the "CDC-RDA"; and

WHEREAS, all California redevelopment agencies, including the Redevelopment Agency and the CDC-RDA, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, pursuant to AB 26, the City Council adopted Resolution No. 2012-15 on January 10, 2012, electing to be the Successor Agency to the CDC-RDA. The Successor Agency is a legal entity that exists separate and independent from the City. The Successor Agency formally named itself the "Successor Agency to the Community Development Commission as the National City Redevelopment Agency"; and

WHEREAS, on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings and equipment of the Redevelopment Agency and the CDC-RDA were transferred by operation of law to the control of the Successor Agency and all authority, rights, powers, duties, and obligations previously vested in the Redevelopment Agency and the CDC-RDA were vested in the Successor Agency, for administration pursuant to Part 1.85 of AB 26; and

WHEREAS, in the course of the State's budget process for fiscal year 2012-13 and again for 2015-16, the California legislature and the Governor approved amendments to AB 26 through AB 1484 and SB 107 respectively; and

WHEREAS, AB 1484 and SB 107 modified the process through which ROPS are prepared and approved, and the format in which ROPS are submitted to the State Department of Finance; and

WHEREAS, under AB 26 as amended by AB 1484 and SB 107, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to Health and Safety Code Section 34188; and

WHEREAS, the oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of AB 26 as amended by AB 1484 and SB 107; and

WHEREAS, per SB 107, the ROPS preparation and approval cycle is now based upon annual periods, and an Oversight Board-approved ROPS for the time period of July 1, 2018 to June 30, 2019 must be adopted, approved and submitted to the Department of Finance by February 1, 2018; and

WHEREAS, according to Health and Safety Code Section 34177(l)(1), for each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund, and (vi) and other Oversight Board-approved revenue sources allowed under law; and

WHEREAS, it is the intent of AB 26 as amended by AB 1484 and SB 107 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's payment obligations by amount and source and that subsequent to the audit and approval of the ROPS, the County Auditor/Controller will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

WHEREAS, on January 16, 2018, the Successor Agency considered and adopted ROPS 18-19, subject to the contingencies and reservations set forth therein and with expenditures totaling \$10,660,702; and

WHEREAS, the Successor Agency's adopted ROPS 18-19, which is consistent with the requirements of the Health and Safety Code and other applicable law, is attached to and incorporated in this Resolution as **Exhibit "A"**; and

WHEREAS, the Successor Agency submitted the ROPS 18-19 to the San Diego County Administrative Officer, the San Diego County Auditor and Controller and the State Department of Finance at the same time as the ROPS 18-19 was submitted to the Oversight Board; and

WHEREAS, a copy of the approved ROPS 18-19 shall be submitted to the County Auditor/Controller, State Department of Finance and State Controller, and posted on the Successor Agency's internet website; and

WHEREAS, on January 17, 2018 in the course of taking action on a properly agendaed item at a regular meeting, the Oversight Board considered the approval of the ROPS 18-19, and upon **(i)** further consideration of all information and documentation presented by staff, **(ii)** all public comment and Oversight Board deliberation, if any, and **(iii)** the

recommendation of the Successor Agency’s staff, did independently find and determine that the ROPS 18-19 should be approved; and

WHEREAS, the Department of Finance sometimes changes the format of reporting and the requirements, thus the Successor Agency staff may need to make changes to the ROPS 18-19 subsequent to the Oversight Board’s approval to have it compliant with the changing Department of Finance requirements; and

WHEREAS, this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the “Guidelines”), and the City’s environmental guidelines; and

WHEREAS, this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, as follows:

- Section 1. The foregoing recitals are true and correct, and are a substantive part of this Resolution.
- Section 2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB 26, AB 1484, or SB 107 through administrative or judicial proceedings.
- Section 3. The Successor Agency’s ROPS 18-19, which is attached hereto as Exhibit “A”, is approved and adopted.
- Section 4. The Executive Director, or designee, is hereby authorized and directed to:
 - (i) Take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Oversight Board; and
 - (ii) Take such other actions and execute such other documents as are necessary to effectuate the intent of AB 26, AB 1484, and SB 107 in regard to ROPS 18-19, including modifying and/or amending the ROPS 18-19 administratively to reflect the most up to date prior period actual cost or cash data, or conform to the direction, guidance, and/or requirements related to ROPS 18-19 by of the Department of Finance.

- Section 5. The Oversight Board confirms the Successor Agency’s determination (to the extent that it is required to do so) that neither the ROPS 18-19 nor this Resolution is a “project” for purposes of CEQA, as that term is defined by Guidelines section 15378, because the ROPS 18-19 approved by this Resolution represents an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.
- Section 6. The Oversight Board Secretary and/or Successor Agency Secretary shall certify to the adoption of this Resolution, and transmit notice of this Resolution, including ROPS 18-19 as approved, to the State of California Department of Finance and to the San Diego County auditor-controller by electronic means, and ROPS 18-19 shall be subject to review pursuant to California Health & Safety Code Section 34177(m).
- Section 7. Pursuant to California Health and Safety Code Section 34179(h)(2), the State of California Department of Finance may review Oversight Board action; therefore, this Resolution shall be effective on the date five (5) business days after its adoption, absent and pending any request for review by the State of California Department of Finance.

NOW, THEREFORE, BE IT RESOLVED that the foregoing resolution was duly and regularly adopted at a regular meeting of the Oversight Board for the Successor Agency to the Community Development Commission as the National City Redevelopment Agency held on the 23rd day of January 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ron Morrison, Chairman

ATTEST:

Brad Raulston, Executive Director
Secretary to the Oversight Board

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: National City
 County: San Diego

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 2,407,700	\$ -	\$ 2,407,700
B	Bond Proceeds	-	-	-
C	Reserve Balance	2,407,700	-	2,407,700
D	Other Funds	-	-	-
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 7,429,626	\$ 823,376	\$ 8,253,002
F	RPTTF	7,429,626	573,376	8,003,002
G	Administrative RPTTF	-	250,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 9,837,326	\$ 823,376	\$ 10,660,702

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.

 Name Title
 /s/ _____
 Signature Date

National City Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	18-19A (July - December)					18-19B (January - June)					W		
											Fund Sources					Fund Sources							
											L	M	N	O	P	Q	R	S	T	U		V	
																							Bond Proceeds
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19B Total	
1	1999 Tax Allocation Bond	Bonds Issued On or Before	6/3/1999	8/1/2029	Bank of New York	Bonds to fund housing tax-exempt	Merged	\$ 64,411,737	Y	\$ 10,660,702	\$ -	\$ 2,407,700	\$ -	\$ 7,429,626	\$ -	\$ 9,837,326	\$ -	\$ -	\$ -	\$ 573,376	\$ 250,000	\$ 823,376	
3	2005 Tax Allocation Bond	Bonds Issued On or Before	1/25/2005	8/1/2032	US Bank	Bonds to fund non-housing tax-exempt projects	Merged		Y	\$ -						\$ -						\$ -	
4	2011 Tax Allocation Bond	Bonds Issued After 12/31/10	3/3/2011	8/1/2032	US Bank	Bonds to fund WI-TOD and other non-housing tax-exempt projects	Merged		Y	\$ -						\$ -						\$ -	
12	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/E2 ManageTech	Remediation Planning	Merged	210,000	N	\$ 210,000		180,000		30,000		\$ 210,000							\$ -
13	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/DTSC	Environmental Oversight	Merged	100,000	N	\$ 100,000		100,000				\$ 100,000							\$ -
86	Loan from Sewer Fund	City/County Loan (Prior 06/28/11), Other	6/22/2010	6/30/2013	Sewer Fund	Loan repayment pursuant to HSC section 34191.4 (b) for street resurfacing	Merged	-	Y	\$ -						\$ -							\$ -
87	Personnel and Admin Costs	Admin Costs	7/1/2018	6/30/2019	City of National City	Personnel and other support services for SA	Merged	250,000	N	\$ 250,000						\$ -					250,000	\$ 250,000	
110	Environmental Monitoring for CDC Properties	OPA/DDA/Construction	7/1/2013	6/30/2019	County of San Diego	Environmental Oversight Remediation and Testing for Education Village, ACE, 2501 Cleveland, 835 Bay Marina Drive and other SA properties as necessary	Merged	20,000	N	\$ 15,000		5,000		10,000		\$ 15,000							\$ -
111	Environmental Monitoring for CDC Properties	Remediation	7/1/2011	12/4/2019	GeoSyntec Consultants	Environmental Oversight Remediation and Testing for Education Village, ACE, 2501 Cleveland, 835 Bay Marina Drive and other SA properties as necessary	Merged	33,000	N	\$ 18,000		18,000				\$ 18,000							\$ -
128	Contract for Financial Analysis	Fees	2/1/2017	1/31/2020	NHA Advisors	Financial and bond adviser/annual disclosure	Merged	10,000	N	\$ 10,000						\$ -				10,000		\$ 10,000	
130	Contract for Environmental	Property Maintenance	7/1/2011	10/6/2017	GeoSyntec Consultants	PSI Environmental Investigation	Merged	-	Y	\$ -						\$ -							\$ -
144	Contract for Legal Services	Legal	2/1/2011	6/30/2018	Kane, Ballmer, & Berkman	Legal support for state actions on Redevelopment/Litigation support for protecting legal interests, e.g., Affordable Housing Coalition v. Sandoval, et al.	Merged	17,000	N	\$ 17,000		17,000				\$ 17,000							\$ -
146	Contract for Legal Services	Legal	10/3/2011	6/30/2019	Opper & Varco, LLP/ Richard Opper	Litigation for Education Village/Legal support re: environmental compliance with DTSC, DEH, etc. for SA properties or responsibilities	Merged	48,000	N	\$ 48,000		48,000				\$ 48,000							\$ -
147	Contract for Legal Services	Legal	1/22/2008	6/30/2019	Christensen & Spath, LLP	Litigation for ARE Holdings/Litigation for Morgan Square, Inc./Legal Services for Westside Infill Transit Oriented Development Housing Project	Merged	40,000	N	\$ 20,000				20,000		\$ 20,000							\$ -
161	Bonds	Fees	7/1/2017	6/30/2018	Deutsche Bank/US Bank	Fiscal Agent Fees	Merged	-	Y	\$ -						\$ -							\$ -
162	Bonds	Fees	7/1/2018	6/30/2019	Bank of New York	Fiscal Agent Fees	Merged	4,000	N	\$ 4,000				4,000		\$ 4,000							\$ -
167	Contract for Legal Services	Legal	12/15/2012	6/30/2019	Meyers Nave Hoffman Riback Silver & Wilson	Protect assets and obligations of Successor Agency	Merged	24,000	N	\$ 24,000		24,000				\$ 24,000							\$ -
170	Housing Entity Administrative Cost Allowance	Housing Entity Admin Cost	7/1/2014	7/1/2018	National City Community Development Commission - Housing Authority	Administrative cost allowance for Housing Authority per AB 471	Merged		Y														
176	Unforseen SA remediation cost obligation - estimated additional costs Phase II WI-TOD	OPA/DDA/Construction	6/21/2011	6/30/2020	Paradise Creek Housing Partners	Remediate unanticipated soil conditions on the WI-TOD site as required by the DDA	Merged	5,600,000	N	\$ 5,600,000		2,000,000		3,600,000		\$ 5,600,000							\$ -
178	Reserve for early redemption of 1999 Tax Allocation Bonds	Reserves	7/1/2017	12/31/2017	Bank of New York	Pay off principal balance in August 2017 to save over \$1.0 million in interest payments over 12 years	Merged		Y														
179	Joint Defense and Cost Sharing Agreement with respect to the Affordable Housing Coalition of San Diego County v. Sandoval et al case	Litigation	3/30/2015	6/30/2019	City of National City/City of Lemon Grove	Reimburse the City of National City for previously paid invoices (\$6,964.47) for legal services in defense of the Affordable Housing Coalition's lawsuit against the National City Successor Agency as well as those that may arise during the ROPS 16-17 period (TBD). Allow the Successor Agency to directly pay its share of the costs to the City of Lemon Grove for any invoices arising during ROPS 17-18 (TBD).	Merged	15,700	N	\$ 15,700		15,700				\$ 15,700							\$ -
180	2017 Tax Allocation Refunding Bond - Series A Principal Payment	Refunding Bonds Issued After 6/27/12	9/27/2017	8/1/2032	Bank of New York Mellon Trust Company, N. A.	Bonds issued to refund the outstanding principal balance of the 2005B and 2011 TABs (replaces Items 3 and 4)	Merged	45,874,000	N	\$ 2,964,000				2,964,000		\$ 2,964,000							\$ -
181	2017 Tax Allocation Refunding Bond - Series A Interest Payment	Refunding Bonds Issued After 6/27/12	9/27/2017	8/1/2032	Bank of New York Mellon Trust Company, N. A.	Bonds issued to refund the outstanding principal balance of the 2005B and 2011 TABs (replaces Items 3 and 4)	Merged	9,086,399	N	\$ 1,105,362				571,132		\$ 571,132				534,230			\$ 534,230
182	2017 Tax Allocation Refunding Bond - Series B Principal Payment	Refunding Bonds Issued After 6/27/12	9/27/2017	8/1/2029	Bank of New York Mellon Trust Company, N. A.	Bonds issued to refund the outstanding principal balance of the 1999 TAHBs (replaces Item 1)	Merged	2,669,000	N	\$ 199,000				199,000		\$ 199,000							\$ -
183	2017 Tax Allocation Refunding Bonds - Series B Interest Payment	Refunding Bonds Issued After 6/27/12	9/27/2017	8/1/2029	Bank of New York Mellon Trust Company, N. A.	Bonds issued to refund the outstanding principal balance of the 1999 TAHBs (replaces Item 1)	Merged	410,638	N	\$ 60,640				31,494		\$ 31,494				29,146			\$ 29,146
184									N	\$ -						\$ -							\$ -
185									N	\$ -						\$ -							\$ -
186									N	\$ -						\$ -							\$ -
187									N	\$ -						\$ -							\$ -
188									N	\$ -						\$ -							\$ -
189									N	\$ -						\$ -							\$ -

National City Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances
July 1, 2015 through June 30, 2016
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), 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 [\[INSERT URL LINK TO CASH BALANCE TIPS SHEET \]](#)

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)	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	
1	Beginning Available Cash Balance (Actual 07/01/15)	2,555,356	20,147,722		2,000,000	163,141	3,332,064	H1 is the sum of PPA's that were applied to ROPS 15-16A and 15-16B of \$2,303,473 and \$1,028,591, respectively	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during June 2015 and January 2016.	29,223	30,876			2,842,935	13,333,265	G2 = release of \$1.923 million in debt service reserves as a result of paying off the 2004 and 2005A bonds, plus \$0.83 million received from CYAC indemnity claim, plus other misc. revenues	
3	Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)	1,922,621	14,909,000		2,000,000	1,972,621	13,647,716	G3 = \$1.923 million in released debt service reserves + \$.05 million in "other" funds applied to the pay-off the 2004 bonds; all amounts in this row match amounts shown in the test ROPS 15-16 PPA submitted to County Auditor & Controller	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	661,958	4,230,938					C4 and D4 = debt service reserves with fiscal agent	
5	ROPS 15-16 RPTTF Balances Remaining	No entry required						3,017,613	H5 matches the amount shown in the test ROPS 15-16 PPA submitted to County Auditor & Controller
6	Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ 1,038,660	\$ -	\$ -	\$ 1,033,455	\$ -	D6 = unpsent bond proceeds	

National City Recognized Obligation Payment Schedule (ROPS 18-19) - Notes July 1, 2018 through June 30, 2019

Item #	Notes/Comments
1	The 1999 Tax Allocation Housing Bonds were refunded in September 2017. See items 182 and 183 for the debt service requirements for the new refunding bonds.
3	The 2005B Tax Allocation Bonds were refunded in September 2017. See items 180 and 181 for the debt service requirements for the new refunding bonds.
4	The 2011 Tax Allocation Bonds were refunded in September 2017. See items 180 and 181 for the debt service requirements for the new refunding bonds.
12	Items 12, 13, and 176 are inter-related. As of early January 2018, a soils analysis and draft remediation plan have been completed and submitted to DTSC for review and determination of the appropriate remediation course to follow for construction of the park component of the WI-TOD housing project. As of early January 2018, approximately \$20,000 has been invoiced by EnSafe out of the \$200,000 authorized in ROPS 17-18. While additional invoices are expected, the amount is uncertain and consequently ROPS 18-19 shows a carry-over of \$180,000. In addition, based on cost estimates provided by a professional engineer (PE) for site remediation and construction of the park, an additional \$30,000 in RPTTF funding is requested for this item.
13	While invoices are expected during FY 2017-18 for DTSC's review of the soils analysis and draft remediation plan referred to in the note for Item 12, none have been submitted as of early January 2018. Consequently, the full amount authorized for ROPS 17-18, \$100,000, is being carried over to ROPS 18-19. Actual expenditures for this item will not exceed \$100,000 over the two year period.
176	For ROPS 17-18, \$2,000,000 was authorized for remediation of contaminated soil on the park portion of the WI-TOD housing project, but as of early January 2018, none of it has been spent pending the outcome of DTSC's review of the of the analysis referred to above and determination of the appropriate course of action. Further, a PE was engaged to estimate the costs for site remediation and construction of the park based on the draft remediation plan and soils analysis. The worst case scenario is that all of the soil within 3 feet of the project improvements would need to be excavated and hauled to a Class 1 landfill out of state. If that is the course of action that would be required by DTSC, the total remediation cost is estimated to be \$5.6 million. Consequently, an additional \$3.6 million in RPTTF funding is being requested in this ROPS.
180	In September 2017 all of the Successor Agency's outstanding tax allocation bonds (Series 1999, 2005B and 2011) were refunded to reduce future interest costs on the bonds. For the ROPS 18-19 period, debt service payments on the 2017 refunding bonds will total \$4.3 million, which is \$0.9 million less than would have been due without the refunding. Overall, the refunding bonds will result in an annual average debt service savings of \$1.0 million through final maturity in August 2032.
181	See note for Item 180.
182	See note for Item 180.
183	See note for Item 180.