RESOLUTION NO. 2-15 (OB)

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF WATSONVILLE APPROVING (1) THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD COMMENCING JULY 1, 2015, THROUGH DECEMBER 31, 2015, AS REQUIRED BY HEALTH & SAFETY CODE SECTION 34177(I)

WHEREAS, in accord with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, et seq. (“CRL”), the City Council of the City of Watsonville (“City”) previously established the Redevelopment Agency of the City of Watsonville, a public body, corporate and politic (“Agency”) to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) (“AB 26”), and its rights, powers, duties and obligations were transferred to a “successor agency” (as defined by CRL Section 34171(j) and Section 34173); and

WHEREAS, the City Council elected to act as the Agency’s successor agency (“Successor Agency”) under CRL Section 34173; and

WHEREAS, pursuant to Section 34177(I), the Successor Agency is required to prepare “Recognized Obligation Payment Schedules” (each such Schedule, a “ROPS”) for each six-month period of a fiscal year (each such period, a “Fiscal Period”) and to submit each ROPS for approval to the oversight board (“Oversight Board”) established for the Successor Agency under CRL Section 34179; and

WHEREAS, each ROPS must identify, on a prospective basis, the funds required by the Successor Agency to satisfy the Successor Agency’s enforceable obligations and to pay administrative expenses during the applicable Fiscal Period; and
WHEREAS, on April 24, 2012, the Oversight Board adopted Resolution No. 5-12 (OB), approving a “Cooperation Agreement for Administrative Services” between the City and the Successor Agency, whereby the City agreed to provide administrative services for the Successor Agency for FY 2012-13 for a total amount of $250,000; and

WHEREAS, on February 26, 2013, the Oversight Board adopted Resolution No. 4-13 (OB), approving an “Amended and Restated Cooperation Agreement for Administrative Services” (“Cooperation Agreement”), whereby the City agreed to provide administrative services for the Successor Agency for a total amount of $250,000 each fiscal year, commencing in FY 2013/14, to be paid in pursuant to terms contained in the Cooperation Agreement until such time as the Oversight Board requests a reduction in such amount; and

WHEREAS, the Successor Agency prepared a ROPS for the Fiscal Period commencing July 1, 2015, through December 31, 2015, (the “FY 15/16A ROPS”) (a copy of which is attached as Exhibit “A”) in accord with the requirements of CRL Section 34177(l) and other applicable law and has transmitted the FY 15/16A ROPS electronically to the County Administrative Officer, the County Auditor-Controller and the State Department of Finance; and

WHEREAS, the Successor Agency has recommended that the Oversight Board approve the FY 15/16A ROPS, including compensation of One Hundred Twenty-Five Thousand Dollars ($125,000) to the City for providing the Successor Agency’s administrative services pursuant to the Cooperation Agreement during the FY 15/16A ROPS period; and
WHEREAS, the FY 15/16A ROPS serves as the budget document for the Successor Agency during the July 1, 2015, through December 31, 2015, period and appropriates funds as identified.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF WATSONVILLE AS FOLLOWS:

Section 1. In accord with CRL Section 34180(g), the Oversight Board approves the FY 15/16A ROPS (inclusive of the administrative budget and the administrative cost allocation of $125,000 payable to the City pursuant to the Cooperation Agreement), in the form attached as Exhibit “A.”

Section 2. The Oversight Board directs the City Manager Pro Tempore to (a) transmit the Oversight Board-approved FY 15/16A ROPS to the County Auditor-Controller and the State Department of Finance, and to provide notice of the Oversight Board’s approval to those entities, together with the City’s website address, and (b) post the FY 15/16A ROPS to the City’s website.

Section 3. This Resolution will become effective in accord with CRL Section 34177(m) and Section 34179(h).

********************************************************************
The foregoing resolution was introduced at a regular meeting of the Oversight Board of Successor Agency to the City of Watsonville Redevelopment Agency, held on the 25th day of February, 2015, by Member Coffman-Gomez, who moved its adoption, which motion being duly seconded by Member Manning, was upon roll call carried and the resolution adopted by the following vote:

AYES: BOARD MEMBERS: Caput, Coffman-Gomez, Friend, Manning, Medina, Carrillo

NOES: BOARD MEMBERS: None

ABSENT: BOARD MEMBERS: McFadden

ATTEST:

Beátriz Vázquez Flores, Board Secretary

I, Beatriz Vázquez Flores, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 2-15 (OB) was duly and regularly passed and adopted by the Oversight Board at a meeting thereof held on the 25th day of February, 2015, and that the foregoing is a full, true and correct copy of said Resolution.

Beatriz Vázquez Flores, City Clerk
Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary
Filed for the July 1, 2015 through December 31, 2015 Period

<table>
<thead>
<tr>
<th>Current Period Requested Funding for Outstanding Debt or Obligation</th>
<th>Six-Month Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPITF) Funding</td>
<td>$2,657,105</td>
</tr>
<tr>
<td>B Bond Proceeds Funding (ROPS Detail)</td>
<td>-</td>
</tr>
<tr>
<td>C Reserve Balance Funding (ROPS Detail)</td>
<td>-</td>
</tr>
<tr>
<td>D Other Funding (ROPS Detail)</td>
<td>-</td>
</tr>
<tr>
<td>E Enforceable Obligations Funded with RPITF Funding (F+G):</td>
<td>$2,657,105</td>
</tr>
<tr>
<td>F Non-Administrative Costs (ROPS Detail)</td>
<td>2,532,105</td>
</tr>
<tr>
<td>G Administrative Costs (ROPS Detail)</td>
<td>125,000</td>
</tr>
<tr>
<td>H Current Period Enforceable Obligations (A+E):</td>
<td>$2,657,105</td>
</tr>
</tbody>
</table>

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPITF Requested Funding

| I Enforceable Obligations funded with RPITF (E): | 2,657,105 |
| J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S) | (19,303) |
| K Adjusted Current Period RPITF Requested Funding (I-J) | $2,637,802 |

County Auditor Controller Reported Prior Period Adjustment to Current Period RPITF Requested Funding

| L Enforceable Obligations funded with RPITF (E): | 2,657,105 |
| M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA) | - |
| N Adjusted Current Period RPITF Requested Funding (L-M) | 2,657,105 |

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name: [Signature]  Date: 2/25/15

Exhibit "A"  1 of 5
**Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail**

**July 1, 2015 through December 31, 2015**

(Report Amounts in Whole Dollars)

<table>
<thead>
<tr>
<th>Item #</th>
<th>Project Name / Debt Obligation</th>
<th>Obligation Type</th>
<th>Contract/Agreement Execution Date</th>
<th>Contract/Agreement Termination Date</th>
<th>Payee</th>
<th>Description/Project Scope</th>
<th>Project Area</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Retired Bond Proceeds</th>
<th>Reserve Balance</th>
<th>Other Funds</th>
<th>Non-Admin</th>
<th>Admin</th>
<th>Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)</th>
<th>RPTTF</th>
<th>Six-Month Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>3rd party loan from City of Watsonville</td>
<td>City of Watsonville Water Project Management</td>
<td>6/28/2006 &amp; 6/1/2007 &amp; 6/28/2006</td>
<td>City of Watsonville &amp; Watsonville Water Project Management</td>
<td>City of Watsonville Water Project Area</td>
<td>Bond covenants - annual continuing obligation</td>
<td>All</td>
<td>125,000</td>
<td>$463,742</td>
<td>$463,742</td>
<td>$281,349</td>
<td>$0</td>
<td>6,000</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Estimated project management costs for Bond Disclosure</td>
<td>Business Incentive</td>
<td>6/24/2010 &amp; 6/24/2010 &amp; 6/24/2010</td>
<td>County of Santa Cruz</td>
<td>Business Incentive</td>
<td>Business Incentive</td>
<td>All</td>
<td>110,374 N</td>
<td>$1,026,049</td>
<td>$1,026,049</td>
<td>$1,026,049</td>
<td>$1,026,049</td>
<td>$0</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Deferred Impact fees for City/County Loan To Successor Agency</td>
<td>City/County Loans On or Before 6/27/11</td>
<td>6/27/2006 &amp; 6/27/2011 &amp; 6/27/2011</td>
<td>City of Watsonville &amp; Watsonville Water Project Management</td>
<td>City of Watsonville Water Project Area</td>
<td>Bond covenants - annual continuing obligation</td>
<td>All</td>
<td>783,284 N</td>
<td>$783,284</td>
<td>$783,284</td>
<td>$783,284</td>
<td>$783,284</td>
<td>$0</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Estimated project management costs for Bond Disclosure</td>
<td>Business Incentive</td>
<td>6/27/2006 &amp; 6/27/2011 &amp; 6/27/2011</td>
<td>City of Watsonville &amp; Watsonville Water Project Management</td>
<td>City of Watsonville Water Project Area</td>
<td>Bond covenants - annual continuing obligation</td>
<td>All</td>
<td>1,100,080</td>
<td>$1,100,080</td>
<td>$1,100,080</td>
<td>$1,100,080</td>
<td>$1,100,080</td>
<td>$0</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Deferred Impact fees for City/County Loan To Successor Agency</td>
<td>City/County Loans On or Before 6/27/11</td>
<td>6/27/2006 &amp; 6/27/2011 &amp; 6/27/2011</td>
<td>City of Watsonville &amp; Watsonville Water Project Management</td>
<td>City of Watsonville Water Project Area</td>
<td>Bond covenants - annual continuing obligation</td>
<td>All</td>
<td>125,000</td>
<td>$125,000</td>
<td>$125,000</td>
<td>$125,000</td>
<td>$125,000</td>
<td>$0</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>City of Watsonville, 4th City Successor Agency loan</td>
<td>City of Watsonville, 4th City Successor Agency loan</td>
<td>6/27/2006 &amp; 6/27/2011 &amp; 6/27/2011</td>
<td>City of Watsonville &amp; Watsonville Water Project Management</td>
<td>City of Watsonville Water Project Area</td>
<td>Bond covenants - annual continuing obligation</td>
<td>All</td>
<td>58,000 N</td>
<td>$58,000</td>
<td>$58,000</td>
<td>$58,000</td>
<td>$58,000</td>
<td>$0</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>City of Watsonville, 5th City Successor Agency loan</td>
<td>City of Watsonville, 5th City Successor Agency loan</td>
<td>6/27/2006 &amp; 6/27/2011 &amp; 6/27/2011</td>
<td>City of Watsonville &amp; Watsonville Water Project Management</td>
<td>City of Watsonville Water Project Area</td>
<td>Bond covenants - annual continuing obligation</td>
<td>All</td>
<td>1,212,349 N</td>
<td>$1,212,349</td>
<td>$1,212,349</td>
<td>$1,212,349</td>
<td>$1,212,349</td>
<td>$0</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exhibit "A" 2 of 5
Recognized Obligation Payment Schedule (ROPS 15-16A) - 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 https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
</tr>
</thead>
</table>

**Fund Sources**

<table>
<thead>
<tr>
<th>Bond Proceeds</th>
<th>Reserve Balance</th>
<th>Other</th>
<th>RPTTF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Issued on or before 12/31/10</td>
<td>Prior ROPS period balances and DDR RPTTF balances retained</td>
<td>Prior ROPS RPTTF distributed as reserve for future period(s)</td>
<td>Rent, Grants, Interest, Etc.</td>
</tr>
</tbody>
</table>

**Cash Balance Information by ROPS Period**

**ROPS 14-15A Actuals (07/01/14 - 12/31/14)**

1. **Beginning Available Cash Balance (Actual 07/01/14)**

2. **Revenue/Income (Actual 12/31/14)**

   - RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014
   - 2,170,979

3. **Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14)**

   - RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q
   - 2,152,201

4. **Retention of Available Cash Balance (Actual 12/31/14)**

   - RPTTF amount retained should only include the amounts distributed as reserve for future period(s)

5. **ROPS 14-15A RPTTF Prior Period Adjustment**

   - RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S
   - No entry required
   - 19,303

6. **Ending Actual Available Cash Balance**

   - C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)
   - $ - $ - $ - $ - $ - $ (525)

**ROPS 14-15B Estimate (01/01/15 - 06/30/15)**

7. **Beginning Available Cash Balance (Actual 01/01/15)**

   - (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)
   - $ - $ - $ - $ - $ - $ 18,778

8. **Revenue/Income (Estimate 06/30/15)**

   - RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015
   - 746,703

9. **Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)**

   - 746,703

10. **Retention of Available Cash Balance (Estimate 06/30/15)**

    - RPTTF amount retained should only include the amounts distributed as reserve for future period(s)

11. **Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**

    - $ - $ - $ - $ - $ - $ 18,778

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances**

**Fund Sources**

- 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

**Cash Balance Information by ROPS Period**

**ROPS 14-15A Actuals (07/01/14 - 12/31/14)**

1. **Beginning Available Cash Balance (Actual 07/01/14)**

2. **Revenue/Income (Actual 12/31/14)**

   - RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014
   - 2,170,979

3. **Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14)**

   - RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q
   - 2,152,201

4. **Retention of Available Cash Balance (Actual 12/31/14)**

   - RPTTF amount retained should only include the amounts distributed as reserve for future period(s)

5. **ROPS 14-15A RPTTF Prior Period Adjustment**

   - RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S
   - No entry required
   - 19,303

6. **Ending Actual Available Cash Balance**

   - C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)
   - $ - $ - $ - $ - $ - $ (525)

**ROPS 14-15B Estimate (01/01/15 - 06/30/15)**

7. **Beginning Available Cash Balance (Actual 01/01/15)**

   - (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)
   - $ - $ - $ - $ - $ - $ 18,778

8. **Revenue/Income (Estimate 06/30/15)**

   - RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015
   - 746,703

9. **Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)**

   - 746,703

10. **Retention of Available Cash Balance (Estimate 06/30/15)**

    - RPTTF amount retained should only include the amounts distributed as reserve for future period(s)

11. **Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**

    - $ - $ - $ - $ - $ - $ 18,778
Recognized Obligation Payment Schedule (ROPS 14-15A), Request of Prior Period Adjustments

Reported for the ROPS 15-16A (July 1, 2015 through December 31, 2015) Period Pursuant to Health and Safety Code (HSC) Section 34186 (a) & (b) (Amended August 20, 2015)

Exhibit "A"
### Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes

**July 1, 2015 Through December 30, 2015**

<table>
<thead>
<tr>
<th>Item #</th>
<th>Notes/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>Item approved by oversight board 03/12/2014 and validated by court decision in early 2015</td>
</tr>
<tr>
<td>34</td>
<td>Item approved by oversight board 03/12/2014 and validated by court decision in early 2015</td>
</tr>
</tbody>
</table>