HERCULES RDA SUCCESSOR AGENCY OVERSIGHT BOARD AGENDA

Monday, February 26, 2015 6:30 P.M. Hercules City Hall - Council Chambers 111 Civic Drive Hercules, CA 94547

AGENDA

- I. ROLL CALL CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PUBLIC COMMUNICATIONS

This time is reserved for members of the public to address issues not included in the agenda. In accordance with the Brown Act, the Board will refer to staff any matters brought before them at this time, and those matters may be placed on a future agenda.

Individuals wishing to address the Oversight Board are asked to complete a form indicating the name and address of the speaker and the general topic to be addressed. Speakers must make their comments from the podium and will be allowed three (3) minutes to discuss their concerns. All public comments are recorded and become part of the public record. A limit of thirty (30) minutes will be devoted to taking public comment at this point in the agenda. If any speakers remain at the conclusion of the initial thirty-minute period, time will be reserved at the conclusion of the meeting to take the remaining comments.

IV. CONSENT CALENDAR

V. DISCUSSION AND/OR ACTION ITEMS

1. Adopt a resolution approving the Recognized Obligation Payment Schedule for the period July 1, 2015 through December 31, 2015 (ROPS 15-16A)

VI. FUTURE AGENDA ITEM REFERRALS

In accordance with the provisions of the Brown Act, matters which do not appear on this agenda but require Oversight Board discussion may be either (a) referred to staff for factual information or (b) placed on a future meeting agenda.

VII. OVERSIGHT BOARD AND STAFF ANNOUNCEMENTS

This is the time for brief announcements on issues of interest to the community.

VIII. ADJOURNMENT

THE HERCULES RDA SUCCESSOR AGENCY OVERSIGHT BOARD ADHERES TO THE FOLLOWING POLICIES, PROCEDURES AND REGULATIONS REGARDING BOARD MEETINGS:

- 1. In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a Board meeting, please contact the City Clerk at 510-799-8215 at least 48 hours prior to the meeting.
- 2. In order to ensure the efficient conduct of City Council meetings, and to provide opportunities for all interested persons to speak and be heard, the City Council will adhere to the following meeting procedures:

Public Comment Period

- Persons wishing to speak <u>must</u> complete and submit a speaker's card.
- The Oversight Board will listen with respect and an open mind.
- Board responses to speakers will be as follows:
 - 1) Responses will be after all speakers have been heard.
 - 2) Short answers by the Board or staff as appropriate may be given; or
 - 3) Items may be directed to staff for later action/follow-up; or
 - 4) Items may be placed on a future agenda at the discretion of the Board.
- Conversation between the public and staff or the Board will not be allowed.
- A three-minute time limit per speaker will be enforced when there are numerous speakers addressing a single agenda item.

Process for Addressing Agenda Items Before the Oversight Board

- Chair reads the agenda item
- Staff presents their report
- Board members questions staff
- Public comments are heard
- Board discusses item
- A motion is made
- Final Board discussion
- Board votes or provides direction to staff

STAFF REPORT TO THE OVERSIGHT BOARD FOR THE CITY OF HERCULES AS SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY

DATE: February 26, 2015

TO: The Oversight Board for the City of Hercules as Successor Agency to the

Hercules Redevelopment Agency

SUBMITTED BY: David Biggs, City Manager

Nickie Mastay, Director of Finance

SUBJECT: Recognized Obligation Payment Schedule for the period of July 1, 2015

through December 31, 2015 (ROPS 15-16A)

RECOMMENDED ACTION:

Adopt a resolution approving the Recognized Obligation Payment Schedule for the period July 1, 2015 through December 31, 2015 (ROPS 15-16A).

DISCUSSION:

AB x1 26 (Section 34177) requires that Successor Agencies must, amongst other things, prepare a Recognized Obligation Payment Schedules (ROPS) for each upcoming six-month period. A ROPS is the document that sets forth the minimum payment amounts and due dates of payments required by enforceable obligations. Enforceable obligations are defined in Section 34171(d) of AB x1 26 and include the payment of bonds and loans, payments required by the federal government, judgments or settlements, any legally binding agreement or contract, and contracts or agreements necessary for the administration or operation of the successor agency.

Health & Safety Code section 34177(m) (1) requires successor agencies to submit the ROPS electronically and in a manner prescribed by the State of California Department of Finance. As of January 22, 2013 the State of California Department of Finance implemented a new ROPS naming convention. Instead of referring to the July to December 2013 ROPS as "ROPS IV", the naming convention being used is "ROPS 13-14 A". This naming convention refers to which fiscal year the ROPS is related to and which period (A-the first half of the fiscal year and B-the second half of the fiscal year.) The ROPS for January to June 2014 will be referred to as "ROPS 13-14 B". The ROPS for July to December 2014 will be referred to as "ROPS 14-15 A". And so on and so on.

As of August 15, 2013, the State of California Department of Finance implemented a web-based application known as the Redevelopment Agency Dissolution (RAD) web application for reporting ROPS 13-14 B and all future ROPS. The State of California Department of Finance will not e-mail the ROPS template (excel workbook) to Successor Agencies and Successor Agencies will no longer

e-mail the completed template to the State of California Department of Finance. The Successor Agencies must upload the completed template and Oversight Board Resolution via the RAD App. The Successor Agencies must continue to submit the Excel ROPS and Oversight Board resolution via e-mail to the County-Auditor Controller and the State Controller's Office.

The ROPS template (excel workbook) used for ROPS 15-16 A is the same as ROPS 14-15B and includes the following worksheets in the excel workbook:

Recognized Obligation Payment Schedule Summary

Recognized Obligation Payment Schedule - ROPS Detail

Recognized Obligation Payment Schedule – Report of Cash Balances – This worksheet includes a section for ROPS 14-15 A (July 1, 2014 through December 31, 2014) and a section for ROPS 14-15 B (January 1, 2015 through June 30, 2015).

Recognized Obligation Payment Schedule – Report of Prior Period Adjustments – For ROPS 15-16 A, the Prior Period Adjustments are reported for ROPS 14-15 A (July 1, 2014 through December 31, 2014) and equal the State of California Department of Finance final determination. Attachment 3 is the final determination letter from the State of California Department of Finance for ROPS 14-15 A (July 1, 2014 through December 31, 2014). Attachment 4 is the ROPS 14-15 A (July 1, 2014 through December 31, 2014) to refer to while reading Attachment 3.

Recognized Obligation Payment Schedule – Notes

Highlights for ROPS 15-16A

Included on the ROPS 15-16A Summary worksheet are Item H. Current Period Enforceable Obligations of \$20,425,726. This amount is comprised of \$3,273,708 (Ambac); Non-Administrative Costs of \$17,019,340; Administrative Costs \$132,678 (this amount includes the cost of the City Manager, Director of Finance, and Accounting Technician in the amount of \$57, 428; supplies \$250; and legal fees of \$75,000). Details of the amounts on the ROPS 15-16A Summary worksheet are located on the ROPS Detail worksheet.

On the ROPS 15-16A Report of Cash Balance worksheet, the Redevelopment Property Tax Trust Fund (RPTTF) money received for ROPS 14-15A (July 1, 2014 through December 31, 2014) is \$4,402,699 and RPTTF received for ROPS 14-15B (January 1, 2015 through June 30, 2015) is \$5,148,260 this is an increase of 16.93%.

The ROPS 15-16A Notes includes the detail of the principle and interest owed on the bonds and a detail of the estimate owed to the taxing entities.

The Successor Agency Contact Information is on the RAD website. For additional ROPS 15-16 A instructions please refer to the State of California Department of Finance website: www.dof.ca.gov/redevelopment scroll down to the section entitled Links, click on Recognized Obligation Payment Schedules, click on ROPS 15-16A Template Instructions.

Also included is Attachment 5 the letter from the State of California Department of Finance final determination for ROPS 14-15 B. The denied items are the State Department of Finance estimate of what is owed on Surety Bonds and reserve requirements of the master indenture of the bonds.

These items are to be reported as separate line items on the ROPS Detail worksheet. Attachment 6 is ROPS 14-15 B to refer to while reading Attachment 5.

The Recognized Obligation Payment Schedule (ROPS) are posted on the City of Hercules website (www.ci.hercules.ca.us). Upon entering the City of Hercules website click on Departments & Services; click on Redevelopment; click on Meetings and Agendas.

ATTACHMENTS:

- 1. Resolution.
- 2. Exhibit A Recognized Obligation Payment Schedule July 1, 2015 through December 31, 2015.
- 3. Final Determination from the State of California Department of Finance for ROPS 14-15 A (July 1, 2014 through December 31, 2014).
- 4. ROPS 14-15 A to refer to while reading Attachment 3.
- 5. Final Determination from the State of California Department of Finance for ROPS 14-15B (January 1, 2015 through July 30, 2015).
- 6. ROPS 14-15 B to refer to while reading Attachment 5.

OVERSIGHT BOARD RESOLUTION NO. 15-001

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF HERCULES AS SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2015 (ROPS 15-16A)

WHEREAS, on December 29, 2011, the California Supreme Court issued its final decision in the litigation of *California Redevelopment Association v. Matosantos*, upholding Assembly Bill x1 26 (codified as Health and Safety Code 34161-34191) ("ABx1 26") and invalidating Assembly Bill x1 27 (the legislation that would have permitted redevelopment agencies to continue operation if their sponsoring jurisdiction agreed to make certain payments for the benefit of schools and special districts); and as a result, all California redevelopment agencies were dissolved, effective February 1, 2012; and

WHEREAS, pursuant to Health and Safety code 34173(d), on January 10, 2012 by Resolution No 12-005, the Council of the City of Hercules elected to become the Successor Agency to the Hercules Redevelopment Agency ("Agency") (Non housing); and

WHEREAS, California Health and Safety Code section 34179 requires that each Successor Agency have an Oversight Board; and

WHEREAS, Section 34177 requires each Successor Agency to prepare a draft Recognized Obligation Payment Schedule (ROPS) and section 34180 requires the Oversight Board to approve same; and

WHEREAS, Section 34177 provides that each ROPS shall be forward looking to the next six months; and

WHEREAS, on June 27, 2012 AB 1484 was approved by the Governor of California and AB 1484 (Section 34177) (m) states that the Recognized Obligation Payment Schedule shall be submitted by the successor agency, after approval by the oversight board to the State of California Department of Finance.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE CITY OF HERCULES AS SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY HEREBY RESOLVES:

- (1) Approval of the ROPS for the period July 1, 2015 through December 31, 2015 (ROPS 15-16A) attached hereto as Exhibit A.
- (2) Successor Agency staff is directed to provide a copy of this Resolution along with the approved draft ROPS to the County Auditor Controller, the State Controller's Office and the State Department of Finance.

Attachment 1

February, 2015 by the following:	, and the second	,
AYES:		
NOES:		
ABSTAIN:		
ABSENT:		
	Dan Romero, Chair	
ATTEST:		
Margaret S. Roberts, MMC Administrative Services Director/City Clerk		

The foregoing Resolution was duly and regularly adopted by the City of Hercules as Successor Agency to the Hercules Redevelopment Agency at its meeting held on the twenty-sixth day of

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

Name	of Successor Agency:	Hercules		
Name	of County:	Contra Costa		
Curren	t Period Requested Fur	nding for Outstanding Debt or Obliga	tion	Six-Month Total
	Enforceable Obligation		Property Tax Trust Fund (RPTTF) Funding	
Α	Sources (B+C+D):			\$ 3,273,708
В	Bond Proceeds Fur	nding (ROPS Detail)		-
С	Reserve Balance F	unding (ROPS Detail)		-
D	Other Funding (RO	PS Detail)		3,273,708
Е	Enforceable Obligation	ons Funded with RPTTF Funding (F+G	B):	\$ 17,152,015
F	Non-Administrative	Costs (ROPS Detail)		17,019,337
G	Administrative Cost	ts (ROPS Detail)		132,678
Н	Current Period Enforce	ceable Obligations (A+E):		\$ 20,425,723
Cussa	ann Amanay Calf Danas	stad Drian Daviad Adirostraant to Cours	ut Desired DDTTE Descripted Funding	
	-	ted Prior Period Adjustment to Curre	nt Period RP11F Requested Funding	
l	J	s funded with RPTTF (E):		17,152,015
J	•	stment (Report of Prior Period Adjustme	nts Column S)	
K	Adjusted Current Peri	iod RPTTF Requested Funding (I-J)		\$ 17,152,015
County	/ Auditor Controller Rep	ported Prior Period Adjustment to Cu	rrent Period RPTTF Requested Funding	
L	Enforceable Obligations	s funded with RPTTF (E):		17,152,015
М	Less Prior Period Adjus	stment (Report of Prior Period Adjustme	nts Column AA)	-
N	Adjusted Current Peri	iod RPTTF Requested Funding (L-M)		17,152,015
	ation of Oversight Board	Chairman: of the Health and Safety code, I		
		a true and accurate Recognized	Name	Title
Obligat	ion Payment Schedule fo	or the above named agency.	/s/	
			Signature	Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail July 1, 2015 through December 31, 2015 (Report Amounts in Whole Dollars)

	R	С	D	F	E	G	н			K		M	N	0	l	D
Α	В	·	В	E	F	G	п	1	J	, n	L	- M	N	0		
												Funding Source			i	
										Non-Redev	elopment Property T (Non-RPTTF)	ax Trust Fund	RPTT	F	l	
em#	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	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Month To
								\$ 314,566,360		\$ -	\$ -	\$ 3,273,708	\$ 17,019,337 \$	132,678		20,42
	2005 Tax Allocation Bonds 2007 Tax Allocation Bonds	Bonds Issued On or Bonds Issued On or		8/5/2036 12/20/2044	Bank of New York Bank of New York		AII AII	66,545,926 97,248,975	N N				2,962,658 1,457,429		\$ \$	2,9 1,4
		Before 12/31/10				projects	All								·	
	Housing(A)	Bonds Issued On or Before 12/31/10		7/26/2034				19,140,242	N				675,732		\$	
		Bonds Issued On or Before 12/31/10	7/26/2007	7/26/2034	Bank of New York	Affordable Housing Bonds	All	14,507,847	N				532,759		\$	
		OPA/DDA/Constructi	1/1/2009	2/15/2044	Catellus	Settlement Agreement	All	45,009,469	N				799,860		\$	-
6	AMBAC Settlement	Litigation	3/23/2012	12/31/2099	AMBAC	Settlement Obligation	All	3,273,708	N			3,273,708			\$	3,2
7		OPA/DDA/Constructi		12/31/2017	Pro Media		All	0,210,100	N			0,210,100			\$	0,2
8		OPA/DDA/Constructi	1/1/1987	1/1/2016	Bio Rad	Tax Increment Reimbursement	All		N						\$	
9		OPA/DDA/Constructi	1/1/1987	1/1/2016	East Group	Tax Increment Reimbursement	All		N						\$	
	OPA (Owner Participation Agreement)	OPA/DDA/Construction	11/15/1996	11/15/2041	Hercules Senior Housing/Bridge	OPA for Senior Housing	All	130,000	N				65,000		\$	
11	Lewis Development Agreement	OPA/DDA/Construction	11/14/2003	12/31/2035		Assessment District Matures 2035	All		N						\$	
12	Lease of Commercial Space	Business Incentive Agreements	4/5/2002	7/1/2017	Emmerich	Rent for commercial space	All	710,604	N				710,604		\$	
13	·	Business Incentive Agreements	10/1/2007	9/20/2012	•		All	13,176	N				13,176		\$	
	•	On or Before 6/27/11	3/8/2011		City loan entered into on 3/8/11	Construction costs for Sycamore North			N						\$	
	Separation Agreement	Miscellaneous	12/1/2010		3		All		N						\$	
		City/County Loans On or Before 6/27/11	2/9/1983	12/31/2099	City of Hercules	Hercules Resolution 83-18 dated 02/09/1983	All	50,496,029	N						\$	
	BART Park-n-Ride Lot	Miscellaneous	11/1/2010	6/30/2013	See Attached Spreadsheet	NONE	All		N						\$	
18		OPA/DDA/Constructi		2/1/2011			All	2,076,643	N				2,076,643		\$	2,
	Homeowner Association Fees	Miscellaneous	1/1/2005	1/1/2014	See Attached Spreadsheet		All		N						\$	
20	Bank and Trustee Fees	Fees	8/1/2005	12/31/2044		Redevelopment bond and bank	All	13,750	N				6,750		\$	
21	SERAF	SERAF/ERAF	7/1/2009	6/30/2011	State of California	accounts NONE	All	6,020,951	N						\$	
	Administrative Costs	Admin Costs	7/1/2010	6/30/2099			All	1,660,314	N					132,678		
23	County Admin Fees	Fees	7/1/2010	6/30/2099			All	.,,	N						\$	
24	Property Taxes	Property Maintenance	7/1/2012	6/30/2099			All		N						\$	
25		Bonds Issued On or Before 12/31/10	8/5/2005	8/5/2036	,	Bonds issued to fund non-housing projects	All	3,681,457	N				3,681,457		\$	3
26	2007 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/20/2007	12/20/2044	AMBAC Surety Bond	,	All	3,839,209	N				3,839,209		\$	3,
	(A)	Bonds Issued On or Before 12/31/10		7/26/2034	Assured Guaranty	Affordable Housing Bonds	All	186,697	N				186,697		\$	
		Bonds Issued On or Before 12/31/10	7/26/2007	7/26/2034	Assured Guaranty	Affordable Housing Bonds	All	11,363	N				11,363		\$	
29									N						\$	
30									N						\$	
31									N						\$	
32									N						\$	
33			1						N N						\$ \$	
34																

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances (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 https://rad.dof.ca.gov/rad- lsa/pdf/Cash Balance Agency Tips Sheet.pdf.

<u>Sa/</u>	odf/Cash Balance Agency Tips Sheet.pdf.	T			,	<u> </u>		
Α	В	С	D	E	F	G	Н	I
		Bond P	roceeds	Reserve	e Balance	Other	RPTTF	
	Cash Balance Information by ROPS Period	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
ROI	S 14-15A Actuals (07/01/14 - 12/31/14)							
1	Beginning Available Cash Balance (Actual 07/01/14)	11,003,596				(2,407,932)	-	
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						4,402,699	
	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						4,402,699	
	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	11,003,596					, ,	
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	I		_	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)						_	
-	0100-(172-3-4), 11-(172-3-4-3)	-	\$ -	-	-	\$ (2,407,932)	-	
ROI	PS 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)	\$ 11,003,596	\$ -	\$ -	\$ -	\$ (2,407,932)	\$ -	
	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015						5,148,260	
	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)						5,148,260	
	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	11,003,596						
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ -	\$ -	\$ -	\$ -	\$ (2,407,932)	\$ -	

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Prior Period Adjustments
Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a) (Report Amounts in Whole Dollars)

ROPS 14-15A CAC PPA: To be completed by the CAC upon submittal of the ROPS 15-16A by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the Admin amounts do not need to be listed at the line item level and may be entered ROPS 14-15A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16A (July through December 2015) period will be offset by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller. as a lump sum. AB Non-RPTTF Expenditures RPTTF Expenditures RPTTF Expenditures Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF) Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF) Available RPTTF (ROPS 14-15A istributed + all othe available as of 07/1/14) Available RPTTF (ROPS 14-15A istributed + all other available as of 07/1/14) Difference (If K is less than I the difference is zero) Project Name / Debt Obligation Net Difference (M+R) SA Comments CAC Comments 14,813,993 \$
5,168,158
4,614,225
664,709 \$ 6,500,000 Bonds Housing(A)
4 2007 Tax Allocation 505,028 \$ 505,028 505,028 Bonds Housing(B)
Catellus/Hercules 760,577 6 AMBAC Settlemen 7 OPA (Owner 6,500,000 Agreement) 8 OPA (Owner Participation
Agreement)

11 Lewis Development
Agreement

12 Lease of
Commercial Space

13 Lease of
Commercial Space

14 City Loan entered
into on 3/8/11

15 Separation
Agreement
Agreement
Agreement for Cas
Advances

17 BART Park-n-Ride
Lot 2,076,643 132,678 Costs
23 County Admin Fees
24 Property Taxes

Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes July 1, 2015 through December 30, 2015

	Gdy 1, 2010 tillough December 60, 2010
Item #	Notes/Comments
	Comprised of Principle: \$1,925,000; Interest \$1,037,658
	Comprised of Principle: \$270,000; Interest \$1,187,429
3	Comprised of Principle: \$335,000; Interest \$340,732
4	Comprised of Principle: \$315,000; Interest \$217,759
5	
6	
7	Owner Participation Agreement-Promedia. This is a senior obligation listed on the official statements of the Agencies 2005 and 2007 bonds. This is an enforceable obligation.
8	Owner Participation Agreement-Biorad. This is a senior obligation listed on the official statements of the Agencies 2005 and 2007 bonds. This is an enforceable obligation.
9	Owner Participation Agreement-EastGroup (Easthill). This is a senior obligation listed on the official statements of the Agencies 2005 and 2007 bonds. This is an enforceable obligation.
10	
11	Lewis Development Agreement. Since the property is owned by the Agency, the payment of special taxes and assessments is an enforceable obligation.
12	
13	
14	City loan entered into on 3/8/11. The loan document states the source of funds are from Development Impact Fees. These sources are highly restricted and are only to be used for their intended purposes. This is an enforceable obligation.
15	
	Co-Operation Agreement: Repayment agreement for Cash Advances. Resolution 83-18 adopted February 9, 1983 within 2 yrs of creation of the redevelopment agency. Per HSC 34171(d)(2) thi is an enforceable obligation. Total Obligation is \$50,496,029. Upon receipt of Finding of Completion by the State Dept. of Finance.
17	
18	
19	
20	
21	
22	
23	
	Property Taxes. These are delinquent taxes for former redevelopment agency owned properties. The property is known as Sycamore Crossing. This is an enforceable obligation.
	The following taxing entities have subordinated their payments for 6 fiscal years (FY2010/11 through FY2015/16). This is an estimate of what is owed to the taxing
	entities based on what was owed for FY2010/11.
	1003 Contra Costa County General \$756,257.22
	1206 Library \$81,721.86
	2505 Contra Costa Flood Control \$16,832.40
	2530 Flood Control Zone Z8 \$1,984.02
	2531 Flood Control Zone Z8A \$3,209.40
	2825 Contra Costa Water Agency \$3,429.72
	3011 Rodeo-Hercules Fire District \$721,216.14
	3301 Mosquito Abatement \$14,987.52
	3525 West Contra Costa Hospital \$146,976.96
	4001 East Bay Municipal Utility District \$137,744.50
	4009 Bay Area Rapid Transt District \$60,705.66
	4010 Bay Area Air Quality Management District \$17,695.26
	4026 East Bay Regional Parks \$288,517.56
	4211 Hercules \$463,660.02

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

	July 1, 2015 through December 30, 2015
Item #	Netro/Comments
item#	Notes/Comments 6001 Contro County Superintendent of Schools \$132,720.69
	6901 Contra Costa County Superintendent of Schools \$132,730.68 6999 K-12 ERAF \$1,355,228.52
	7701 West Contro Costs Unified School District \$2,002,416,19
	7701 West Contra Costa Unified School District \$2,983,416.18 7901 Communit College District \$443,299.50 7999 Community College ERAF \$201,789.96
	7901 Community College District \$443,299.50
	7999 Community College ERAF \$201,769.96

EDMUND G. BROWN JR. . GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 7, 2014

Mr. Phil Batchelor, City Manager City of Hercules 111 Civic Drive Hercules, CA 94547

Dear Mr. Batchelor:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Hercules Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on February 26, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following does not qualify as an enforceable obligation for the reason specified:

Item No. 24 – Contra Costa County Property Tax in the amount of \$165,129. The
Agency was unable to provide documentation to support the amounts claimed. To the
extent the Agency can provide suitable documentation, such as county or vendor
invoices, to support the requested funding, the Agency may be able to obtain
Redevelopment Property Tax Trust Fund (RPTTF) funding on future ROPS.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment self-reported by the Agency. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the table below only includes the prior period adjustment self-reported by the Agency.

Except for the item denied in whole or in part as enforceable obligation, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the determination with respect to any items on your ROPS 14-15A, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet and confer/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$14,946,671 as summarized below:

Approved RPTTF Distribution		
For the period of July through December 2014		
Total RPTTF requested for non-administrative obligations		14,979,122
Total RPTTF requested for administrative obligations		132,678
Total RPTTF requested for obligations	\$	15,111,800
Total RPTTF requested for non-administrative obligations Denied Items		14,979,122
Item No. 24	2	(165,129)
Total RPTTF authorized for non-administrative obligations	\$	14,813,993
Total RPTTF requested for administrative obligations		132,678
Total RPTTF authorized for administrative obligations	\$	132,678
Total RPTTF authorized for obligations	\$	14,946,671
ROPS 13-14A prior period adjustment	17	1=
Total RPTTF approved for distribution	\$	14,946,671

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Mr. Phil Batchelor April 7, 2014 Page 3

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

Sincerely,

JUSTYN HOWARD Assistant Program Budget Manager

cc: Ms. Nickie Mastay, Finance Director, City of Hercules

Mr. Bob Campbell, Auditor-Controller, Contra Costa County

California State Controller's Office

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary Filed for the July 1, 2014 through December 31, 2014 Period

Name	of Successor Agency:	Hercules		
Name	of County:	Contra Costa		
Curre	nt Period Requested Fu	nding for Outstanding Debt or Obligation	on	Six-Month Total
A	Enforceable Obligation Sources (B+C+D):	ns Funded with Non-Redevelopment P	Property Tax Trust Fund (RPTTF) Funding	\$ 6,500,000
В	Bond Proceeds Fur	nding (ROPS Detail)		-
С	Reserve Balance F	unding (ROPS Detail)		
D	Other Funding (RO	PS Detail)		6,500,000
Е	Enforceable Obligatio	ns Funded with RPTTF Funding (F+G):		\$ 15,111,800
F	Non-Administrative	Costs (ROPS Detail)		14,979,122
G	Administrative Cost	s (ROPS Detail)		132,678
н	Current Period Enforce	eable Obligations (A+E):		\$ 21,611,800
Succe	ssor Agency Self-Repor	ted Prior Period Adjustment to Current	Period RPTTF Requested Funding	
1	Enforceable Obligations	s funded with RPTTF (E):		15,111,800
J	Less Prior Period Adjus	tment (Report of Prior Period Adjustments	s Column S)	_
K	Adjusted Current Peri	od RPTTF Requested Funding (I-J)		\$ 15,111,800
County	y Auditor Controller Rep	orted Prior Period Adjustment to Curre	ent Period RPTTF Requested Funding	
L	Enforceable Obligations	funded with RPTTF (E):		15,111,800
M	Less Prior Period Adjus	tment (Report of Prior Period Adjustments	s Column AA)	_
N	Adjusted Current Peri	od RPTTF Requested Funding (L-M)		15,111,800
Pursua certify t		the Health and Safety code, I hereby daccurate Recognized Obligation	Name /s/ Signature	Chairperson Title 2-24-2014 Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail July 1, 2014 through December 31, 2014 (Report Amounts in Whole Dollars)

Α	В	С	D	E	F	G	Н		J	К	L	M	N	0	Р
												Funding Source			
										Non-Redev	elopment Property T (Non-RPTTF)	ax Trust Fund	RPTT	F	
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 \$ 316,675,742	Retired	Bond Proceeds	Reserve Balance	Other Funds \$ 6,500,000	Non-Admin \$ 14,979,122 \$	Admin 132,678	Six-Month To
1	1 2005 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/5/2005	8/5/2036		Bonds issued to fund non-housing projects	All	70,509,927	N	V	<u> </u>	Ψ 0,000,000	5,168,158	132,070	\$ 5,16
		Bonds Issued On or Before 12/31/10	12/20/2007	12/20/2044	Bank of New York	Bonds issued to fund non-housing projects	All	101,052,684	N				4,614,225		\$ 4,61
	Housing(A)	Bonds Issued On or Before 12/31/10				Affordable Housing Bonds	All	19,958,985	N				664,709		\$ 66
	Housing(B)	Bonds Issued On or Before 12/31/10				Affordable Housing Bonds	All	15,462,903	N				734,151		\$ 73
	5 Catellus/Hercules LLC	OPA/DDA/Constructi on			Catellus	Settlement Agreement	All	50,841,427	N				760,577		\$ 76
	AMBAC Settlement	Litigation	3/23/2012		AMBAC	Settlement Obligation	All	6,500,000	N			6,500,000			\$ 6,50
	Agreement)	OPA/DDA/Constructi on			Pro Media	Tax Increment Reimbursement	All		N						
	Agreement)	OPA/DDA/Constructi on			Bio Rad	Tax Increment Reimbursement	All		N						
	Agreement)	OPA/DDA/Construction			East Group	Tax Increment Reimbursement	All		N						
	OPA (Owner Participation Agreement)	OPA/DDA/Construction			Housing/Bridge	OPA for Senior Housing	All	130,000	N				65,000		\$ 6
		OPA/DDA/Constructi on				Assessment District Matures 2035	All		N						
		Agreements		7/1/2017		Rent for commercial space	All	710,604	N				710,604		\$ 71
	Lease of Commercial Space	Agreements	4.00c		•	Rent for commercial space	All	13,176					13,176		\$ 1
		On or Before 6/27/11			City loan entered into on 3/8/11	Construction costs for Sycamore North			N						
				7/1/2011		NONE	All		N						
	Co-operation Agreement: Loan Repayment Agreement for Cash Advances	City/County Loans On or Before 6/27/11	2/9/1983	12/31/2099		Hercules Resolution 83-18 dated 02/09/1983	All	41,824,885	N						\$
	BART Park-n-Ride Lot			6/30/2013	See Attached Spreadsheet	NONE	All		N		NA EXPENSE OF STREET		TEXT THE CHIEF		
	North	OPA/DDA/Constructi on			See Attached Spreadsheet		All	2,076,643	N				2,076,643		\$ 2,07
	Homeowner Association Fees			1/1/2014	See Attached Spreadsheet		All		N						
	Bank and Trustee Fees		8/1/2005	12/31/2044		Bank and trustee fees for Redevelopment bond and bank accounts	All	13,500	N				6,750		\$
	SERAF					NONE	All	6,020,951	N		-0.00	25 5045			\$
				6/30/2099		NONE	All	1,394,928	N				1887	132,678	\$ 13
	County Admin Fees			6/30/2099		NONE	All		N						
24	Property Taxes	Fees	7/1/2012	6/30/2099		Property taxes for agency owned properties, Parcel C, Sycamore Crossing, Victoria Crescent	All	165,129	N				165,129		16
				-				92 20 200							\$ \$
					No.		200								\$
				100										1.00	\$
															\$
												4			\$
					11.5	72.50									\$
								 							\$
III-X-E	a) 100 mb 0 b 0 mb 000	75-0-0			7.00.7 (3)							·			\$
								1 - 1 - 1 - 1							\$

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances (Report Amounts in Whole Dollars)

Α	В	С	D	E	F	G	н	1
					Sources			
		Rond P	roceeds	Reserve E		Other	RPTTF	1
		Donar	Toceeus	iveseive i	Prior ROPS	Other	KFIII	†
		Bonds Issued on or before	Bonds Issued on or after	Prior ROPS period balances and DDR	RPTTF distributed as reserve for next	Rent, Grants,	Non-Admin and	
	Cash Balance Information by ROPS Period	12/31/10	01/01/11	balances retained	bond payment	Interest, Etc.	Admin	Comments
OF	PS 13-14A Actuals (07/01/13 - 12/31/13)							
1	Beginning Available Cash Balance (Actual 07/01/13)						8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	
	Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	1,861,148						Bond Proceeds is the Reserve Balance of 2007
	Revenue/Income (Actual 12/31/13)	1,001,140			- 37.70	1000	-	and B Housing Bonds
	Note that the RPTTF amounts should tie to the ROPS 13-14A distribution						- 1, 7,	
	from the County Auditor-Controller during June 2013						4,303,646	
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)							
	Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs						4,303,646	
4	Retention of Available Cash Balance (Actual 12/31/13)		-				4,000,040	
	Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A						_	
	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.			No entry required				
	Ending Actual Available Cash Balance							
	C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 1,861,148	\$ -	\$ -	\$ -	\$ -	\$ -	
OF	PS 13-14B Estimate (01/01/14 - 06/30/14)						110	
_	Beginning Available Cash Balance (Actual 01/01/14)							1
	(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 1,861,148	s -	\$ -	\$ -	\$ -	\$ -	
3	Revenue/Income (Estimate 06/30/14)	4 1,001,140				V	_	
	Note that the RPTTF amounts should tie to the ROPS 13-14B distribution							
	from the County Auditor-Controller during January 2014						4,379,554	
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)						12,566,344	
0	Retention of Available Cash Balance (Estimate 06/30/14)						12,300,344	
	Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B						_	
1	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ 1,861,148		\$ -	\$ -	\$ -	\$ (8,186,790)	

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Prior Period Adjustments reported for the ROPS 13-14A (July 1, 2013 through December 31, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (

										Reported for	or the ROPS 13-	14A (July 1, 2013	through Decer	nedule (ROPS) 14-1 mber 31, 2013) Peri eport Amounts in Whole	iod Pursuant to He	ealth and Safety C	code (HSC) sectio	n 34186 (a)									
f Redevel	4A Successor Appment Property auditor-contro	Tax Trust Fun	d (RPTTF) ap	proved for the RO	djustments (PP OPS 14-15A (Ju	A): Pursuant to luly through Dece	HSC Section 34 ember 2014) per	1186 (a), SAs ar riod will be offse	re required to report the toy the SA's self-rep	he differences bet orted ROPS 13-1	tween their actua 4A prior period a	l available funding	g and their actu Section 34186	al expenditures for to (a) also specifies that	he ROPS 13-14A at the prior period	(July through Dec adjustments self-r	cember 2013) per reported by SAs a	riod. The amount are subject to audit		the CAC. Note th	hat CACs will no PPA. Also not	ed to enter their o	CAC upon submitte own formulas at the amounts do not nee	line item level p	ursuant to the m	anner in which	
А	В	С	D	E	F	G	н	1	J	к	L	м	N	0	P	Q	R	s	т	U	v	w	x	Y	z	AA	АВ
				Non-RPTTI	F Expenditures	3							RPTTF Expend	itures								R	PTTF Expenditure	s			
																		Net SA Non-Admin and Admin PPA (Amount Used to								Net CAC Non- Admin and Admin PPA (Amount Used to	
		Bond	Proceeds	Reserve	Balance	Other	Funds			Non-Admin	-				Admin			Offset ROPS 14-15A Requested RPTTF)			Non-Admin CAC			Admin CAC		Offset ROPS 14-15A Requested RPTTF)	
Item#	Project Name / Debt Obligation	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is	Net Difference (M+R)		Net Lesser of Authorized / Available		Difference	Net Lesser of Authorized / Available	Actual	Difference	Net Difference	CAC Comments
		\$ -	\$	- \$ -	\$ -	\$ -	\$ -	\$ 9,048,117	\$ 4,303,646	\$ 4,303,646	\$ 4,303,646	\$ -	\$ 132,678		\$ 132,678		zero)	\$ -	SA Comments	Available	Actual	\$ -	Available	Actual	\$ -	\$ -	CAC Comments
2	2005 Tax Allocation 2007 Tax Allocation 2007 Tax Allocation	- :		- :		:		3,472,015 2,944,019	1,944,560 1,498,357	\$ 1,944,560 \$ 1,498,357	1,944,560 1,498,357	\$ - \$ -						\$ - \$ -									
E	onds Housing(A)	•				•		658,259		\$ 658,259	658,259	\$ -		2000				\$ -									
	2007 Tax Allocation londs Housing(B) Catellus/Hercules	-				-		643,878 824,718		\$ 72,470	72,470	•						•						BAR HINE			
L	LC AMBAC Settlement		<u> </u>	-				024,718		\$	•	\$	- Anno 11 - 10 - 1					\$									
7	OPA (Owner articipation	-		-		-		-	- :	\$ -	-	\$ -		3114 - 48, 4				\$ -			88888						
8	greement) DPA (Owner	-		-				-	-	\$ -		\$ -						\$ -									
F	articipation creement)																										
Į.F	OPA (Owner articipation	-		-		•				2 -	-	\$ -						\$ -									
10	greement) DPA (Owner articipation	-		-		-		130,000	130,000	\$ 130,000	130,000	\$ -						\$ -					AND THE REAL PROPERTY.				
11 1	greement) .ewis Development	-		-		-				\$ -		\$ -						\$ -									
12 1	greement ease of	-		-		-		355,302		\$ -	-	\$ -						\$ -									
13	ommercial Space ease of			-		-		13,176		\$ -	-	\$ -						\$ -									
14	ommercial Space City Loan entered	-		-		-				\$ -	-	\$ -						\$ -								N 100 100 100 100 100 100 100 100 100 10	
15	to on 3/8/11 Separation greement			-		-			-	\$ -		s -		- P. M				\$ -						200		1900000	
16	Co-operation greement: Loan	-								\$ -		\$ -						\$ -		200		2007/2016	PARAMETER .			61.F-15.55	
F	epayment greement for Cash			9																							
	dvances BART Park-n-Ride	-		-		-				\$ -	-	\$ -						\$ -									
18	ot Contract for	-		-		-			-	\$ -	-	\$ -						\$ -									
S	onstruction ycamore North lomeowner											s -															
	ssociation Fees Bank and Trustee			-				6,750		5		\$	<u></u>					\$								20050200	
F	ees SERAF Administrative									\$		\$ -		800 0				\$ -		2 14							
C	osts	-		-		-		-	-	\$ -	-	\$ -			The state of the s			\$ -			TELEVISION OF			XXXXX		Marine San	
23 0	County Admin Fees	-		-		-		-	-	\$ - \$ -	-	\$ - \$ -					P. 011	\$ -									
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Recognized Obligation Payment Schedule 14-15A - Notes July 1, 2014 through December 31, 2014

	July 1, 2014 through December 31, 2014
Item #	Notes/Comments
1	
2	
3	
4	
5	
6	
	Owner Participation Agreement - Promedia. This is a senior obligation listed on the official statements of the Agencies 2005 and 2007 Bonds. This is an enforceable obligation.
50.00	Owner Participation Agreement - Biorad. This is a senior obligation listed on the official statements of the Agencies 2005 and 207 Bonds. This is an enforceable obligation.
	Owner Participation Agreement - EastGroup (Easthill). This is a senior obligation listed on the official statements of the Agencies 2005 and 2007 Bonds. This is an enforceable obligation.
10	
	Lewis Development Agreement. Since the property is owned by the Agency, the payment of special taxes and assessments is an enforceable obligation.
12	
13	
N. 10	City Loan entered into on 3/8/11. The loan document states the source of funds are from Development Impact Fees. These sources are highly restricted and are only to be used for their intended purposes. Therefore, this is an enforceable obligation.
15	
	Co-Operation Agreement: Loan Repayment Agreement for Cash Advances. Resolution 83-18 adopted February 9, 1983 within 2 yrs of creation of the redevelopment agency. Per HSC 34171(d)(2) this is an enforceable obligation. The Total Obligation is \$41,824,885. Upon receipt of Finding of Completion by the State Department of Finance.
17	
18	
19	
20	
21	
22	
	Property Taxes. These are delinquent property taxes for former redevelopment agency owned properties. The properties are known as Parcel C, Victoria Crescen Sycamore Crossing. This is an enforceable obligation.
	The following taxing entities have subordinated their payments for 5 fiscal years (FY2010/11 through FY2014/15). Thi is an estimate of what is owed to the taxing entities based on what was owed for FY2010/11:
	1003 Contra Costa County General \$630,214.35
	1206 Library \$68,101.55
	2505 Contra Costa Flood Control \$14,027.50
	2530 Flood Control Z8 \$1,653.35
	2531 Flood Control Z8A \$2,674.50
	2825 Contra Costa Water Agency \$2,858.10
	3011 Rodeo-Hercules Fire District \$601,013.45
	3301 Mosquito Abatement \$12,489.60
1000	3525 West Contra Costa Hospital \$122,480.80
	4001 East Bay Municipal Utility District \$114,744.50
	4009 Bay Area Rapid Transit District \$50,588.05
	4010 Bay Area Air Quality Management District \$14,746.05

Recognized Obligation Payment Schedule 14-15A - Notes July 1, 2014 through December 31, 2014

	July 1, 2014 through December 31, 2014
Item #	Notes/Comments
	4026 East Bay regional Parks \$240,431.30
	4211 Hercules \$386,383.35
	4211 nercures \$300,303.35
	6901 Contra Costa County Superintendent of Schools \$110,608.90
-	6999 K-12 ERAF \$1,129,357.10
	7701 West Contra Costa County Unified School District \$2,486,180.15 7901 Community College District \$369,416.25 7999 Community College ERAF \$168,158.30
	7901 Community College District \$369,416,25
	7999 Community College FRAF \$168 158 30
	7000 Community Conlege El VIII 4 100, 100.00
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EDMUND G. BROWN JR. . GOVERNOR 915 L STREET SACRAMENTO CA 5 95814-3706 WWW.DDF.CA.GDV

November 13, 2014

Mr. David Biggs, City Manager City of Hercules 111 Civic Drive Hercules, CA 94547

Dear Mr. Biggs:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Hercules Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15B) to the California Department of Finance (Finance) on September 30, 2014 for the period of January 1 through June 30, 2015. Finance has completed its review of your ROPS 14-15B, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

Item Nos. 1 through 4 – Various Bond Debt Service Payments totaling \$10,689,847 has been adjusted to \$7,318,541. The Agency requests funding for current debt service payments due during the ROPS 14-15B period, a debt service payment reserve, and past due debt service payment obligations. While the Agency has historically received insufficient Redevelopment Property Trust Tax Fund (RPTTF) to make debt service payments in full, it is our understanding the Agency is in the process of selling properties to fulfill past due debt service obligations pursuant to the AMBAC settlement. To the extent the Agency receives proceeds from the sale of properties; the Agency should request Other Funds to satisfy past due debt service obligations. Therefore, the excess, \$3,101,307 (\$10,689,847 - \$7,318,541) is not eligible for RPTTF funding on this ROPS

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. The amount of RPTTF approved in the table below reflects the prior period adjustment self-reported by the Agency. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to review by the county auditor-controller (CAC) and the State Controller. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the prior period adjustment selfreported by the Agency.

Except for the items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 14-15B. If you disagree with the determination with respect to any items

Mr. David Biggs November 13, 2014 Page 2

on your ROPS 14-15B, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet and confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$11,353,968 as summarized in the Approved RPTTF Distribution Table below:

Approved RPTTF Distribution							
For the period of January through June 2015							
Total RPTTF requested for non-administrative obligations		14,322,597					
Total RPTTF requested for administrative obligations		132,678					
Total RPTTF requested for obligations on ROPS	\$	14,455,275					
Total RPTTF requested for non-administrative obligations Denied Items		14,322,597					
Item No. 1		(837,474)					
Item No. 2		(2,065,387)					
Item No. 3		(186,698)					
Item No. 4		(11,748)					
		(3,101,307)					
Total RPTTF authorized for non-administrative obligations	\$	11,221,290					
Total RPTTF requested for administrative obligations		132,678					
Total RPTTF authorized for administrative obligations	\$	132,678					
Total RPTTF authorized for obligations	\$	11,353,968					
ROPS 13-14B prior period adjustment		0					
Total RPTTF approved for distribution	\$	11,353,968					

Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 14-15B review, Finance requested financial records to support the cash balances reported by the Agency; however, the Agency was unable to support the amounts reported; the Agency was unable to support the beginning balances for Other Funds, the revenue earned, and other payments made from funds outside of the ROPS. As a result, Finance will continue to work with the Agency after the ROPS 14-15B review period to properly identify the Agency's cash balances. If it is determined the Agency possesses cash balances that are available to pay approved obligations, the Agency should request the use of these cash balances prior to requesting RPTTF in ROPS 15-16A.

Please refer to the ROPS 14-15B schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2015. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may

Mr. David Biggs November 13, 2014 Page 3

be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to the enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if for whatever reason the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

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

Sincerely,

JUSTYN HOWARD

Acting Program Budget Manager

CC:

Ms. Nickie Mastay, Finance Director, City of Hercules Mr. Bob Campbell, Auditor-Controller, Contra Costa County California State Controller's Office

Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary Filed for the January 1, 2015 through June 30, 2015 Period

Name (of Successor Agency:	Hercules		
Name of County:		Contra Costa		
Curren	t Period Requested Fu	nding for Outstanding Debt or Obligat	ion	Six-Month Total
	•		Property Tax Trust Fund (RPTTF) Funding	
Α	Sources (B+C+D):			\$ 3,273,708
В	Bond Proceeds Fu	nding (ROPS Detail)		-
С	Reserve Balance F	unding (ROPS Detail)		-
D	Other Funding (RO	PS Detail)		3,273,708
Е	Enforceable Obligation	ons Funded with RPTTF Funding (F+G):	\$ 14,455,275
F	Non-Administrative	Costs (ROPS Detail)		14,322,597
G	Administrative Cos	ts (ROPS Detail)		132,678
Н	Current Period Enforce	ceable Obligations (A+E):		\$ 17,728,983
Succes	ssor Agency Self-Repor	rted Prior Period Adjustment to Currer	nt Period RPTTF Requested Funding	
I	Enforceable Obligation	s funded with RPTTF (E):		14,455,275
J	Less Prior Period Adjus	stment (Report of Prior Period Adjustmen	nts Column S)	-
K	Adjusted Current Per	iod RPTTF Requested Funding (I-J)		\$ 14,455,275
County	/ Auditor Controller Re	ported Prior Period Adiustment to Cur	rent Period RPTTF Requested Funding	
L		s funded with RPTTF (E):	·	14,455,275
М	_	stment (Report of Prior Period Adjustmen	nts Column AA)	-
N	•	iod RPTTF Requested Funding (L-M)	,	14,455,275
	ation of Oversight Board		-	
		of the Health and Safety code, I a true and accurate Recognized	Name	Title
Obligat	ion Payment Schedule fo	or the above named agency.	/s/	
			Signature	Date

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail January 1, 2015 through June 30, 2015 (Report Amounts in Whole Dollars)

		1	1	T	1	· ·	1	1	1	1		T			
Α	В	С	D	E	F	G	Н	I	J	K	L	M	N	0	Р
												Funding Source			
										Non-Redevelopment Property Tax Trust Fund					
											(Non-RPTTF)		RPT	RPTTF	
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 \$ 314,070,496		Bond Proceeds	Reserve Balance	Other Funds \$ 3,273,708	Non-Admin \$ 14.322.597	Admin	Six-Month Total
1	2005 Tax Allocation Bonds	Bonds Issued On or	8/5/2005	8/5/2036	Bank of New York	Bonds issued to fund non-housing	All	67,595,258	N	\$ -	5 -	\$ 3,273,708	4,837,789	\$ 132,678	\$ 17,728,983 4,837,78
_		Before 12/31/10				projects									
	2 2007 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10		12/20/2044		Bonds issued to fund non-housing projects	All	98,220,107	N				4,710,246		4,710,24
3	3 2007 Tax Allocation Bonds Housing(A)	Bonds Issued On or Before 12/31/10	7/26/2007	7/26/2034	Bank of New York	Affordable Housing Bonds	All	19,307,742	N				694,930		694,93
4	2007 Tax Allocation Bonds Housing(B)	Bonds Issued On or Before 12/31/10	7/26/2007	7/26/2034	Bank of New York	Affordable Housing Bonds	All	14,736,970	N				446,882		446,88
5	Catellus/Hercules LLC	OPA/DDA/Constructi	1/1/2009	2/15/2044	Catellus	Settlement Agreement	All	50,080,850	N				760,577		760,57
6	6 AMBAC Settlement	Litigation	3/23/2012	12/31/2099	AMBAC	Settlement Obligation	All	3,273,708	N			3,273,708			3,273,70
7	OPA (Owner Participation	OPA/DDA/Constructi	1/1/2001	12/31/2017	Pro Media	Tax Increment Reimbursement	All		N						
8	Agreement) B OPA (Owner Participation Agreement)	OPA/DDA/Constructi	1/1/1987	1/1/2016	Bio Rad	Tax Increment Reimbursement	All		N						
9	OPA (Owner Participation Agreement)	OPA/DDA/Constructi	1/1/1987	1/1/2016	East Group	Tax Increment Reimbursement	All		N						
10	OPA (Owner Participation Agreement)	OPA/DDA/Constructi	11/15/1996	11/15/2041	Hercules Senior Housing/Bridge	OPA for Senior Housing	All	130,000	N				65,000		65,00
11	Lewis Development Agreement	OPA/DDA/Constructi	11/14/2003	12/31/2035	Contra Costa County	Assessment District Matures 2035	All		N						
12	Lease of Commercial Space	Business Incentive Agreements	4/5/2002	7/1/2017	Emmerich	Rent for commercial space	All	710,604	N				710,604		710,60
13	Lease of Commercial Space		10/1/2007	9/20/2012	Montoya	Rent for commercial space	All	13,176	N				13,176		13,17
14		City/County Loans On or Before 6/27/11	3/8/2011	3/31/2013	City loan entered into on 3/8/11	Construction costs for Sycamore North	All		N						
	Separation Agreement		12/1/2010	7/1/2011	Separation Agreement	NONE	All		N						
	Co-operation Agreement: Loan Repayment Agreement for Cash Advances	City/County Loans On or Before 6/27/11	2/9/1983	12/31/2099	City of Hercules	Hercules Resolution 83-18 dated 02/09/1983	All	50,496,029	N						
17	BART Park-n-Ride Lot	Miscellaneous	11/1/2010	6/30/2013	See Attached Spreadsheet	NONE	All		N						
18	Contract for Construction Sycamore North	OPA/DDA/Constructi on	1/1/2009	2/1/2011	See Attached Spreadsheet	NONE	All	2,076,643	N				2,076,643		2,076,64
	Homeowner Association Fees	Miscellaneous	1/1/2005	1/1/2014		Agency-owned homes	All	40.500	N				0.770		
20	Bank and Trustee Fees	Fees	8/1/2005	12/31/2044	Various	Bank and trustee fees for Redevelopment bond and bank accounts	All	13,500	N				6,750		6,75
21	SERAF	SERAF/ERAF	7/1/2009	6/30/2011	State of California	NONE	All	6,020,951	N						
22	Administrative Costs	Admin Costs	7/1/2010	6/30/2099	Various	NONE	All	1,394,958	N					132,678	132,67
23	County Admin Fees Property Taxes	Fees Property		6/30/2099 6/30/2099		NONE Property taxes for agency owned	All		N N						
		Maintenance	17172012	0/30/2033	Contra Costa County	properties Sycamore Crossing	All								
25 26									N N						
27									N						
28	3								N						
29 30									N N						
31									N N						
32	2								N						
33									N N						
34 35				1	1			1	N N						
36	6								N						
37									N						
38									N N						
40									N						

Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Cash Balances

(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 https://rad.dof.ca.gov/rad-sa/pdf/Cash Balance Agency Tips Sheet.pdf.

<u>sa/pdf/Cash_Balance_Agency_Hps_Sheet.pdf</u> .							
В	С	D	E	F	G	н	I
			Fund So	ources			
	Bond Proceeds		Reserve	Balance	Other	RPTTF	
Cash Balance Information by ROPS Period	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		Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments
ROPS 13-14B Actuals (01/01/14 - 06/30/14)							
1 Beginning Available Cash Balance (Actual 01/01/14)	1,413,690					-	Bond Proceeds is the Reserve Balance of the 2007A and 2007B Housing Bonds
2 Revenue/Income (Actual 06/30/14) RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014						4,379,554	
3 Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q						4,379,554	
4 Retention of Available Cash Balance (Actual 06/30/14) RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B						_	
5 ROPS 13-14B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S			No entry required	ı		_	
6 Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	1,413,690	_	_	_	_	-	
ROPS 14-15A Estimate (07/01/14 - 12/31/14)			•				
7 Beginning Available Cash Balance (Actual 07/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	1,413,690	-	-	-	-	-	
8 Revenue/Income (Estimate 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014						4,402,699	
9 Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)						14,946,671	
10 Retention of Available Cash Balance (Estimate 12/31/14) RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A						-	
11 Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	1,413,690	-	-	-	-	(10,543,972)	

Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Prior Period Adjustments

Reported for the ROPS 13-14B (January 1, 2014 through June 30, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a) (Report Amounts in Whole Dollars) ROPS 13-14B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual expenditures for the ROPS 13-14B (January through June 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 14-15B (January through June 2015) period will be offset by the SA's self-reported ROPS 13-14B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller. Non-RPTTF Expenditures **RPTTF Expenditures** Net SA Non-Admir and Admin PPA (Amount Used to Offset ROPS 14-15B Requested RPTTF) **Bond Proceeds** Reserve Balance Other Funds Non-Admin Admin Difference Available Available (If total actual RPTTF RPTTF Difference exceeds total (ROPS 13-14B (ROPS 13-14B Net Lesser of (If K is less than L, Net Lesser of authorized, the distributed + all other distributed + all other Project Name / Debt Authorized / Authorized / the difference is total difference is **Net Difference** available as of available as of Item # Obligation Authorized 01/1/14) Available 01/1/14) Available (M+R) **SA Comments** Authorized Actual Authorized Actual Actual Authorized Actual zero) Authorized Actual zero) 132,678 6,500,000 12,433,666 4,379,554 4,379,554 4,379,554 2005 Tax Allocation Bonds 3,895,651 1,644,679 1,644,679 1,644,679 1,858,965 1,858,965 1,858,965 2 2007 Tax Allocation Bonds 3,820,010 3 2007 Tax Allocation Bonds 349,709 349,709 349,709 349,709 Housing(A) 4 2007 Tax Allocation Bonds 671,405 461,201 461,201 461,201 Housing(B) 824,718 5 Catellus/Hercules LLC 6,500,000 6 AMBAC Settlement OPA (Owner Participation Agreement)
OPA (Owner Participation Agreement) OPA (Owner Participation Agreement) 10 OPA (Owner Participation 65,000 65,000 65,000 65,000 Agreement) 11 Lewis Development Agreement 12 Lease of Commercial 710,604 Space 13 Lease of Commercial 13,176 Space 14 City Loan entered into on 3/8/11 15 Separation Agreement Co-operation Agreement: Loan Repayment Agreement for Cash Advances 17 BART Park-n-Ride Lot 18 Contract for Construction 2,076,643 Sycamore North 19 Homeowner Association 6,750 20 Bank and Trustee Fees 21 SERAF 22 Administrative Costs 23 County Admin Fees 24 Property Taxes

Recognized Obligation Payment Schedule (ROPS 14-15B) - Notes January 1, 2015 through June 30, 2015

Item #	Notes/Comments
1	
2	
3	
5	
6	
7	Owner Participation Agreement-Promedia. Thi is a senior obligation listed on the official statements of the Agencies 2005 and 2007 Bonds. This is an enforceable obligation.
8	Owner Participation Agreement-Biorad. Thi is a senior obligation listed on the official statements of the Agencies 2005 and 2007 Bonds. This is an enforceable obligation.
9	Owner Participation Agreement-EastGroup (Easthill). This is a senior obligation listed on the official statements of he Agencies 2005 and 2007 Bonds/ This is an enforceable obligation
10	
	Lewis Development Agreement. Since the property is owned by the Agency, the payment of special taxes and assessments is an enforceable obligation.
12	
13 14	City loan entered into on 3/8/11. The loan document states the source of funds are from Development Impact Fees. These sources are highly restricted and are only
15	to be used for their intended purposes. Therefore, this is an enforceable obligation.
15 16	Co-Operation Agreement: Repayment agreement for Cash Advances. Resolution 83-18 adopted February 9, 1983 within 2 yrs of creation of the redevelopment
	agency. Per HSC 34171(d)(2) this is an enforceable obligation. Total Obligation is \$50,496,029. Upon receipt of Finding of Completions by the State Dept of Finance.
17	
18	
19 20	
21	
22	
23	
24	Property Taxes. These are delinquent taxes for former redevelopment agency owned properties. The property is known as Sycamore Crossing. This is an enforceable obligation.
	The following taxing entities have subordinated their payments for 5 fiscal years (FY2010/11 through FY214/15). This is an estimate of what is owed to the taxing entities based on what was owed for FY2010/11
	1003 Contra Costa County General \$630,241.35
	1206 Library \$68,101.55
	2505 Contra Costa Flood Control \$14,027.50
	2530 Flood Control Zone Z8 \$1,653.35
	2531 Flood Control Zone Z8A \$2,674.50 2825 Contra Costa Water Agency \$2,858.10
	3011 Rodea-Hercules Fire District \$601,013.45
	3301 Mosquito Abatement \$12,489.60
	3525 West Contra Costa Hospital \$122,480.80
	4001 East Bay Municipal Utility District \$114,744.50
	4009 Bay Area Rapid Transit District \$50,588.05
	4010 Bay Area Air Quality Management District \$14,746.05

Recognized Obligation Payment Schedule (ROPS 14-15B) - Notes January 1, 2015 through June 30, 2015

January 1, 2015 through June 30, 2015							
Item #	Notes/Comments						
	4026 East Bay Regional Parks \$240,431.30						
	4026 East Bay Regional Parks \$240,431.30 4211 Hercules \$386,383.35						
	6901 Contra Costa County Superintendent of Schools \$110,608.90 7701 West Contra Costa Unified School District \$2,486,180.15						
	7701 West Contra Costa Unified School District \$2,486,180.15						
	7901 Community College District \$369,416.25						
	7901 Community College District \$369,416.25 7999 Community College ERAF \$168,158.30						
	, , , , , , , , , , , , , , , , , , ,						
	1						
	+						