RESOLUTION NO. 2016-04-OB

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CALEXICO COMMUNITY REDEVELOPMENT AGENCY APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 B FOR THE PERIOD OF JANUARY THROUGH JUNE 2017 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a)(1), the Calexico Community Redevelopment Agency was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, the City Council of the City of Calexico previously elected to serve in the capacity of the Successor Agency to the Calexico Community Redevelopment Agency (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency (the "Oversight Board) was established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, per HSC § 34177 (o) (1) (E), once per Recognized Obligation Payment Schedule (the "ROPS") period, and no later than October 1, the Successor Agency may submit one amendment to its ROPS if the Oversight Board determines that a revision is necessary for the payment of approved enforceable obligations during the second one-half of a fiscal year ROPS period, which shall be defined as the January 1 to June 30 period, i.e., the "B" ROPS cycle; and

WHEREAS, it is necessary to amend the Successor Agency's ROPS 16-17 B to provide additional funding for enforceable obligation No. 6 (i.e., the 2011 Calexico Unified School District Tax Allocation Bonds, which are conduit bonds of the former redevelopment agency) for the reasons described herein; and

WHEREAS, periodic debt service payments on the 2011 Calexico Unified School District Tax Allocation Bonds (the "2011 CUSD TABs") are due and payable to the Bank of New York Mellon Trust (the "Trustee Bank"), as of February 1 and August 1 of each year and pursuant to the applicable agreements associated with the 2011 CUSD TABs such payments are the sole legal responsibility of the CUSD; and

WHEREAS, although invoiced by the Successor Agency, the CUSD did not remit the debt service payments required for the 2011 CUSD TABs on February 1, 2016 and August 1, 2016, each in the amount of $59,530 equaling a total unpaid amount of $119,060; and

WHEREAS, the payment required for the 2011 CUSD TABs on February 1, 2016 was funded by the City of Calexico and the payment required for the 2011 CUSD TABS on August 1, 2016 was funded by the debt service reserve fund held by the Trustee Bank, which depleted the debt service reserve fund for the 2011 CUSD TABs by about one-half; and

WHEREAS, failure to make the payment due the Trustee Bank on February 1, 2017 will cause a full depletion of the debt service reserve fund for the 2011 CUSD TABs; and

WHEREAS, any default associated with the 2011 CUSD TABs creates a risk of litigation from the Trustee Bank and the bond holders; and

WHEREAS, as a result of the draw on the debt service reserve fund, the 2011 CUSD TABs are considered in default under the 2011 CUSD TABs Indenture and if not cured may result in litigation; and

WHEREAS, in its April 5, 2016 letter to the City of Calexico, a copy of which is included as Exhibit "A" to this Resolution, the CUSD's attorney notified the Successor Agency that the CUSD did not believe it was responsible for the debt service payments on the 2011 CUSD TABs; and

WHEREAS, in its July 26, 2016 letter to the California Department of Finance (the "DOF"), a copy of which is included as Exhibit "B" to this Resolution, the Successor Agency appealed the DOF's decision to deny the release of funds to the CUSD pursuant to enforceable obligation No. 27 on ROPS 16-17 A and B, as described in DOF's letter of May 17, 2016, a copy of which is included as Exhibit "C" to this Resolution; and

WHEREAS, in its August 9, 2016 e-mail message to the Successor Agency, a copy of which is included as Exhibit "D" to this Resolution, the DOF denied the Successor Agency's request for reconsideration of the release of funds to the CUSD pursuant to enforceable obligation No. 27 on ROPS 16-17 A and B; and

WHEREAS, on August 23, 2016, DOF officials orally advised Mr. Jason Gonsalves, the Successor Agency's State Lobbyist, that the DOF staff and legal counsel have determined that the CUSD subordinated its property tax pass-throughs and pledged them to debt service on the 2011 CUSD TABs and that the Successor Agency should file an amended ROPS 16-17 B to increase the amount for enforceable obligation No. 6 by the amount of debt service due to the Trustee Bank for February 1, 2016, August 1, 2016 and February 1, 2017 (for a total of $178,590) and request that such funds be deducted from the pass-through payments otherwise payable to the CUSD and paid over to the Successor Agency in order to refund the City's and the Trustee Bank's past debt service payments and fund the debt service payments due on February 1, 2017; and

WHEREAS, as a result of the foregoing, the amended ROPS 16-17 B, which is included as Exhibit "E" to this Resolution, includes a total request for $178,590 of "Other Funds" for debt services payments with respect to enforceable obligation No. 6; 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 for the Successor Agency to the Calexico Community Redevelopment Agency, as follows:

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Successor Agency's Amended ROPS 16-17 B, which is attached hereto as Exhibit "E", is approved.

Section 3. The City Manager, as the Successor Agency's Executive Director or designee, is authorized to: i) transmit the Amended ROPS 16-17 B to the DOF and the County Auditor-Controller for their review within the timeframe and in the manner prescribed by the HSC; ii) make ministerial revisions to the Amended ROPS 16-17 B, which may include, but are not limited to restating the information included within the Amended ROPS 16-17 B in any format that may be requested by the DOF; iii) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution; and iv) implement the Amended ROPS 16-17 B on behalf of the Successor Agency, including authorizing and causing such payments.

Section 4. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED this 28th day of September 2016.

John R. Renison, Acting Chairman

ATTEST

Erica La Cuesta, Secretary

CERTIFICATION:

I, Erica La Cuesta, Secretary of the Oversight Board for the Successor Agency to the Calexico Community Redevelopment Agency, do hereby certify that the foregoing Resolution No. 2016-04- OB was duly adopted by the Oversight Board for the Successor Agency to the Calexico Community Redevelopment Agency, at a meeting thereof held on the 28th day of September 2016, by the following vote:

AYES:	RENISON, VILLA, WONG, RIVERA
NOES:	RANDLE
ABSENT:	REAL, MEDINA
ABSTAIN:	NONE

Erica La Cuesta

Erica La Cuesta, Secretary

EXHIBIT "A"

**APRIL 5, 2016 LETTER
FROM THE
CUSD'S ATTORNEY
TO THE
CITY OF CALEXICO**

(See Attachment)

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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RIVERSIDE
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SACRAMENTO
(916) 923-1200

OUR FILE NUMBER:

005012.00261
13901322.1

April 5, 2016

VIA PERSONAL DELIVERY

Nick Fenley, Acting City Manager
City of Calexico
Calexico City Hall Building
608 Heber Avenue
Calexico, CA 92231

Re: Community Redevelopment Agency of the City of Calexico 2011 Tax Increment Bonds (School District) – Calexico Unified School District

Dear Mr. Fenley:

This firm represents the Calexico Unified School District ("District") and the issue over the release of the Community Redevelopment Agency of the City of Calexico 2011 Tax Allocation Bonds (School District) ("RDA 2011 Bonds") to the District has reached a critical stage. The California Department of Finance ("DOF") has not recognized the payment of the bond proceeds to the District as an enforceable obligation and therefore, has informed the District that the funds will not be released absent a written agreement. Accordingly, the District must now look to other funding sources to cover this shortfall on the Calexico High School pool project and must now inform the City as the successor agency that the District will no longer make payments to the City until such time that the DOF approves the release of the RDA 2011 Bond funds to the District.

In May 2011, the Community Redevelopment Agency of the City of Calexico ("RDA") issued the 2011 Tax Allocation Bonds (School District) ("RDA 2011 Bonds") in the amount of $1,815,000.00, with the intent that the net funds, $1,446,592, would be used to partially fund a new pool project at Calexico High School. On October 1, 2015, the City of Calexico ("City"), as the successor agency to the RDA, included the entire $1,446,592 on the ROPS 15-16B to be paid to the District.

On November 9, 2015, the DOF informed the City that it was disallowing the $1,446,592 on the ROPS 15-16B because there was no evidence of an agreement that required the RDA to give the RDA 2011 Bond proceeds to the District. After the meet and confer process was requested by the City, the DOF issued its final determination that the RDA 2011 Bond proceeds were not an enforceable obligation because there was no written agreement between the RDA and the

District obligating the RDA to provide the funds to the District. Under Health and Safety Code section 34191.4(c)(2)(A), the DOF allowed $71,864 or 5% of the proceeds.

Following that final determination, the District met with Senator Hueso's and Assemblyman Garcia's staff to enlist their assistance in getting the DOF to release the RDA 2011 Bond proceeds to the District. On January 27, 2016, a meeting was held with Senator Hueso, representatives from Assemblyman Garcia's office, and Michael Cohen (Director of the Department of Finance) in Sacramento to discuss the DOF's rejection of the 2011 RDA Bonds on the ROPS 15-16B. The DOF made it clear that absent a written agreement between the RDA and the District, it would not recognize the payment of the 2011 RDA Bond proceeds to the District as an enforceable obligation. This is the same position that the DOF took during the meet and confer process in December 2015.

Following the meeting with the DOF, the District searched its files and submitted a Public Records Act request to the City seeking all documents related to the issuance of the 2011 RDA Bond, and specifically any "agreement between the Community Redevelopment Agency and the Calexico USD for the issuance of bonds and the payment of the proceeds to the District for the pool project." With regard to the request for a copy of the agreement, the City responded that "the City has not found any records responsive to this request." It appears that no formal agreement was ever executed and approved by either the RDA or the District for the issuance of the 2011 RDA Bonds and payment of the proceeds to the District.

Because there is no agreement, it is our understanding that the DOF will not recognize the payment of the $1,446,502 to the District as an enforceable obligation of the City as the successor agency. Accordingly, the District must now take the position that if there is no enforceable obligation for the payment of the 2011 RDA Bond proceeds to the District, then there is no enforceable obligation on the District's part to pay the City for the bond proceeds that it will likely never receive.

Unfortunately, the District has already made $416,710 in payments to the City. Under these circumstances the District will not continue to make payments to the City as the successor agency for the 2011 RDA Bonds and hereby requests that the City return to the District the $416,710 it has paid to the City. Enclosed is a table of payments made by the District to the City.

While the District remains hopeful that the DOF will approve the 2011 RDA Bond funds on a future ROPS, the District cannot continue to make payments for monies it may never receive. If you would like to discuss this in more detail, please contact Mei Randle at the District (760-768-3888) or me at your convenience.

Sincerely,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Martin A. Hom

Enclosure

cc: M. Ambriz, Superintendent, Calexico Unified School District
M. Randle, Asst. Superintendent Business Services, Calexico Unified School District
E. Gutierrez, Acting Finance Director, City of Calexico

Calexico
Unified School District

2011 Tax Allocation Bond School District
Payment Summary

Due Date:	Invoice	Amount	Warrant#	Payment Date
2/1/2012	6060	$ 59,530.00	13228401	2/14/2013
8/1/2012	6060	$ 59,530.00	13228401	2/14/2013
2/1/2013	6171	$ 59,530.00	13234697	3/28/2013
8/1/2013	021	$ 59,530.00	14284464	4/17/2014
2/1/2014	021	$ 59,530.00	14284464	4/17/2014
8/1/2014	030	$ 59,530.00	15309603	10/23/2014
8/1/2015	20112014	$ 59,530.00	16007881	9/10/2015
Total Payments:		**$ 416,710.00**		

EXHIBIT "B"

JULY 26, 2016 LETTER
TO THE
CALIFORNIA DEPARTMENT OF FINANCE
FROM THE
SUCCESSOR AGENCY

(See Attachment)

CITY OF CALEXICO

608 Heber Avenue
Calexico, CA 92231
Tel: 760.768.2110
Fax: 760.768.2103
www.calexico.ca.gov

July 26, 2016

Mr. Justyn Howard
Program Budget Manager
California Department of Finance
915 "L" Street
Sacramento, California 95814-3706

Re: Request for Reconsideration of the Calexico High Swimming Pool Project – Calexico ROPS 16-17

Dear Mr. Howard:

On behalf of the City of Calexico, Successor Agency to the Calexico Redevelopment Agency ("Successor Agency") and the Calexico Unified School District ("CUSD"), it is respectfully requested that your office, acting for the Department of Finance (DOF), reconsider the matter described below and resolve the matter as indicated.

By way of background, the item in question concerns CUSD capital facilities related to the replacement of the Calexico High School pool which was damaged beyond repair by the April 4, 2010 (Easter Sunday) magnitude 7.2 Baja California earthquake, which caused significant damage throughout Calexico and Mexicali. Shortly after the earthquake, the CUSD and the former RDA initiated efforts to issue conduit bonds consistent with:

1. Section No. 3 of the CUSD's First Amended and Restated Public Improvements Agreement dated March 16, 1993;
2. Section No. 3 of the Memorandum of Understanding dated October 20, 1993; and
3. Section No. 3 of the Public Improvements Agreement dated December 20, 1993.

The aforementioned references to section No. 3 of each of the 1993 agreements show that a payment stream was committed to projects benefitting the CUSD and that if moneys were not expended to benefit the CUSD, the moneys would ultimately have flowed to the CUSD. These provisions confirm the CUSD's ownership of the tax increment pass through payments held in the fund as well as any bond proceeds attributable thereto. In addition, the CUSD and the former RDA had previously cooperated on joint financing efforts that resulted in the issuance of several prior conduit bonds pursuant the same aforementioned agreements. Therefore, as a result of these cooperative efforts, it was the intention of the parties that the 2011 CUSD TABs be issued as conduit bonds for the purpose of assisting in the financing of the replacement Calexico High School Pool (see enforceable obligation No. 6 on Calexico's ROPS 16-17). These intentions were confirmed by:

4. The CUSD's Resolution No. 36-04-11 dated April 26, 2011 approving the issuance of the bonds and authorizing the execution of the May 19, 2011 certificate;
5. Section No. 3 of the CUSD's May 19, 2011 certificate that specifically requires the proceeds from the 2011 CUSD TABs to be used for the Calexico High School pool project; and
6. The Official Statement ("OS") for the 2011 CUSD TABs confirming the security for the TABs and the use of the bond proceeds.

Copies of the six (6) documents mentioned above were previously provided to DOF staff. It is also important to emphasize that although the 2011 CUSD TABs were "nominally" in the name of the former redevelopment agency, debt service is borne by a pledge of revenues from CUSD. The pledge language contained in the Indenture with respect to the 2011 CUSD TABs is limited to the CUSD share of revenues. In addition, the Official Statement limited the use of proceeds to projects that only benefit the CUSD. The foregoing confirms that the proceeds of the 2011 CUSD TABs are the property of the CUSD, not the Successor Agency.

The amount indicated on ROPS 16-17 with respect to the 2011 CUSD TABS is the entire balance of project funds. Further, the CUSD has let a construction contract to construct the pool that is partially funded by the proceeds of the 2011 CUSD TABs. The inability to receive the full amount of the bond proceeds may expose the CUSD and others to litigation. Therefore, it is the City's Successor Agency's and the CUSD's position that HSC § 34191.4 (c) (2) does not apply to the 2011 CUSD TABs because the facts presented above confirming that:

i) Sufficient documentation exists confirming that enforceable obligation No. 27 on ROPS 16-17 is a "pre-dissolution" enforceable obligation;
ii) Debt service on the 2011 CUSD TABs is borne only by a pledge of revenues from CUSD; and
iii) All of the proceeds from the 2011 CUSD TABs are the legal property of the CUSD.

Therefore, the City, Successor Agency and CUSD believe that the evidence described above supports DOF revisiting this matter and ultimately modifying its position set forth in its April 14, 2016 letter, in which DOF only allowed 5% of the proceeds from the 2011 CUSD TABs to be used for its intended purpose based on DOF's belief that a pre-June 27, 2011 enforceable obligation does not exist relative to the use of the bond proceeds.

The City's Successor Agency and CUSD urge that in the unique context of the conduit issue under discussion here, which was to implement a pre-existing promise to apply moneys earmarked for the CUSD toward capital improvements, and which was in fact applied to such facilities to address an acute need for a swimming pool serving the public of an area characterized by relatively low-income and following the destruction of the predecessor swimming pool by an earthquake, all of the proceeds of the 2011 CUSD TABS should be authorized for release to pay for swimming pool improvements benefiting the CUSD.

Based on the foregoing, the City's Successor Agency and CUSD request that DOF reverse its April 14, 2016 determination related to enforceable obligation No. 27 and approve the distribution of all of the proceeds from the 2011 CUSD TABs to the CUSD for the purpose of constructing the capital facilities related to the replacement of the Calexico High School pool consistent with the pre-dissolution obligating documentation described above.

Your personal attention to this very important matter will be appreciated. If there are any questions, please contact me via email at agvilla@calexico.ca.gov or (760) 768-2110.

Sincerely,

ARMANDO G. VILLA
City Manager/Executive Director,
Successor Redevelopment Agency

AGV:ngg
cc: City Council/Successor Agency Board

EXHIBIT "C"

MAY 17, 2016 LETTER
TO THE
SUCCESSOR AGENCY
FROM THE
CALIFORNIA DEPARTMENT OF FINANCE

(See Attachment)

DEPARTMENT OF FINANCE
EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 17, 2016

Mr. Nick Fenley, Acting City Manager
City of Calexico
608 Heber Avenue
Calexico, CA 92231

Dear Mr. Fenley:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 14, 2016. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Calexico Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17) to Finance on February 01, 2016. Finance issued a ROPS determination letter on April 14, 2016. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on April 28, 2016.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item No. 21 – 2014 Refunding Bonds reclassified in the amount of $130,000. Finance continues to reclassify the amount from R Redevelopment Property Tax Trust Fund (RPTTF) to reserves. The Agency contends that all RPTTF received during the period of January 1, 2016 through June 30, 2017 (ROPS 15-16B) was paid out to the Trustee in that period. Review of ROPS 15-16B period shows a total of $1,417,300 was approved between interest (item no. 21) and principal (item no. 23) payments for the 2014 Refunding bonds debt service payments. During the ROPS 15-16B period the Agency's debt service payment totaled an amount of $277,300 (interest) leaving a balance of $1,140,000. During the ROPS 16-17, Finance reclassified item no. 23 from RPTTF to reserves in an amount of $1,010,000; leaving the Agency with a remaining balance of $130,000. Subsequently, this amount was applied to the interest payment for item no.21. Therefore, Finance continues to reclassify an amount of $130,000 from RPTTF to reserve funds.

- Item No. 27 – CUSD Capital Facilities funded from 2011 Bond Proceeds was partially allowed in the amount of $71,864. Finance continues to partially allow this item. The Agency requests to expend $1,446,592 derived from its 2011 Tax Allocation Bonds (School District). Pursuant to HSC section 34191.4 (c) (2), after receiving a Finding of Completion the Agency may expend proceeds derived from bonds issued on or after January 1, 2011, in a manner consistent with the original bond covenants. The Agency

received a Finding of Completion on October 3, 2013. Finance initially adjusted this item because HSC section 34191.4 (c) (2) (A) limits the Agency's expenditure authority to five percent of the 2011 bond proceeds until the Agency has an approved Last and Final ROPS.

During the Meet and Confer process, the Agency contended that the proceeds of the bonds are the property of the Calexico Unified School District (CUSD), not the Agency. However, none of the agreements between the former Redevelopment Agency (RDA) and CUSD require the former RDA to build the project or send the 2011 Bond Proceeds to CUSD. Since an enforceable obligation did not exist prior to June 27, 2011, related to the use of the 2011 Bond Proceeds, the limitations of HSC section 34191.4 (c) (2) (A) apply to this issuance. Therefore, the Agency may only expend $71,864 of proceeds derived from their 2011 Tax Allocation Bonds (School District).

In addition, per Finance's letter dated April 14, 2016, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item No. 20 – Projects in the amount of $2,784,958 in Bond Proceeds. The Agency received a Finding of Completion on October 3, 2013 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the bond covenants. Our approval is specifically limited to the use of excess pre-2011 bond proceeds pursuant to HSC section 34191.4 (c) (1). Therefore, we have changed the Obligation Type reported for the item to "Bond Funded Project – Pre-2011". Such approval, however, should not be construed as approval of the applicable projects themselves as enforceable obligations.

  Furthermore, projects funded with pre-2011 bond proceeds are limited to the amount of proceeds available with the Agency. According to the Agency's general ledger, pre-2011 bond proceeds available is $2,582,592. Therefore, the excess $202,366 ($2,784,958 - $2,582,592) in Bond Proceeds is not allowed.

- Item No. 29 – Capital Improvement Projects Funded from 2011 TABs (5 percent) funded from 2011 bond proceeds in the amount of $309,221 is not allowed. Pursuant to HSC section 34191.4 (c) (2), after receiving a Finding of Completion the Agency may expend proceeds derived from bonds issued on or after January 1, 2011 in a manner consistent with the original bond covenants.

  HSC 34191.4 (c) (2) (A) limits the Agency's expenditure authority to five percent of the 2011 bond proceeds until the Agency has an approved Last and Final ROPS. As such, the Agency may only expend $277,704 of proceeds derived from their 2011 Tax Allocation Bonds. Additionally, the Agency was unable to provide support for estimates listed on ROPS 16-17. To the extent the Agency can provided supporting documentation such as third party estimates, draft estimates, or bid documents, this item may be eligible for Bond Proceeds funding up to $277,704 in the future.

- Finance reclassified funding source for the following items from Redevelopment Property Tax Trust Fund (RPTTF) to Reserve Balances to accurately reflect the use of bond reserves approved during the January 1, 2016 through June 30, 2016 period (ROPS 15-16B) to fund debt service payments during the July 1, 2016 through December 31, 2016 period (ROPS A period):

- Item No. 19 – Principal payments for the 2000 and 2006 TABs in the amount of $70,000
- Item No. 23 – 2014 Refunding TABs (Principal Only) in the amount of $1,010,000

- Finance increased requested RPTTF by a total of $20,000 for the following items:
  - Item No. 19 – Finance is approving the Agency's request to increase RPTTF funding requested from $70,000 to $75,000, an increase of $5,000 for the January 1, 2016 through June 30, 2016 period (ROPS B period).
  - Item No. 23 – Finance is approving the Agency's request to increase RPTTF funding requested from $1,010,000 to $1,025,000, an increase of $15,000 for the ROPS B period.

Except for the items denied in whole or in part or the items that have been adjusted, Finance is not objecting to the remaining items listed on your ROPS 16-17.

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Finance performs a review of the Agency's self-reported cash balances on an ongoing basis. Be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved enforceable obligations, HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF.

The Agency's maximum approved RPTTF distribution for the reporting period is $2,531,580 as summarized in the Approved RPTTF Distribution Table on Page 5 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied

on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (l). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, Satveer Ark, Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Mr. Eduardo Gutierrez, Acting Finance Director, City of Calexico
Ms. Ann McDonald, Property Tax Manager, Imperial County

Attachment

Approved RPTTF Distribution For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	$ 1,859,118	$ 1,826,887	$ 3,686,005
Requested Administrative RPTTF	0	35,575	35,575
Total RPTTF requested for obligations on ROPS 16-17	1,859,118	1,862,462	$ 3,721,580
Adjustment to Agency Requested RPTTF			
Item No. 19	0	5,000	5,000
Item No. 23	0	15,000	15,000
Total RPTTF adjustments	0	20,000	$ 20,000
Total RPTTF requested	1,859,118	1,846,887	3,706,005
Reclassified Items			
Item No. 19	(70,000)	0	(70,000)
Item No. 21	(130,000)	0	(130,000)
Item No. 23	(1,010,000)	0	(1,010,000)
	(1,210,000)	0	(1,210,000)
Total RPTTF authorized	649,118	1,846,887	$ 2,496,005
Total Administrative RPTTF authorized	0	35,575	$ 35,575
Total RPTTF approved for distribution	649,118	1,882,462	$ 2,531,580

EXHIBIT "D"

AUGUST 9, 2016 E-MAIL MESSAGE
TO THE
SUCCESSOR AGENCY
FROM THE
CALIFORNIA DEPARTMENT OF FINANCE

(See Attachment)

From: Rios, Mathew [mailto:Mathew.Rios@dof.ca.gov]
Sent: Tuesday, August 09, 2016 8:37 AM
To: Armando Villa <agvilla@calexico.ca.gov>
Cc: Eduardo Gutierrez <egutierrez@calexico.ca.gov>; Stacy, Zachary <Zachary.Stacy@dof.ca.gov>; Lor, Cindie <Cindie.Lor@dof.ca.gov>
Subject: Calexico ROPS 16-17 Request for Reconsideration

Dear Mr. Villa,

We are in receipt of your letter dated July 26, 2016 for Request for Reconsideration of the Calexico High Swimming Pool Project—Calexico ROPS 16-17. It is our understanding this request is in response to the Department of Finance (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 14, 2016, regarding to item No. 27.

Item no. 27 has been reviewed on multiple occasions and most recently during a Meet and Confer session in response to the April 14, 2016 determination letter. However, on May 17, 2016, Finance issued its ROPS 16-17 Meet and Confer determination letter and upheld its decision that the Agency may only expend $71,864 of proceeds derived from their 2011 Tax Allocation Bonds. We have considered the arguments made in your July 26, 2016 letter and unfortunately our previous determinations related to the 2011 bond proceeds remain unchanged.

Please refer to the ROPS 16-17 determination letter dated May 17, 2016 for details of our determination. Should the Agency get an approved Last and Final ROPS, they will be eligible to expend more of their 2011 Tax Allocation Bond proceeds.

Thank you,

Mathew Rios
Office of State Audits and Evaluations | California Department of Finance | ☎ 916 445-1546 ext 3733 | 915 L Street - 10th floor, Sacramento, CA 95814

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EXHIBIT "E"

SUCCESSOR AGENCY
TO THE
CALEXICO COMMUNITY REDEVELOPMENT AGENCY

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 B
(JANUARY THROUGH JUNE 2017)

(See Attachment)

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

Filed for the January 1, 2017 through June 30, 2017 Period

Successor Agency: **Calexico**

County: Imperial

	Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 16-17B Authorized Amounts	ROPS 16-17B Requested Adjustments	ROPS 16-17B Amended Total
A	**Enforceable Obligations Funded as Follows (B+C+D):**	**$ 186,355**	**$ 178,590**	**$ 364,945**
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	186,355	178,590	364,945
E	**Redevelopment Property Tax Trust Fund (RPTTF) (F+G):**	**$ 1,882,462**	**$ -**	**$ 1,882,462**
F	RPTTF	1,846,887	-	1,846,887
G	Administrative RPTTF	35,575	-	35,575
H	**Current Period Enforceable Obligations (A+E):**	**$ 2,068,817**	**$ 178,590**	**$ 2,247,407**

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

Calexico Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - ROPS Detail

January 1, 2017 through June 30, 2017

(Report Amounts in Whole Dollars)

			AUTHORIZED AMOUNTS						REQUESTED ADJUSTMENTS						
			Fund Sources						Fund Sources						
ligation	Obligation Type	Total Outstanding Balance	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	
		$ 58,412,819	$ -	$ -	$ 186,355	$ 1,846,887	$ 35,575	$ 2,068,817	$ -	$ -	$ 178,590	$ -	$ -	$ 178,590	
	Bonds Issued On or Before	$ 190,532	-	-	-	15,857		$ 15,857						$ -	
	Bonds Issued On or Before 12/31/10	$ 4,697,286	-	-	-	205,780		$ 205,780						$ -	
	Bonds Issued After 12/31/10	$ 7,948,175	-	-	-	258,100		$ 258,100						$ -	
	Bonds Issued After 12/31/10	$ 3,441,630	-	-	59,530	-		$ 59,530			178,590			$ 178,590	Represer payments requested CAC direc
	Fees	$ 148,650	-	-	-	-		$ -						$ -	CUSD's p paments a This proc
	Fees	$ 17,850	-	-	-	-		$ -						$ -	
	Fees	$ 190,150	-	-	-	-		$ -						$ -	
	Admin Costs	$ 6,875,000	-	-	89,425	-		$ 89,425						$ -	
e 2000 TABs and	Reserves	$ 6,360,000	-	-	-	75,000		$ 75,000						$ -	
	Bond Funded Project – Pre-2011	$ 2,784,958	-	-	-	-		$ -						$ -	
ly)(Successor	Refunding Bonds Issued After 6/27/12	$ 3,359,050	-	-	-	262,150		$ 262,150						$ -	
eduction	Refunding Bonds Issued After 6/27/12	$ 11,260,000	-	-	-	1,025,000		$ 1,025,000						$ -	
rest Only)	Refunding Bonds Issued After 6/27/12	$ 533,725	-	-	37,400	-		$ 37,400						$ -	
cipal Reduction	Refunding Bonds Issued After 6/27/12	$ 1,720,000	-	-	-	-		$ -						$ -	
nly)	Bonds Issued After 12/31/10	$ 7,120,000	-	-	-	-		$ -						$ -	
	Bond Funded Project – 2011	$ 1,446,592	-	-	-	-		$ -						$ -	
	Property Dispositions	$ 10,000	-	-	-	5,000		$ 5,000						$ -	
ded from 2011	Bond Funded Project – 2011	$ 309,221	$ -	$ -	$ -										
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