

SUBJECT: Approval and Ratification of the Amended July-December 2012 Recognized Obligation Payment Schedule and Adoption of a Second Amended July-December 2012 Recognized Obligation Payment Schedule for July-December 2012

DEPARTMENT: Administrative Services

MEETING DATE: June 14, 2012

SUBMITTED BY: Successor Agency

RECOMMENDATION: It is recommended that the Oversight Board:

1. Adopt the attached resolution approving and ratifying the Amended Recognized Obligation Payment Schedule for the period of July 1 through December 31, 2012;
2. Adopt the attached resolution approving the Second Amended Recognized Obligation Payment Schedule for the period of July 1 through December 31, 2012.

BACKGROUND:

As of February 1, 2012, all redevelopment agencies throughout the State were required to dissolve as a result of the passage of ABX1-26 and the subsequent ruling by the California Supreme Court. The Supreme Court ruling modified many of the deadlines contained in ABX1-26 by extending by four months, with few exceptions, almost all deadlines contained in the earlier legislation that were to occur prior to May 1. This has created confusion and conflict in that Successor Agencies of dissolved agencies had to prepare Recognized Obligation Payment Schedules ("ROPS") that were required to be certified by County Auditor-Controllers for the period of January through June 2012 and submit those documents to Oversight Boards as well as the State Department of Finance, the State Controller's Office and the respective County Auditor-Controllers no later than April 15, 2012 and a second ROPS, for the six-month period covering July through December 2012 no later than May 11th, while the corresponding requirement that an Auditor-Controller's certification for the January-June period was not required to be completed until July 1, 2012.

ROPS are required to be prepared by Successor Agencies and approved by Oversight Boards for prospective six-month periods and are the budgetary documents upon which Auditor-Controllers distribute what was formally called tax increment to Successor Agencies in order to allow them to pay approved enforceable obligations and administrative costs. Any monies not required to make payments on these enforceable obligations during the six month period are then retained by the Auditor-Controllers and are distributed to taxing entities as property taxes. In short, the Auditor-Controller deposits into what is now called the Redevelopment Property Tax Trust Fund those dollars that previously would have been distributed to redevelopment agencies as tax increment and then distribute to each

Successor Agency only that amount absolutely necessary to meet enforceable obligations each six-month period, with any remaining dollars then being distributed to taxing entities as property tax. In this case, the Amended January – June 2012 ROPS was prepared primarily as back-up documentation of how the December/January distribution of what was then tax-increment was spent, but the July – December 2012 ROPS governs how much Successor Agencies will receive in the June 1st distribution from Auditor-Controllers.

In our case, the Riverside County Auditor-Controller only recently commenced the required audit, so we were in the position of having had to prepare and submit not only the January-June 2012 ROPS to the Oversight Board and other agencies but also the July – December 2012 ROPS without the benefit of certification. Furthermore, in order to expedite the June 1 distribution process for the Auditor-Controller, a request was made that this ROPS be submitted even earlier than the mandated date and without the benefit of a projected available revenue estimate (i.e. what the Successor Agency would have been eligible to receive as tax increment if the redevelopment agency had not been dissolved) from the Auditor-Controller, which was supposed to be available no later than May 1. In short, we were shooting in the dark.

Prior Oversight Board Actions:

The Oversight Board approved both an initial January – June 2012 ROPS and an Amended January – June 2012 ROPS contingent upon certification from the Auditor-Controller. These documents were submitted to the State Department of Finance who has rejected the original ROPS finding that the majority of the items included, with the exception of bond payments, did not appear to be enforceable obligations. This denial was based on the legal requirement that the Department of Finance respond to Oversight Board actions within 3 business days if they desire additional information on an action, and then within 10 calendar days thereafter if they desire the Oversight Board to reconsider an action. The Department of Finance (“DOF”) issued this letter without benefit of any documentation of the items contained on the ROPS since the certification process had not been commenced. The denial provided the opportunity for the Successor Agency to submit further documentation if it believed that DOF had erroneously reached its conclusion. As such, since then, staff has been in the continual communication with DOF analysts and continues to provide requested documentation. As of the date of this staff report, staff has not received any further clarification from DOF as to which of the denied obligations DOF may have reconsidered. To date, we have had no further communication from DOF in specific response to the documents submitted, nor have we received the results of the Auditor-Controller’s certification audit.

July-December 2012 ROPS

As such, the July – December 2012 ROPS continues to include all enforceable obligations that were identified in the January – June 2012 ROPS (both the original and the Amended January-June 2012 ROPS). The July-December 2012 ROPS (hereinafter referred to as the July ROPS) that was approved by the Oversight Board on April 26, 2012 identified the

need for \$19,184,363 of monies to cover obligations during this time period, of which \$14,715,129 were anticipated to be paid from the June 1 distribution from the Auditor-Controller of what is now called the Redevelopment Property Tax Trust Fund ("RPTTF" - formally tax increment). The balance of funding was to come from bond proceeds, reserve cash or rental income.

Staff was notified the week of May 14th that the Successor Agency would only be eligible to receive a total distribution of \$7,840,964 from the RPTTF for both enforceable obligations and its 3% administrative cost allowance and that the submitted ROPS had to balance to this number. The \$7,840,964 amount is equal to 50% of the total tax increment that would have been allocated to the redevelopment agency, had it not been dissolved, net of all pass-through payments and County administrative fees, during the 2012-2013 fiscal year.¹ As such, the result was the July ROPS could only identify obligations totaling \$7,605,735 for enforceable obligations and \$235,229 in administrative costs that were to be funded from the RPTTF. In order to achieve this, the anticipated funding source for many enforceable obligations had to be transferred from the RPTTF to bond proceeds or reserves for debt service (identified as "Other" on the ROPS).

In a follow-up conversation with our DOF Lead Analyst, staff was directed to prepare an amended July-December ROPS and immediately submit it for DOF to change the source of funding for those obligations contained on the July ROPS and to reduce the administrative allowance. If staff had not done so, DOF had indicated the Successor Agency would not be eligible to receive any distribution from the RPPTF on June 1st, thus jeopardizing the Successor Agency's ability to pay existing enforceable obligations including bond payments. Additionally, given the June 1st deadline for the RPTTF distribution, staff was also informed that DOF was only going to opine on those enforceable obligations included on the ROPS that were to be funded from the RPTTF, since DOF had not yet had the opportunity to adequately review the documentation that had been submitted on all the enforceable obligations. As such, staff submitted an Amended Recognized Obligation Payment Schedule to the Department of Finance and the Auditor Controller on May 16, 2012 (Exhibit "A" to the attached resolution). This ROPS **was approved** by the Department of Finance and the Oversight Board is being requested to ratify and approve this Amended ROPS.

Staff was then informed on May 30, 2012 by the Auditor-Controller that the Auditor-Controller had further reduced its revenue estimate and that the Successor Agency would only be able to receive a total net distribution of \$7,632,300 from the RPTTF. The Auditor-Controller indicated that without submittal of a ROPS that balanced to that amount, the Auditor-Controller would be unable to make any distribution to the Successor Agency on June 1. Staff then had to immediately prepare a Second Amended July through December 2012 ROPS identifying \$7,410,000 in enforceable obligations being paid from the RPTTF and a \$222,300 administrative allowance (Exhibit "B" to the attached resolution). This was achieved by shifting more funding for enforceable obligations from the RPTTF to debt service reserves ("Other"). Staff has communicated these actions to the Department of Finance and is now requesting Oversight Board approval of the Second Amended July

¹ This amount also excludes supplemental tax payments, which means that the Successor Agency should be eligible to receive a slightly higher distribution from the RPTTF during the January – June 2013 ROPS cycle.

through December 2012 Recognized Obligation Payment Schedule. If approved, this Second Amended ROPS will be forwarded to the State Department of Finance and the State Controller's Office as well as to the Riverside Auditor-Controller.

In the future, it will be important to note that Successor Agency bond payments are not equal in that principal and interest payments become due during the July-December ROPS cycle and interest only payments are required during the January – June ROPS cycle. Current bond payments and fiscal agent fees required during the July ROPS cycle exceed \$10.1 million while these same payments during the January – June 2013 cycle will be less than \$5 million. DOF has acknowledged this issue and has indicated a willingness to work with the Successor Agency and Oversight Board to include a Reserved for Future Debt Payments enforceable obligation on January – June ROPS cycles beginning in 2013 to be funded from the RPTTF so that those dollars can be combined with distributions from the RPTTF received in July-December ROPS cycles in order to have adequate funding available to make both principal and interest bond payments.

ATTACHMENTS: Resolutions

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY APPROVING AN AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD COMMENCING JULY 1, 2012 THROUGH DECEMBER 31, 2012, AS REQUIRED BY HEALTH & SAFETY CODE SECTION 34177(I)(1)

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

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

WHEREAS, in accord with AB 26, the City Council took official action electing to become both the Agency's successor agency ("**Successor Agency**") and its successor for housing functions in accord with CRL Sections 34173 and 24176; and

WHEREAS, in pursuant to Section 34177(I)(1) the Successor Agency is required to prepare "**Recognized Obligation Payment Schedules**" (each such Schedule a "**ROPS**") that must be submitted to the Auditor Controller, the State Department of Finance and the State Controller's Office; and

WHEREAS, each ROPS must identify, on a prospective, six-month basis, the funds required by the Successor Agency to satisfy the Agency's enforceable obligations and to pay administrative expenses; and

WHEREAS, on April 26, 2012, the Oversight Board adopted Resolution No. OB-2012-03 approving a ROPS for the period commencing July 1, 2012 through December 31, 2012, (the "**Original July – December 2012 ROPS**"); and

WHEREAS, at the direction of the State Department of Finance (the "**DOF**") and the Riverside County Auditor-Controller's Office it was determined that it is necessary to amend the Original July – December 2012 ROPS; and

WHEREAS, an Amended July 1, 2012 through December 31, 2012 ROPS (the "**Amended July -December 2012 ROPS**") was prepared in accordance with the requirements of CRL Section 34177 and, due to time constraints and at the request of DOF was submitted to DOF without first being considered by the Oversight Board; and

WHEREAS, the DOF approved those items included on the Amended July – December 2012 ROPS to be funded from the Redevelopment Property Tax Trust Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD AS THE GOVERNING BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:

Section 1. Successor Agency Staff recommends Oversight Board approval and ratification of the Amended July-December 2012 ROPS as approved by the State Department of Finance.

Section 2. The Successor Agency has prepared an administrative budget for the approval of the Oversight Board in accordance with CRL Section 34177(j) and said administrative budget is equal to three percent of the property tax actually allocated by the Riverside County Auditor Controller to the Successor Agency's Redevelopment Obligation Retirement Fund for the 2012-13 fiscal year and allocated appropriately between each ROPS prepared for the 2012-13 fiscal year, excluding any administrative costs that can be paid from bond proceeds or from sources other than property tax

Section 3. The Oversight Board has received the Amended July – December 2012 ROPS and approves and ratifies the Amended July – December 2012 ROPS inclusive of said administrative budget, a copy of which is attached hereto as **Exhibit "A"**, and approves and ratifies all the underlying agreements.

Section 4. This Resolution will become effective in accord with CRL Section 34179(h).

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on June 14, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHAIR

APPROVED:

ATTEST:

City Manager of Successor Agency on
Behalf of the Oversight Board

Oversight Board Secretary

**AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE JULY 1, 2012 to DECEMBER 31, 2012 PERIOD**

5/16/2012

Name of Successor Agency City of Cathedral City as Successor Agency of the Cathedral City Redevelopment Agency

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 690,424,541.77	\$ 24,633,816.51
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 17,284,952.63	
Available Revenues other than anticipated funding from RPTTF	\$ 9,443,988.63	
Enforceable Obligations paid with RPTTF	\$ 7,605,735.00	
Administrative Cost paid with RPTTF	\$ 235,229.00	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or \$250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 235,229.00	

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

Name Title

Signature Date

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 05/18/2012
 Per AB 26 - Section 34177 (f)

Fiscal Year / Obligation	Contract Agreement / Obligation	Payee	Description	Project Area	Total Outstanding Debt at Obligation	Total Due During Fiscal Year 2012-2013	Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)						
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Total
1) 2000 TAB A	Bank of New York	Bank of New York	Fund non-housing projects	Merged	23,648,800.00	1,862,910.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,862,910.00
2) 2000 TAB A	Bank of New York	Bank of New York	Fund non-housing projects	Merged	31,482,315.20	1,488,900.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,488,900.00
3) 2004 TAB A	Wells Fargo Bank	Wells Fargo Bank	Fund non-housing projects	Merged	32,877,525.05	1,259,342.50	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,259,342.50
4) 2004 TAB B	Wells Fargo Bank	Wells Fargo Bank	Fund non-housing projects	Merged	13,356,041.12	469,908.87	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	469,908.87
5) 2005 TAB A	Wells Fargo Bank	Wells Fargo Bank	Fund non-housing projects	Merged	13,083,809.38	759,287.50	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	759,287.50
6) 2007 TAB A	Wells Fargo Bank	Wells Fargo Bank	Fund non-housing projects	Merged	59,829,825.00	1,248,930.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,248,930.00
7) 2007 TAB B	Wells Fargo Bank	Wells Fargo Bank	Fund non-housing projects	Merged	74,979,387.00	1,248,930.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,248,930.00
8) 2007 TAB C	Wells Fargo Bank	Wells Fargo Bank	Fund non-housing projects	Merged	50,774,109.37	2,139,893.75	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	2,139,893.75
9) 2008 TAB A	Bank of New York	Bank of New York	Fund housing projects	Merged	31,964,176.95	1,424,031.26	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,424,031.26
10) 2008 TAB B	Bank of New York	Bank of New York	Fund housing projects	Merged	22,416,774.75	1,028,828.75	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,028,828.75
11) 2009/2010 TABs	Bank of New York	Bank of New York	Fund special services	Merged	58,320.00	6,328.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	6,328.00
12) 2004/2005/2006 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	372,381.00	12,243.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	12,243.00
13) 2005/2006 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	280,104.00	3,183.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	3,183.00
14) 2007/2007 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	372,381.00	12,243.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	12,243.00
15) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	52,034.00	3,276.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	3,276.00
16) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
17) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
18) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
19) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
20) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
21) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
22) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
23) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
24) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
25) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
26) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
27) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
28) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
29) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
30) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
31) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00
32) 2008 TABs	Wells Fargo Bank	Wells Fargo Bank	Fund special services	Merged	2,975,136.00	173,406.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	173,406.00

Totals - This Page RPTTF Funding: \$ 7,254,500.00 \$ 18,038.00 \$ 18,038.00 \$ 20,913.00 \$ 20,206.00 \$ 22,588.20 \$ 7,825,715.20
 Totals - Page 2 (Other Funding): \$ 8,116,893.12 \$ 481,144.50 \$ 1,017,848.31 \$ 741,613.49 \$ 235,858.59 \$ 7,39,854.51 \$ 9,443,996.51
 Totals - Page 3 (Administrative Cost Allowance): \$ 39,294.11 \$ 39,294.17 \$ 39,294.17 \$ 39,294.17 \$ 39,294.17 \$ 39,294.17 \$ 235,229.82
 Grand total - All Pages: \$ 13,890,687.23 \$ 538,201.67 \$ 1,386,802.67 \$ 1,072,731.66 \$ 285,371.87 \$ 282,882.87 \$ 17,284,842.83

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/31/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agency prior to February 1, 2013.
 ** All totals due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency. For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2013.
 RPTTF - Redevelopment Property Tax Trust Fund
 LMRP - Low and Moderate Income Housing Fund
 Other - Reserves, Parks, Interest Earnings, etc
 Admin - Successor Agency Administrative Allowance

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 05/18/2012
 Per AB 28 - Section 34171 (7)

Project Name / Debt Collocation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Fiscal Year 2012-2013**	Funding Source ***	Payments from Other Revenue Sources					Total	
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012		Dec 2012
1) Asset Mgt - Community Center		Various	Supplies/maintenance/utilities	Merged	36,000.00	36,000.00	Other	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
2) Asset Mgt - MAX Building		Various	Supplies/maintenance/utilities	Merged	952,543.95	30,000.00	Other	2,550.00	2,550.00	2,550.00	2,550.00	2,550.00	2,550.00	15,300.00
3) Asset Mgt - Parking structure		Various	Supplies/maintenance/utilities	Merged	80,000.00	80,000.00	Other	6,667.00	6,667.00	6,667.00	6,667.00	6,667.00	6,667.00	40,000.00
4) 2004 TAB A		Wells Fargo Bank	Fund non-housing proceeds	Merged	181,818.13	181,818.13	Other	0.00	0.00	0.00	0.00	0.00	0.00	181,818.13
5) 2007 TAB B		Wells Fargo Bank	Fund non-housing proceeds	Merged	2,750,666.75	2,750,666.75	Other	0.00	0.00	0.00	0.00	0.00	0.00	2,750,666.75
6) Cornerway Partners		Cornerway Partners	Lease (Tranway)	Merged	1,000,000.00	1,000,000.00	Bonds	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	48,000.00
7) Cathedral City Auto Center		Riverside County	Lease (Tranway) - Property taxes	Merged	979,200.00	979,200.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	979,200.00
8) CC Downtown Foundation		CC Downtown Foundation	Annual operating grant	Merged	800,000.00	200,000.00	Bonds	33,333.33	33,333.33	33,333.33	33,333.33	33,333.33	33,333.33	200,000.00
9) Crestside CPA		Crestside CPA	Community facilities district fees	Merged	4,327,850.97	1,850,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,850,000.00
10) Heritage Park O&A		Cathedral City C.D.	Community facilities district fees	Merged	4,400,848.46	1,650,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,650,000.00
11) Date Palm Bridge @ Whitewater		Various	Vehicle repair from 4 to 6 bonds	Merged	540,000.00	4,200.00	Bonds	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	28,000.00
12) Ramon - El Dorado Palm		Various	Water and rehab Ramon Rd corridor	Merged	892,850.00	892,850.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	892,850.00
13) Ramon - W of Date Palm		Various	Rehabilitate Ramon Rd corridor	Merged	500,000.00	500,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	500,000.00
14) Ramon Bridge @ Whitewater		City of Palm Springs	Improve structural efficiency of bridge	Merged	500,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15) Cathedral City @ Whitewater		Various	Construct 4-lane bridge over low water canal	Merged	650,000.00	43,417.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	43,417.00
16) Whitewater 1st Turn - Ph I		Various	Construct 4-lane bridge over low water canal	Merged	45,000.00	45,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	45,000.00
17) Auto Center sign		Cathedral City Auto Center	Grant agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18) Habitat for Humanity		Various	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19) Concord Heights DOA		So Cal Housing Develop Corp	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20) Eagle Canyon Care		Various	Escrow/assess clean up	Merged	500,000.00	500,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	500,000.00
21) Eastside Downtown		Various	Rehabilitation benefits	Merged	25,000.00	25,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00
22) Southside		Various	Rehabilitation benefits	Merged	75,000.00	75,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	75,000.00
23) Cathedral City RDA v. Tri-Mountain		Tri-Mountain	Settlement agreement	Merged	100,000.00	100,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00
24) Cathedral City RDA v. Tri-Mountain		Tri-Mountain	On-going litigation	Merged	4,391,672.00	1,197,918.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,197,918.00
25) ERCA		Maricopa	Equipment lease	Merged	1,734,534.00	247,701.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	247,701.00
26) Shaw partnerships/Tranway, El Dorado turning		Various	Equipment lease	Merged	872,400.00	178,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	178,000.00
27) Mary Pickford Theatres		Midland Loan Services	Theatre lease guarantee	Merged	99,826.50	99,826.50	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	99,826.50
28) Palm Springs Motors		Palm Springs Motors	Owner participation agreement	Merged	30,000.00	30,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	30,000.00
29) Concordia Holdings, Inc.		Concordia Holdings, Inc.	Owner participation agreement	Merged	8,000.00	8,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00
30) Phoenix		Phoenix	Owner participation agreement	Merged	50,000.00	50,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00
31) MAM DOA		MAM Property Co	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32) MAM DOA		Van Surveys	Parcel map	Merged	20,000.00	20,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
33) MAM DOA		Various	Reservable charges	Merged	1,217.75	1,217.75	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,217.75
34) Eastside Downtown		Overland, Pacific & Culler	Reposition services	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35) Eastside Downtown		Three D Services	Demolition/abatement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36) Southside		Overland, Pacific & Culler	Reposition services	Merged	30,000.00	30,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	30,000.00
37) Cathedral City Fire Station		Three D Services	Demolition	Merged	14,500.00	14,500.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	14,500.00
38) Date Palm - PG Interchange		CHAS	Repossession/interchange to improve traffic	Merged	25,000.00	25,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00
39) Downtown Development		City Urban Revitalization Corp	Owner participation agreement	Merged	20,000.00	20,000.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
40) Project administration		City of Cathedral City	Project administration	Merged	1,035,477.30	113,700.00	Bonds	9,641.67	9,641.67	9,641.67	9,641.67	9,641.67	9,641.67	57,850.00
Totals - Bond Proceeds					\$ 43,167,485.16	\$ 7,793,900.73		\$ 468,931.36	\$ 1,025,432.51	\$ 725,397.49	\$ 223,641.50	\$ 218,641.51	\$ 85,419,231.73	
Totals - Other					\$ 3,950,187.85	\$ 3,096,084.88		\$ 12,217.00	\$ 12,217.00	\$ 12,216.96	\$ 12,217.00	\$ 12,217.00	\$ 83,526,744.94	
Grand total - This Page					\$ 47,117,673.01	\$ 10,889,985.61		\$ 481,148.36	\$ 1,037,649.51	\$ 737,614.45	\$ 235,858.50	\$ 230,858.51	\$ 88,445,976.67	

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 9/30/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agency upon Procedures Audit be completed before submitting the final ROPS to the State Controller and State Department of Finance.

** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012) (B) Non-monetary obligations; agreement stipulates certain parcels to be provided to developer.
 Bonds - Bond proceeds
 Other - reserves, rents, interest earnings, etc.
 RPTTF - Redevelopment Property Tax Trust Fund
 L&APP - Low and Moderate Income Housing Fund
 Admin - Successor Agency Administrative Allowance

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 08/16/2012
 Per AB 26 - Section 34177 (c)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source	Payable from the Administrative Allowance Allocation ****						Total	
							Payments by month							
							Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012		
1) Personal - salaries/benefits	Various	Personal - salaries/benefits	Merged	7,901,274.00	240,000.00	Admin	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	\$ 120,000.00
2) Materials and supplies	Various	Materials and supplies	Merged	91,267.00	3,000.00	Admin	250.00	250.00	250.00	250.00	250.00	250.00	250.00	\$ 1,500.00
3) Maintenance and ops	Various	Maintenance and ops	Merged	182,484.00	6,000.00	Admin	500.00	500.00	500.00	500.00	500.00	500.00	500.00	\$ 3,000.00
4) Utilities	Various	Utilities	Merged	182,484.00	6,000.00	Admin	500.00	500.00	500.00	500.00	500.00	500.00	500.00	\$ 3,000.00
5) Professional/technical services	Various	Professional/technical services	Merged	1,825,273.00	60,000.00	Admin	4,896.00	4,896.00	4,896.00	4,896.00	4,896.00	4,896.00	4,896.00	\$ 28,176.00
6) Legal Services	Various	Legal services	Merged	1,825,273.00	60,000.00	Admin	4,896.00	4,896.00	4,896.00	4,896.00	4,896.00	4,896.00	4,896.00	\$ 28,176.00
7) Asset and liability insurance	City of Calumet	Insurance costs related to RDA property	Merged	158,275.00	105,327.00	Admin	8,963.17	8,963.17	8,963.18	8,963.17	8,963.17	8,963.17	8,963.16	\$ 51,379.00
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Totals - This Page				\$ 11,667,360.00	\$ 489,327.00		\$ 39,204.17	\$ 39,205.17	\$ 39,205.16	\$ 39,205.17	\$ 39,205.17	\$ 39,204.16	\$ 39,204.16	\$ 235,229.00

The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund
 LMHF - Low and Moderate Income Housing Fund
 **** - Administrative Cost Allowance caps are 8% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

Other - reserves, rents, interest earnings, etc
 Bonds - Bond proceeds
 Admin - Successor Agency Administrative Allowance

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY APPROVING A SECOND AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD COMMENCING JULY 1, 2012 THROUGH DECEMBER 31, 2012, AS REQUIRED BY HEALTH & SAFETY CODE SECTION 34177(I)(1) AND ADOPTING AN ADMINISTRATIVE BUDGET

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

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

WHEREAS, in accord with AB 26, the City Council took official action electing to become both the Agency’s successor agency (“**Successor Agency**”) and its successor for housing functions in accord with CRL Sections 34173 and 24176; and

WHEREAS, in pursuant to Section 34177(I)(1) the Successor Agency is required to prepare “**Recognized Obligation Payment Schedules**” (each such Schedule a “**ROPS**”) that must be submitted to the Auditor Controller, the State Department of Finance and the State Controller’s Office; and

WHEREAS, each ROPS must identify, on a prospective, six-month basis, the funds required by the Successor Agency to satisfy the Agency’s enforceable obligations and to pay administrative expenses; and

WHEREAS, on April 26, 2012, the Oversight Board adopted Resolution No. OB-2012-03 approving a ROPS for the period commencing July 1, 2012 through December 31, 2012; and

WHEREAS, on June 14, 2012, the Oversight Board adopted Resolution No. _____ approving and ratifying an Amended ROPS for the period commencing July 1, 2012 through December 31, 2012), and

WHEREAS, it has become necessary to prepare a Second Amended ROPS for the period commencing July 1, 2012 through December 31, 2012 (the “**Second Amended July – December 2012 ROPS**”), and

WHEREAS, the Second Amended July – December 2012 ROPS was prepared in accordance with the requirements of CRL Section 34177 and other applicable law and is attached hereto as Exhibit “A”.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD AS THE GOVERNING BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:

Section I. The Successor Agency recommended Oversight Board approval of the Second Amended July-December 2012 ROPS.

Section 2. The Successor Agency recognized the Second Amended July-December 2012 ROPS serves as the budget document for the Successor Agency during the designated operative period and appropriated funds as identified.

Section 3. The Successor Agency is required to submit the Second Amended July – December 2012 ROPS to the Oversight Board for approval.

Section 4. The Successor Agency has prepared an administrative budget for the approval of the Oversight Board in accordance with CRL Section 34177(j) and said administrative budget is equal to three percent of the property tax actually allocated by the Riverside County Auditor Controller to the Successor Agency’s Redevelopment Obligation Retirement Fund for the 2012-13 fiscal year and allocated appropriately between each ROPS prepared for the 2012-13 fiscal year, excluding any administrative costs that can be paid from bond proceeds or from sources other than property tax

Section 5. The Oversight Board has received the Second Amended July – December 2012 ROPS and approves the July – December 2012 ROPS inclusive of said administrative budget, a copy of which is incorporated herein as **Exhibit “A,”** and all the underlying agreements.

Section 6. The Oversight Board directs the City Manager to cause the transmission of the Second Amended July – December 2012 ROPS to the Riverside County Auditor-Controller, the State Controller’s Office, and the State Department of Finance, or alternatively to provide notice to those entities together with the address of the City’s website and the posting of the Second Amended ROPS to the City’s website.

Section 7. This Resolution will become effective in accord with CRL Section 34179(h).

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on June 14, 2012 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CHAIR

APPROVED:

ATTEST:

City Manager of Successor Agency on
Behalf of the Oversight Board

Oversight Board Secretary

**2nd AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE JULY 1, 2012 to DECEMBER 31, 2012 PERIOD**

5/31/2012

Name of Successor Agency City of Cathedral City as Successor Agency of the Cathedral City Redevelopment Agency

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 690,424,541.77	\$ 24,633,816.51
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 17,272,023.63	
Available Revenues other than anticipated funding from RPTTF	\$ 9,639,723.63	
Enforceable Obligations paid with RPTTF	\$ 7,410,000.00	
Administrative Cost paid with RPTTF	\$ 222,300.00	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or \$250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 228,969.00	

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

Name Title

Signature Date

2nd AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 08/31/2012

Per AB 26 - Section 34177 (1)

Project Name / Debt Obligation	Contract/Agreement Location Date	Payee	Description	Project Area	Fiscal Year	Fiscal Due During Fiscal Year 2012-2013	Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)					Total	
								Jan 2012	Apr 2012	Jul 2012	Oct 2012	Nov 2012		Dec 2012
1) 2000 TAB A		Bank of New York	Fund non-housing projects	Merged	2012	1,000,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00
2) 2002 TAB A		Bank of New York	Fund non-housing projects	Merged	2012	1,400,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,400,000.00
3) 2004 TAB A		Wells Fargo Bank	Fund non-housing projects	Merged	2012	1,200,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,200,000.00
4) 2004 TAB B		Wells Fargo Bank	Fund non-housing projects	Merged	2012	5,450,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	5,450,000.00
5) 2005 TAB A		Wells Fargo Bank	Fund non-housing projects	Merged	2012	1,300,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,300,000.00
6) 2007 TAB B		Wells Fargo Bank	Fund non-housing projects	Merged	2012	1,200,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,200,000.00
7) 2007 TAB C		Wells Fargo Bank	Fund non-housing projects	Merged	2012	1,200,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,200,000.00
8) 2007 TAB D		Wells Fargo Bank	Fund non-housing projects	Merged	2012	1,200,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,200,000.00
9) 2002 TAB E		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
10) 2002 TAB F		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
11) 2002 TAB G		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
12) 2004/2005/2007 TABs		Bank of New York	Fund non-housing projects	Merged	2012	6,500,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	6,500,000.00
13) 2002 TAB D/E		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
14) 2002 TAB D/E		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
15) 2002 TAB D/E		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
16) 2002 TAB D/E		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
17) 2002 TAB D/E		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
18) 2002 TAB D/E		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
19) 2002 TAB D/E		Bank of New York	Fund non-housing projects	Merged	2012	1,441,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	1,441,000.00
20) CC Development Foundation		CC Development Foundation	Annual operating grant	Merged	2012	5,000,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00
21) State Farm Center		State Farm Center	Lease and improvement agreement	Merged	2012	2,000,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
22) Business Development		City of Catalina	Business development	Merged	2012	2,000,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
23) Downtown Development		City of Catalina	Business development	Merged	2012	2,000,000.00	RPTTF	0.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
24) ADP AP		Revenue Contingency	Assessment/General Fee Assessor Program	Merged	2012	144,000.00	RPTTF	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	72,000.00
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 (ah) CURC DCA is a subset of the OPA. Monies received under the OPA will be disbursed under the DCA.
 (ai) CURC DCA is a subset of the OPA. Monies received under the OPA will be disbursed under the DCA.
 (aj) CURC DCA is a subset of the OPA. Monies received under the OPA will be disbursed under the DCA.
 (ak) CURC DCA is a subset of the OPA. Monies received under the OPA will be disbursed under the DCA

2nd AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 06/31/2012
 Per AB 28 - Section 34177(f)

Project Name / Description	Contract Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt at Classification	Total Due During Fiscal Year 2012-2013**	Funding Source ***	Payments by month						Total
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	
1) Alameda Community Center		Alameda	Supplemental materials	Merged	36,920.00	3,000.00	Other	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
2) Alameda MAX Building		Alameda	Supplemental materials	Merged	982,643.00	2,550.00	Other	2,550.00	2,550.00	2,550.00	2,550.00	2,550.00	2,550.00	15,300.00
3) Alameda Parking Structure		Alameda	Supplemental materials	Merged	80,000.00	6,667.00	Other	6,667.00	6,667.00	6,667.00	6,667.00	6,667.00	6,667.00	40,000.00
4) 2004 TAB B		Wells Fargo Bank	Fund non-housing projects	Merged	377,933.13	0.00	Other	0.00	0.00	0.00	0.00	0.00	0.00	377,933.13
5) 2007 TAB B		Wells Fargo Bank	Fund non-housing projects	Merged	2,700,456.75	2,700,456.75	Other	2,700,456.75	2,700,456.75	2,700,456.75	2,700,456.75	2,700,456.75	2,700,456.75	2,700,456.75
6) Cathedral Park		Cathedral Park	Land lease (Cathedral Park)	Merged	1,357,403.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,357,403.00
7) Cathedral City Area Center		City of Cathedral City	Land lease (Cathedral Park)	Merged	9,820.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	9,820.00
8) Cathedral City Downtown Foundation		City of Cathedral City	Annual operating grant	Merged	33,333.33	33,333.33	Bonds	33,333.33	33,333.33	33,333.33	33,333.33	33,333.33	33,333.33	33,333.33
9) Cathedral City		Cathedral City	Community facilities assisted fees	Merged	1,650,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,650,000.00
10) Heritage Park OPA		Cathedral City	Community facilities assisted fees	Merged	1,650,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,650,000.00
11) Casa Palm Bldg @ Wholesale		Cathedral City	Community facilities assisted fees	Merged	4,200.00	4,200.00	Bonds	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00
12) Ramon W of Casa Palm		Cathedral City	Community facilities assisted fees	Merged	991,301.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	991,301.00
13) Ramon W of Casa Palm		Cathedral City	Community facilities assisted fees	Merged	50,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00
14) Ramon Bldg @ Wholesale		Cathedral City	Community facilities assisted fees	Merged	650,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	650,000.00
15) Cathedral City @ Wholesale		Cathedral City	Community facilities assisted fees	Merged	850,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	850,000.00
16) Wholesale Bldg, Tab B		Cathedral City	Community facilities assisted fees	Merged	43,000.00	43,000.00	Bonds	43,000.00	43,000.00	43,000.00	43,000.00	43,000.00	43,000.00	43,000.00
17) Auto Center Upgrade		Cathedral City	Grant agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18) Habitat for Humanity		Cathedral City	Knowledge disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19) Carson Heights DOA		Cathedral City	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20) Eagle Canyon Bldg		Cathedral City	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21) Estrella Downtown		Cathedral City	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22) Southside		Cathedral City	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23) Cathedral City RDA, Tr. Mission		Cathedral City	Developer disposition agreement	Merged	25,000.00	25,000.00	Bonds	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
24) Cathedral City RDA, Tr. Mission		Cathedral City	Developer disposition agreement	Merged	75,000.00	75,000.00	Bonds	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00
25) EMCA		Cathedral City	Developer disposition agreement	Merged	100,000.00	100,000.00	Bonds	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
26) Solar panel/photovoltaic LED window lining		Cathedral City	Developer disposition agreement	Merged	1,734,334.00	247,751.00	Bonds	247,751.00	247,751.00	247,751.00	247,751.00	247,751.00	247,751.00	247,751.00
27) Mary Rocked Trends		Cathedral City	Developer disposition agreement	Merged	872,450.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	872,450.00
28) Palm Springs Motors		Cathedral City	Developer disposition agreement	Merged	1,197,918.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,197,918.00
29) Granada Heights, Inc.		Cathedral City	Developer disposition agreement	Merged	1,197,918.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	1,197,918.00
30) Primoso		Cathedral City	Developer disposition agreement	Merged	875,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	875,000.00
31) MAM OGA		Cathedral City	Developer disposition agreement	Merged	500,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	500,000.00
32) MAM OGA		Cathedral City	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33) MAM OGA		Cathedral City	Developer disposition agreement	Merged	20,000.00	20,000.00	Bonds	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
34) Estrella Downtown		Cathedral City	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35) Estrella Downtown		Cathedral City	Developer disposition agreement	Merged	1,217.75	1,217.75	Bonds	1,217.75	1,217.75	1,217.75	1,217.75	1,217.75	1,217.75	1,217.75
36) Southside		Cathedral City	Developer disposition agreement	Merged	0.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37) Cathedral City fire station		Cathedral City	Developer disposition agreement	Merged	30,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	30,000.00
38) Data Point-10 Interchange		Cathedral City	Developer disposition agreement	Merged	14,500.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	14,500.00
39) Downtown Development		Cathedral City	Developer disposition agreement	Merged	250,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	250,000.00
40) Project administration		Cathedral City	Developer disposition agreement	Merged	20,000.00	0.00	Bonds	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
Totals LMA#F				Merged	1,035,477.00	115,700.00	Bonds	3,641.67	3,641.67	3,641.67	3,641.67	3,641.67	3,641.67	57,856.00
Totals - Bond Proceeds				Merged	3,461,127.45	3,783,999.75	Bonds	3,783,999.75	3,783,999.75	3,783,999.75	3,783,999.75	3,783,999.75	3,783,999.75	3,783,999.75
Totals - Other				Merged	3,159,438.88	12,217.00	Other	12,217.00	12,217.00	12,217.00	12,217.00	12,217.00	12,217.00	12,217.00
Grand Total - This Page				Merged	6,620,609.13	3,800,216.75	Bonds	3,800,216.75	3,800,216.75	3,800,216.75	3,800,216.75	3,800,216.75	3,800,216.75	3,800,216.75

* The Preliminary Draft Recognized Obligation Payment Schedule (RCOPS) is to be completed by 5/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final RCOPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agency prior to February 1, 2012 (b) Non-monetary obligations agreements stipulates certain periods to be provided to developer.
 ** All total due during fiscal year and payment amounts are approximate.
 *** Funding sources from the successor agency. For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012 (b) Non-monetary obligations agreements stipulates certain periods to be provided to developer.
 **** Bond proceeds to full legal obligations of tax allocation bond covenants 2007 TAB A - xxxxxxxx
 ***** Low and Moderate Income Housing Fund
 Agency - Successor Agency Administrative Allowance

2nd AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 05/31/2012
 Per AB 28 - Section 34177 (*)

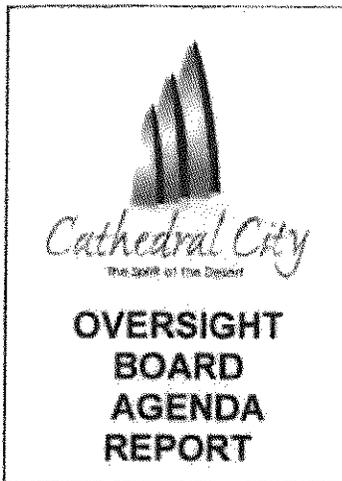
Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source**	Payable from the Administrative Allowance Allocation ***						Total
							Payments by month						
							Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	
1) Personnel - salaries/benefits	Various	Personnel - salaries/benefits	Merged	7,301,274.00	240,000.00	Admin	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	\$ 120,000.00
2) Materials and supplies	Various	Materials and supplies	Merged	91,267.00	3,000.00	Admin	250.00	250.00	250.00	250.00	250.00	250.00	\$ 1,500.00
3) Maintenance and ops	Various	Maintenance and ops	Merged	182,484.00	8,000.00	Admin	500.00	500.00	500.00	500.00	500.00	500.00	\$ 3,000.00
4) Utilities	Various	Utilities	Merged	182,484.00	8,000.00	Admin	500.00	500.00	500.00	500.00	500.00	500.00	\$ 3,000.00
5) Professional/technical services	Various	Professional/technical services	Merged	1,825,273.00	60,000.00	Admin	3,618.00	3,618.00	3,618.00	3,618.00	3,618.00	3,618.00	\$ 21,710.00
6) Legal Services	Various	Legal services	Merged	1,825,273.00	60,000.00	Admin	3,618.00	3,618.00	3,618.00	3,618.00	3,618.00	3,618.00	\$ 21,710.00
7) Asset and liability insurance	City of Cathedral City	Insurance costs related to RDA property	Merged	169,275.00	105,327.00	Admin	8,563.17	8,563.17	8,563.17	8,563.17	8,563.17	8,563.17	\$ 51,379.00
8)													\$ -
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Totals - This Page							\$ 11,567,350.00	\$ 37,050.17	\$ 37,049.17	\$ 37,051.15	\$ 37,049.17	\$ 37,051.15	\$ 222,200.00

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPPTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPPTF - Redevelopment Property Tax Trust Fund
 LMIHF - Low and Moderate Income Housing Fund
 *** Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass-through payments paid for with RPPTF in Form D.

Other - reserves, rents, interest earnings, etc
 Admin - Successor Agency Administrative Allowance
 Bonds - Bond proceeds



SUBJECT: Authorization that Transfer of Land to M&M Property Company LLC is Implementation Measure under an Enforceable Obligation

DEPARTMENT: Administrative Services

MEETING DATE: June 14, 2012

SUBMITTED BY: Successor Agency

RECOMMENDATION: It is recommended that the Oversight Board adopt the attached resolution finding that the transfer of real property to M&M Property Company LLC is in furtherance of an enforceable obligation pursuant to a pre-existing Disposition and Development Agreement.

BACKGROUND:

As of February 1, 2012, all redevelopment agencies throughout the State were required to dissolve as a result of the passage of ABX1-26 and the subsequent ruling by the California Supreme Court. As part of the dissolution process, dissolving redevelopment agencies and then successor agencies of dissolved redevelopment agencies were to prepare Enforceable Obligation Payment Schedules and then Recognized Obligation Payment Schedules which identified all existing enforceable obligations of the dissolved redevelopment agencies to include, among other things, disposition and development agreements. In our case, the City of Cathedral City elected to serve as the Successor Agency to the former Redevelopment Agency of the City of Cathedral City. All Enforceable Obligation Schedules and all required Recognized Obligation Payment Schedules which have been prepared in a timely fashion and submitted as required to the County Auditor-Controller as well as the State Department of Finance and the State Controller's Office.

The former Cathedral City Redevelopment Agency (Redevelopment Agency) entered into a Disposition and Development Agreement ("DDA") with M&M Property Company LLC (the "Developer") on June 22, 2011 wherein the Agency was required to transfer title to approximately 3.9 acres of land acquired by the Redevelopment Agency with approximately 320 feet of frontage on East Palm Canyon located westerly of Perez Road for development of an approximate 20,000 square foot automotive showroom and site improvements necessary to accommodate an automotive dealership tenant. This property is located adjacent to the Cathedral City Auto Mall and also falls within the 100 year flood plain. Pursuant to the DDA, provided the Developer has complied with specified conditions, escrow is to close on or before June 30, 2012. The Developer has fulfilled the required conditions. Additionally, under the terms of this DDA, the Redevelopment Agency also granted the Developer an option to acquire a second

parcel, consisting of approximately 2.76 acres, immediately southerly of the 3.09 acre site, for development of a second automotive showroom shell or Redevelopment Agency approved auto related use. The option period on this second parcel is for two years commencing from the date of completion of the showroom on the 3.09 acre site.¹ The specific location of both parcels is depicted on Exhibit "A" of the attached resolution.

It should be noted that while the State Department of Finance requested additional information on most of the enforceable obligations listed on the submitted Recognized Obligation Payment Schedules, the M & M Property Disposition and Development Agreement was not questioned. As such, the assumption has been made that DOF recognizes this Disposition and Development Agreement as an enforceable obligation.

Unfortunately, title insurance companies are now reluctant to provide title insurance on any properties involving a transfer from a former redevelopment agency without specific Oversight Board approval. As such, staff is requesting that the Oversight Board adopt a resolution finding that the transfer of the 3.09 acres to M&M Property Company LLC is an implementation action under the June 22, 2011 Disposition and Development Agreement which is an enforceable obligation and that granting the option to acquire the additional 2.76 acres to M&M Property Company LLC under the terms and conditions specified in the DDA is approved as an enforceable obligation.

ATTACHMENTS: Resolution

¹ Under the DDA, the Agency was required to process a parcel map to create the specific parcels to be transferred or optioned to M&M Property and the end result is that the showroom parcel is now approximately 3.01 acres and the option parcel is now 3.44 acres.

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY CONFIRMING AND CONSENTING TO THE DISPOSITION OF REAL PROPERTY TO M&M PROPERTY COMPANY, LLC AS AN IMPLEMENTATION MEASURE UNDER AN ENFORCEABLE OBLIGATION

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

WHEREAS, in accord with CRL Section 34172(a), the Agency was dissolved as of February 1, 2012 and its rights, powers, duties and obligations, other than the Agency’s housing assets and functions, were transferred to a “successor agency” (as defined by CRL Section 34171(j)); and

WHEREAS, in accord with CRL Section 34173, the City of Cathedral City (“**City**”) is the successor agency (“**Successor Agency**”) to the former Agency and, as such, is vested with all authority, rights, powers, duties and obligations previously vested in the Agency by the CRL, except for the Agency’s housing assets and functions, and except to the extent repealed, restricted or revised pursuant to provision of Assembly Bill XI 26 (“**AB 26**”); and

WHEREAS, the oversight board (“**Oversight Board**”) for the Successor Agency was formed and exists in accord with CRL Section 34179; and

WHEREAS, in accord with CRL Section 34171(d) (1) (E), a legally binding and enforceable agreement or contract constitutes an enforceable obligation; and

WHEREAS, the Disposition and Development Agreement by and between the Redevelopment Agency of the City of Cathedral City and M&M Property Company, a California Limited Liability Company, entered into on June 22, 2011 (the “**DDA**”) is a legally binding and enforceable contract and is thus an enforceable obligation; and

WHEREAS, the DDA requires both the transfer of specific real property (the “**Transfer Property**”) and an option of real property (the “**Option Property**”) acquired by the Agency to M&M Property Company, LLC, as depicted on the site map attached as Exhibit “A” (wherein the Transfer Property is labeled as the VW Parcel and the Option Property is labeled as the Option Parcel), to this resolution under conditions and for development purposes as identified in the DDA (collectively the “**Subject Property**”); and

WHEREAS, pursuant to CRL Section 34179(i), Oversight Boards have a fiduciary responsibility to holders of enforceable obligations; and

WHEREAS, pursuant to CRL Section 34181(a), Oversight Boards shall direct the Successor Agency to dispose of all assets and properties which shall include the Subject Property; and

WHEREAS, the Oversight Board desires (1) to confirm that the DDA is an enforceable obligation requiring the transfer of the Subject Property to M&M Property, LLC (2) to consent to the transfer of the Transfer Property to M&M Property, LLC as an implementation measure under this enforceable obligation (3) to consent to the granting of the option and the transfer of the Option Property under the terms of the DDA if the terms of the option are met.

THE OVERSIGHT BOARD AS THE GOVERNING BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:

Section 1. Based upon the oral and written evidence presented to the Oversight Board at the time of its consideration of this Resolution, the Oversight Board finds and determines as follows:

- (1) The DDA is an Enforceable Obligation pursuant to CRL Section 34171(d)(1)(E).
- (2) The Subject Property was as asset of the former Agency. The Subject Property became a Successor Agency asset on February 1, 2012. The Subject Property is depicted on Exhibit "A" which is incorporated into this resolution by reference.
- (3) The transfer of the Transfer Property to M&M Property Company, LLC is an implementation measure required by the DDA.
- (4) Approves the transfer of the Transfer Property to M&M Property Company, LLC on the terms and conditions specified in the DDA.
- (5) The granting of the option to M&M Property Company, LLC is an implementation measure required by the DDA.
- (6) Approves the eventual transfer of the Option Property to M&M Property Company, LLC if the terms of the option as expressed in the DDA are met.

Section 2. This Resolution will become effective in accord with CRL Section 34179(h).

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on June 14, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHAIR

APPROVED:

ATTEST:

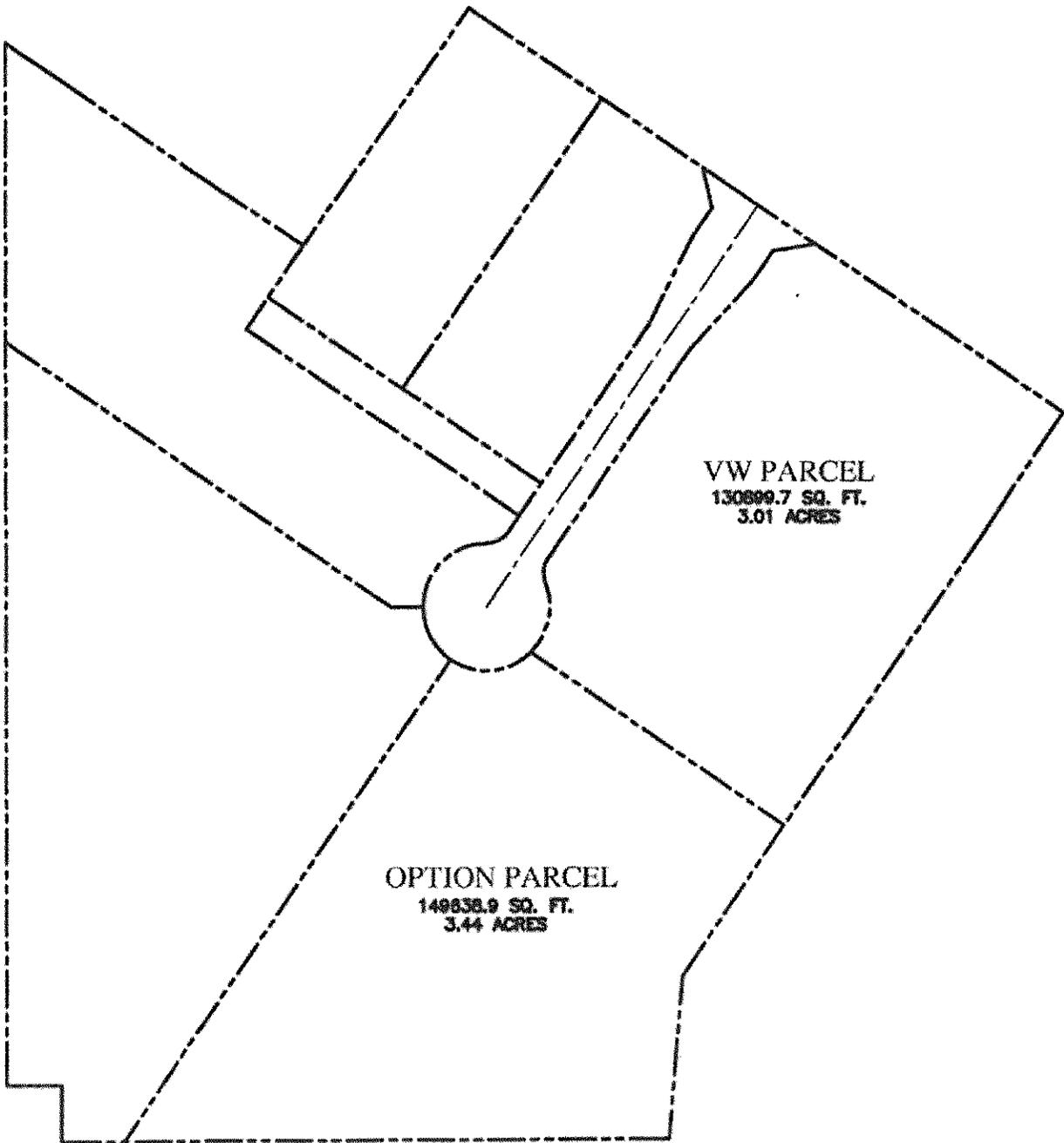
City Manager of Successor Agency
on behalf of the Oversight Board

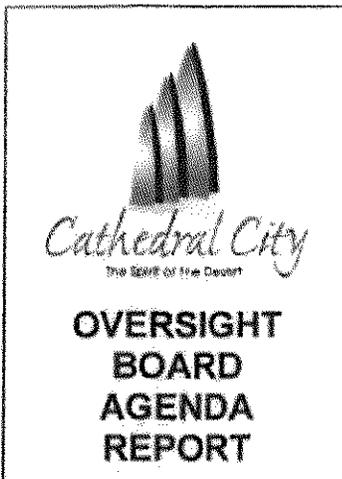
Oversight Board Secretary

Exhibit "A"

(Subject Property)

EXHIBIT "A"





SUBJECT: Determination and Authorization to Dispose of a Housing Asset

DEPARTMENT: Administrative Services

MEETING DATE: June 14, 2012

FROM: Successor Agency

RECOMMENDATION:

It is recommended that the Oversight Board adopt the attached resolution finding that the approximate 12.75 acres of housing land located westerly of Landau between McCallum and 30th Avenue and as legally described in Exhibit A to the Resolution which was acquired by the former Redevelopment Agency of the City of Cathedral City solely with restricted affordable housing funds is a housing asset and authorizing the disposition of said land to Tri-Millennium Cathedral City, LLC as one component of a settlement agreement between the former Agency and Tri-Millennium Cathedral City, LLC, and related entities.

DISCUSSION:

The former Cathedral City Redevelopment Agency was engaged in litigation with Tri-Millennium Cathedral City, LLC, and related entities, since September 23, 2007 which entailed several complaints, appeals, cross-complaints, and amended complaints. This litigation revolved around the performance, or lack thereof, relative to three separate, but interrelated Disposition and Development Agreements (DDAs) entered into with Tri-Millennium that date back to 2002 and 2004, all of which required the Agency to transfer Agency owned land in the downtown core to Tri-Millennium for development of specific projects. Each DDA contained provisions that specified that a default under one DDA constituted a default under all of the DDA's.

The 2002 DDA required the development of a commercial building which, after amendments and extensions, was ultimately completed. The first of the 2004 DDA's required the development of a limited service hotel and the second DDA required the development of a mixed-use commercial and affordable housing project. While construction was never commenced on either of these projects, the Agency did advance pre-development dollars to Tri-Millennium as required by these DDA's. When the Agency initiated the litigation in an effort to recover the predevelopment dollars that had been advanced, Tri-Millennium counter-sued for breach of contract claiming \$10,000,000 in damages.

In December 2011 the Agency and Tri-Millennium agreed to terms of a settlement agreement that resolved the entire situation. While the former Agency may have prevailed should the cases go to trial, additional required legal fees that would be incurred were estimated to range from \$750,000 to upwards of a million dollars, while the likelihood of recovering damages from this limited liability company were slim. As such, it was felt that settling the case was in the best interest of all parties.

One component of the settlement agreement requires the transfer of approximately 12.75 acres of raw land located westerly of Landau between 30th Avenue and McCallum that was acquired in March, 2010 by the Agency solely with Agency affordable housing funds. As such, this land is a housing asset that was transferred to the City in its capacity as the Successor for Housing Functions. This land is burdened with an affordable housing deed restriction and, pursuant to ABX1-26, the legislation that called for the dissolution of all redevelopment agencies, affordable housing assets do not fall under the purview of the Oversight Board.

Unfortunately, the title insurance company in an abundance of caution, and similar to all title insurance companies, is reluctant to issue title insurance on all transactions involving land owned by former redevelopment agencies without formal Oversight Board action. As such, in an order to implement the settlement agreement and bring this matter to its conclusion, the Oversight Board is being asked to opine that this land, acquired solely with former agency restricted housing funds, is indeed a housing asset and further, that the Oversight Board consents to its transfer as a component of a blanket settlement of all pending litigation involving Tri-Millennium Cathedral City, LLC, and the associated related entities also named in the lawsuits.

ATTACHMENTS:

Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY CONFIRMING THE TRANSFER OF A HOUSING ASSET OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY TO THE SUCCESSOR HOUSING AGENCY UNDER HEALTH & SAFETY CODE SECTION 34176

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

WHEREAS, in accord with CRL Section 34172(a), the Agency was dissolved as of February 1, 2012 and its rights, powers, duties and obligations, other than the Agency’s housing assets and functions, were transferred to a “successor agency” (as defined by CRL Section 34171(j)); and

WHEREAS, in accord with CRL Section 34173, the City of Cathedral City (“**City**”) is the successor agency (“**Successor Agency**”) to the former Agency and, as such, is vested with all authority, rights, powers, duties and obligations previously vested in the Agency by the CRL, except for the Agency’s housing assets and functions, and except to the extent repealed, restricted or revised pursuant to provision of Assembly Bill X1 26 (“**AB 26**”); and

WHEREAS, the oversight board (“**Oversight Board**”) for the Successor Agency was formed and exists in accord with CRL Section 34179; and

WHEREAS, in accord with CRL Section 34176, the City elected to act as the “housing successor” (“**Housing Successor**”) to the Agency and thereby retained the Agency’s housing assets and functions; and

WHEREAS, neither CRL Section 34176 nor any other provision of AB 26 requires the Oversight Board to approve the transfer of the Agency’s housing assets and functions to the Housing Successor; and

WHEREAS, notwithstanding the lack of any such approval requirement, the State Department of Finance has informally opined that the transfers of former redevelopment agency housing assets to a housing successor require approval of the cognizant oversight board; and

WHEREAS, without conceding the correctness of the Department of Finance’s position, the Housing Successor has asked the Oversight Board to approve the transfer to the Housing Successor of certain real property (the “**Subject Property**”) which was held as an Agency housing asset consisting of approximately 12.75 acres of vacant land and as legally described in the attached Exhibit “A” and as depicted on the site map attached hereto as Exhibit “B”; and

WHEREAS, in March, 2010 the sole source of funds used to acquire the Subject Property was the Agency's low and moderate income housing fund ("LMIHF") established under CRL Section 33334.3; and

WHEREAS, by operation of CRL Section 34176, the Subject Property became a Housing Successor asset on February 1, 2012; and

WHEREAS, in December 2011, the Successor Agency and the Housing Successor entered into a Settlement Agreement with Tri-Millennium Cathedral City, LLC (the "**Settlement Agreement**") which included the transfer of the Subject Property as a component of the Settlement Agreement; and

WHEREAS, following its transfer, the Subject Property will continue to be restricted for use and occupancy by persons and families of low and moderate income as required by the CRL; and

WHEREAS, the Oversight Board desires (1) to confirm and approve the transfer of the Subject Property to the Housing Successor as a housing asset of the former Agency, and (2) to not object to the inclusion of the Subject Property in the Settlement Agreement with Tri-Millennium Cathedral City LLC.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD AS THE GOVERNING BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:

Section 1. Based upon the oral and written evidence presented to the Oversight Board at the time of its consideration of this Resolution, the Oversight Board finds and determines as follows:

- (1) The sole source of the funds used by the Agency to acquire the Subject Property was the Agency's low and moderate income housing fund established pursuant to CRL Section 33334.3.
- (2) The Subject Property was a housing asset of the former Agency. The Subject Property became a Housing Successor asset on February 1, 2012.
- (3) Following the transfer of the property to Tri-Millennium Cathedral City, LLC, the Subject Property will continue to be restricted for use and occupancy by persons and families of low and moderate income as required by the CRL.
- (4) The Oversight Board does not object to the inclusion of the Subject Property in the Settlement Agreement.

Section 2. The Oversight Board acknowledges that the Housing Successor's submission of the matters described in this Resolution to the Oversight Board for approval is done to avoid unnecessary delay in the transaction by which the Subject Property is to be transferred with restrictions to ensure that when developed, the Subject Property is used to increase the City's supply of affordable low and moderate income housing. The Oversight Board further acknowledges that the Housing Successor's submission of these matters to the Oversight Board does not constitute a waiver or an admission by the City, the Successor Agency or the Housing Successor that AB 26 or

any other legal provision requires the Oversight Board's approval for the transfer of any Agency housing asset from the Agency or the Successor Agency to the Housing Successor or from the Housing Successor to another party. The Oversight Board acknowledges that the City, the Successor Agency, and the Housing Successor reserve all rights, defenses and claims with respect to such matters.

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

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on June 14, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHAIR

APPROVED:

ATTEST:

City Manager of Successor Agency
on behalf of the Oversight Board

Oversight Board Secretary

Exhibit "A"

(Legal Description)

All that certain real property situated in the County of Riverside, State of California, described as follows:

Parcel 1: (APN: 677-510-044)

That portion of the Westerly 65.94 feet of the West half of the Southwest quarter of the Southeast quarter of the Northeast quarter of Section 17, Township 4 South, Range 5 East, San Bernardino Meridian, being also shown as Lot 61 on Assessor's Map No. 45, on file in Book 2 of Assessor's maps, at Page 2, Records of Riverside County, California, lying Northerly of the following described line:

Beginning at a point on the West line of said Westerly 65.94 feet that is North 00° 01' 38" West, 603.85 feet from the Southwest corner of the said Southwest quarter of the Southeast quarter of the Northeast quarter; thence Southerly along the arc of a curve concave to the right, whose tangent bears South 21° 51' 23" East, having a radius of 33,000 feet, through a central angle of 00° 18' 40", a distant of 179.19 feet to the East line of said Westerly 65.94 feet, said point being 436.97 feet North of and 65.94 feet East of the said Southwest corner.

Parcel 2: (APN: 677-510-037)

Parcel 1 of Lot Line adjustment no. 5-186 as described in the certificate of compliance recorded March 19, 1992 as Instrument No. 95083, and recorded again to correct assessor parcel numbers on the earlier instrument, on September 9, 1992 as Instrument No. 338027, both in said of Official Records, being more particularly described as follows:

That portion of Section 17, Township 4 South, Range 5 East, San Bernardino Meridian, described as follows:

Beginning at the Northeast corner of said Section 17; thence South 89° 38' 17" West along the North line of said Section 17, a distance of 923.60 feet to a point at the Northwest corner of Tract No. 24982, as shown by Map on file in Book 219, pages 7 through 10, inclusive of Maps, Records of Riverside County, California; thence South 00° 08' 45" West along the West boundary of said Tract No. 24982, to a point 40 feet South of the North line of said Section 17; thence South 89° 38' 17" West along a line 40 feet South and parallel with the North line of said Section 17, a distance of 98.93 feet to the True Point of Beginning; Thence South 00° 08' 45" West a distance of 295.00 feet; thence South 89° 38' 17" West, a distance of 98.93 feet; thence North 00° 08' 45" East a distance of 295.00 feet to a point 40 feet South of the North line of said Section 17; thence North 89° 38' 17" East along a line 40 feet South and parallel with the North line of said Section 17, a distance of 98.93 feet to the True Point of Beginning.

Parcel 3: (APN: 677-510-036)

Parcel 2 of Lot Line Adjustment No. 5-186 as described in the Certificate of Compliance recorded March 19, 1992 as Instrument No. 95083 and recorded again to correct assessors parcel numbers on the earlier instrument, on September 9, 1992 as Instrument No. 338027, both in said Of Official Records, being more particularly described as follows:

That portion of Section 17, Township 4 South, Range 5 East, San Bernardino Meridian, described as follows:

Beginning at the Northeast corner of said Section 17; thence South 89° 38' 17" West along the North line of said Section 17, a distance of 923.60 feet to a point at the Northwest corner of Tract No. 24982, as shown by map on file in Book 219 at Pages 7 through 10, inclusive of Maps, Records of Riverside County, California; thence South 00° 08' 45" West along the West boundary of said Tract No. 24982, a distance of 40 feet to the True Point of Beginning; thence continuing South 00° 08' 45" West along said West tract boundary a distance of 295.00 feet; thence South 89° 38' 17" West, a distance of 98.93 feet; thence North 00° 08' 45" East, a distance of 295.00 feet to a point 40 feet South of the North line of said Section 17; thence North 89° 38' 17" East along a line 40 feet South and parallel with the North line of said Section 17, a distance of 98.93 feet to the True Point of Beginning.

Parcel 4: (APN: 677-510-038)

Parcel 3 of Lot Line Adjustment No. 5-186 as described in the Certificate of Compliance recorded March 19, 1992 as Instrument No. 95083, and recorded again to correct assessor parcel numbers on the earlier instrument on September 9, 1992 as Instrument No. 338027, both in said of Official Records, being more particularly described as follows:

Beginning at the Northeast corner of said Section 17; thence South 89° 38' 17" West along the North line of said Section 17, a distance of 923.60 feet to a point at the Northwest corner of Tract No. 24982, as shown by map on file in Book 219 at Pages 7 through 10, inclusive of Maps, records of Riverside County, California; thence South 00° 08' 45" West along said West tract boundary a distance of 355.00 to the True Point of Beginning. Thence continuing South 00° 08' 45" West along the West Boundary of said Tract 24982, a distance 327.11 feet to a point on the centerline of Diane Lane, as shown on said Map of Tract No. 24982; thence South 89° 39' 44" West, along the prolongation of the centerline of Diane Lane, as distance of 197.86 feet; thence North 00° 08' 45" East, a distance of 327.03 feet; thence North 89° 38' 17" East, a distance of 197.86 feet to the True Point of Beginning.

Parcel 5: (APN: 677-510-039)

The East 65.94 feet of the Westerly 329.70 feet of the Southwest quarter of the Northeast quarter of the Northeast quarter of Section 17, Township 4 South, Range 5 East, San Bernardino Meridian. Also shown as Lot 25 of Assessor's Map No. 45 on file in Book 2 of Assessor's Maps, at page 2, records of Riverside County, California.

Parcel 6: (APN: 677-510-040)

The Easterly 65.94 feet of the Westerly 263.76 feet to the Southwest quarter of the Northeast quarter of the Northeast quarter of Section 17, Township 4 South, Range 5 East, Bernardino Meridian.

Also shown as Lot 24 of Assessor's Map No. 45 on file in Book 2 of Assessors Maps, at page 2, records of Riverside County, California.

Parcel 7: (APN: 677-510-041 & 056)

Parcel B as shown on Certificate of Compliance Lot Line adjustment no. 2008-450, as evidenced by document recorded December 1, 2008 as Instrument No. 2008-0630882 of Official Records, being more particularly described as follows:

All that portion of the Southwest one-quarter of the Northeast one quarter of the Northeast one quarter of Section 17, Township 4 South, Range 5 East San Bernardino Meridian, described as follows:

Commencing at the Southwest corner of the Southwest one-quarter of the Northeast one-quarter of the Northeast one-quarter of said Section 17, thence North 89° 41' 12" East, along the South line of said Southwest one quarter a distance of 85.94 feet to the True Point of Beginning;

Thence continuing North 89° 42' 12" East a distance of 111.88 feet; Thence North 00° 03' 08" East a distance of 662.01 feet to the North line of said Southwest one quarter.

Thence South 89° 39' 45" West along the North line of said Southwest one quarter a distance of 111.88 feet;

Thence South 00° 03' 08" West a distance of 661.97 feet to the True Point of Beginning.

Parcel 8: (APN: 677-522-015-3)

The West half of the Northwest quarter of the Southeast quarter of the Northeast quarter of Section 17, Township 4 South, Range 5 East, San Bernardino Meridian.

Excepting therefrom the Easterly 65.95 feet thereof; Also except therefrom the Westerly 197.82 feet thereof. Also shown as Lot 44 of Assessor's Map No. 45 on file in Book 2 of Assessor's Maps, at page 2, Records of Riverside County, California.

Parcel 9: (APN: 677-522-014-2)

The Easterly 65.98 feet of the West half of the Northwest quarter of the Southeast quarter of the Northeast quarter of Section 17, Township 4 South, Range 5 East, San Bernardino Meridian. Also shown as Lot 45 of Assessor's Map NO. 45 on file in Book 2 of Assessor's Maps, at Page 2, Records of Riverside County, California.

Parcel 10:

A non-exclusive, perpetual easement for construction and maintenance of an irrigation line created pursuant to section 1.5 of the Reciprocal Easement Agreement (REA), which recorded on July 30, 1999, as Instrument No. 1999-343205, of official records, in the County of Riverside, located over and across an irrigation line five (5') feet in width, measured at right angles, lying Westerly and adjacent to the following described line:

All that portion of Lot 1 of Tract No. 26598-1 as recorded in Map in Book 242, at Pages 14 through 17 inclusive, records of Riverside County, California and a portion of the Northeast one-quarter of Section 17, Township 4 South, Range 5 East, San Bernardino Base and Meridian, also being a portion of Lots 61 through 64 inclusive of Assessor's Map No. 45 on file in Book 2 at Page 2 of Assessor's Maps, Riverside County described as follows:

Commencing at the Southeast corner of said Lot 1 of Tract No. 26598-1, thence North 89° 43' 53" East a distance of 223.12 feet to a point on a non tangent curve concave Northeasterly and having a radius of 33,000.00 feet and the Easterly line of the Coachella Valley County Water District Flood Control Right of Way and the True Point of Beginning, a radial bearing passes through said point bears North 69° 18' 34" East; Thence Northwesterly along said curve through a central angle of 03° 23' 19" and a length of 1951.70 feet to the terminus of said easement.

Parcel 11:

Intentionally deleted

Parcel 12: (677-510-045 and a portion of 677-510-046)

Parcel B of Certificate of Compliance Lot Line Adjustment No. 2011-462, recorded October 20, 2011 as Instrument No. 2011-0462944 and recorded April 26, 2012 as Instrument No. 2012-0188795 both of Official Records, more particularly described as follows:

Those portions of the West half of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter of Section 17, Township 4 South, Range 5 East, San Bernardino Base and Meridian, and the Westerly 65.94 feet of the East half of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter of said Section 17, being portions of Lots 62, 63, 64, 65 and 66, as shown on Assessor's Map No. 45, on file in Book 2, Page 2 of Assessor's Maps, Records of Riverside County, described in two parcels as follows:

Parcel 1:

That certain Parcel 2 as described in the Certificate of Compliance for Lot Line Adjustment No. 98-269, recorded on November 25, 1998 as Instrument No. 512704, of Official Records of Riverside County, California.

Excepting therefrom the following described portion thereof;

Commencing at the Southeast corner of the said West half of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter of Section 17, said point also being the Southeast corner of said Lot No. 65, and the Southwest corner of said Lot 66;

Thence, North 00°05'10" East along the West line of said Lot 66, a distance of 30.00 feet;

Thence, North 89°43'53" East, along a line parallel with and distant 30.00 feet Northerly, measured at right angles, from the South line of the said West half of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter of Section 17, a distance of 65.94 feet to the East line of said Assessor's Lot 66;

Thence, North 00°02'46" East, along said East line a distance of 258.33 feet to the true point of beginning, said point also being a Southeast corner of the above described Parcel 2 of the said Certificate of Compliance;

Thence, continuing along said East line of Lot 66, North 00°02'46" East, 160.00 feet;

Thence, South 89°43'53" West, parallel with the said South line of the said West half, a distance of 123.00 feet;

Thence, South 00°02'46" West, parallel with the said East line of said Lot 66, a distance of 160.00 feet to a point on a South line of Parcel 2, as described in the Certificate of Compliance for Lot Line Adjustment No. 98-269, recorded on November 25, 1998 as Instrument No. 512704, in Official Records of Riverside County, said South line is described in the written description of said Parcel 2 in said Certificate of Compliance as "North 89°43'53" East, 126.50 feet";

Thence, North 89°43'53" East along said South line, 123.00 feet to the true point of beginning.

Parcel 2:

All of the West half of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter of Section 17, Township 4 South, Range 5 East, San Bernardino Base and Meridian, according to Government Survey thereof;

Excepting therefrom the Easterly 197.86 feet and the Westerly 65.94 feet thereof;

Also excepting the Southerly 30 feet thereof reserved for road purposes.

Also excepting therefrom that portion thereof conveyed to the Coachella Valley Water District, formerly the Coachella Valley County Water District by Grant Deed recorded on June 2, 1960 in Book 2706, at Page 404, as Instrument No. 49370, of Official Records of Riverside County, California.

Parcel 13:

Intentionally deleted

Parcel 14:

Intentionally deleted

Parcel 15: (APN: 677-510-052 & 677-510-057)

Parcel Y as shown on Certificate of Compliance Lot Line Adjustment No. 2008-451, as evidenced by document recorded December 1, 2008 as Instrument No. 2008-0630883 of Official Records, being more particularly described as follows:

All that portion of the Northwest One Quarter of the Southeast One Quarter of the Northeast One Quarter of Section 17, Township 4 South, Range 5 East, San Bernardino Base and Meridian, described as follows:

Commencing at the Northwest corner of the Northwest West One Quarter of the Southeast One Quarter of the Northeast One Quarter of said Section 17;

Thence North 89°41'12" East along the North line of said Northwest One Quarter a distance of 85.94 feet to the true point of beginning.

Thence continuing North 89°42'12" East a distance of 111.88 feet;

Thence South 00°03'08" West a distance of 662.07 feet to the South line of said Northwest One Quarter;

Thence South 89°42'29" West along the South line of said Northwest One Quarter a distance of 111.88 feet;

Thence North 00°03'08" East a distance of 662.03 feet to the true point of beginning.

Parcel 16:

A non-exclusive, perpetual easement for Driveway Purposes created pursuant to section 1.2 of the Reciprocal Easement Agreement ("REA"), which recorded on July 30, 1999, as instrument no. 1999-343205, of official records, in the County of Riverside, is located over and across all that portion of Parcel 1 of Lot Line Adjustment LLA 98-269 as shown on the Certificate of Compliance recorded on November 25, 1998 as Instrument No. 512704 of Official Records of Riverside County, California, described as follows:

Commencing at the Northeast corner of said Parcel 1 of LLA 98-269, thence South 89° 43' 53" West along the North line of said Parcel 1 of LLA 98-269, a distance of 6.83 feet to the True Point of Beginning.

Thence, continuing along said North line South 89° 43' 53" West a distance of 25.00 feet;

Thence South 00° 02' 46" West, a distance of 248.61 feet to the North line of McCallum Way, as described in the grant of easement recorded on March 12, 1999 as Instrument No. 100639 of Official Records, Riverside County, California;

Thence South 72° 13' 55" East, along said North line of McCallum Way, as described in said Grant of Easement, a distance of 26.25 feet;

Thence North 00° 02' 46" East a distance of 256.74 feet to the True Point of Beginning.

Exhibit "B"

(Site Map)

