

**RESOLUTION OF THE BELMONT OVERSIGHT BOARD  
IN COMPLIANCE WITH STATE DEPARTMENT OF FINANCE REQUEST FOR  
RECONSIDERATION OF SPECIFIED ITEMS ON THE APPROVED  
FOURTH AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2012.**

Whereas, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*); and,

Whereas, on January 10, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Belmont (the "City Council") adopted a resolution declaring that the City of Belmont, a municipal corporation, (the "City") would act as the successor agency (the "Successor Agency") for the Dissolved RDA; and,

Whereas, under the Dissolution Act, the City, in its capacity as Successor Agency, must prepare a "Recognized Obligation Payment Schedule" ("ROPS") that enumerates the enforceable obligations and expenses of the Successor Agency for specified six-month periods;

Whereas, pursuant to the Dissolution Act, the duly-constituted Oversight Board for the Successor Agency met at a duly-noticed public meeting on April 16, 2012, to review and consider the Fourth Amended ROPS for the six-month period ending June 30, 2012, and by adoption of Resolution No. 05 approved the Fourth Amended ROPS (the "Approved ROPS"), and directed staff to post the Approved ROPS on the Successor Agency's website, transmit the Approved ROPS to the Auditor-Controller of the County of San Mateo (the "County-Auditor"), to the California State Controller (the "State Controller"), and to the California Department of Finance (the "DOF"), and to take any other actions necessary to ensure the validity of the Approved ROPS and the validity of any enforceable obligation listed thereon; and

Whereas, in compliance with the Dissolution Act, the Successor Agency staff, notified the County-Auditor, the State Controller, and the DOF of the Oversight Board's consideration and approval the Approved ROPS by E-mail dated April 16, 2012 transmitted pursuant to the terms of the Dissolution Act; and

Whereas, under Health and Safety Code Section 34179(h), Oversight Board actions do not become effective for three (3) business days, pending request for review by the DOF. If the DOF request a review of a given Oversight Board action, the DOF has ten (10) days from the date of its request to approve the Oversight Board action or return the action to the Oversight Board for its reconsideration and any particular disapproved item shall not become effective until approved by the DOF; and

Whereas, on April 18, 2012, and within the three (3) business day notice period the DOF informed the Successor Agency and the Oversight Board that the DOF was requesting review of unspecified items on the Approved ROPS and sent an informal request for additional information, to which the Successor Agency staff timely responded; and

Whereas, by letter of April 25, 2012 (the “Formal Notification”), attached hereto as Exhibit B and incorporated herein by this reference, the DOF notified the Successor Agency and the Oversight Board that the DOF was returning the Approved ROPS for reconsideration by the Oversight Board, specifically requesting the Oversight Board reconsider the inclusion of the following items, which are collectively referred to as the “Reconsideration Items”:

1. Line Item No. 11 of the Approved ROPS, Affordable Housing Reimbursement Agreement, challenging the validity of Line Item No. 3 pursuant to 34171(d)(2), which invalidated contracts between the Dissolved RDA and the City of Belmont; and,
2. Line Items No. 4 through 9 of the Approved ROPS, various staff and administrative costs, challenging the validity of line items No. 4 through 9 pursuant to 34171(b), asserting that the total of all “administrative costs” as interpreted by DOF staff, exceeds the maximum allowable \$250,000 by \$256,639; and,

Whereas, the Formal Notification was issued within the ten day decision period authorized by Health and Safety Code Section 34179(h), which expired on or about April 28, 2012 (the “DOF Notification Deadline”); and,

Whereas, pursuant to the Formal Notification Letter, and consistent with the guidance issued by Ana Matosantos, the Director of the DOF, by letter dated March 2, 2012, only the Reconsideration Items are ineffective until approved by the Department of Finance; and

Whereas, other than for the Reconsideration Items identified in the Formal Notification and listed above, the remainder of the enforceable obligations and recognized obligations listed in the Approved ROPS (the “Accepted Enforceable Obligations”) are deemed to constitute the Approved ROPS for the six-month period ending June 30, 2012 and notwithstanding the Reconsideration Items, failure by the DOF to challenge the Accepted Enforceable Obligations listed on the Initial ROPS forecloses the DOF’s challenge of the Accepted Enforceable Obligations because of the expiration of the DOF Notification Deadline.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency hereby finds, resolves, and determines as follows:

1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.
2. As requested by the DOF in the Formal Notification, the Oversight Board has duly considered the Reconsideration Items and hereby makes the modifications and determinations with respect to the Approved ROPS as set forth below.
3. The Oversight Board examined the Reconsideration Items and hereby determines that the Approved ROPS is hereby revised as follows:

- a. The identified payment source for Line Items No. 4 and 6 through 9 has been changed from “E” – Redevelopment Property Tax Trust Fund (“RPTTF”), to “C” – Reserve Balances, such that the amount of RPTTF required to cover administrative expenses as interpreted by DOF staff does not exceed the maximum allowable \$250,000.
  - b. Line Item No. 11 is hereby removed from the Approved ROPS, and the Approved ROPS is hereby Amended to effectuate such removal.
  - c. Line Item No. 10, Public Improvement Reimbursement Agreement, is hereby modified consistent with direction from DOF on a subsequent ROPS review such that the total outstanding obligation amount for this line item no longer includes encumbered unspent bond proceeds
4. The Oversight Board approves the Revised Fourth Amended ROPS, attached hereto as Exhibit A, incorporated herein by this reference.
5. Nothing in this Resolution shall abrogate, waive, impair or in any other manner affect the right or ability of the City, as a municipal corporation, or the City, acting in its capacity as Successor Agency, to initiate and prosecute any litigation with respect to any agreement or other arrangement between the City and the Dissolved RDA, including, without limitation, any litigation contesting the purported invalidity of Line Item No. 11 under the Dissolution Act.
6. No further action of the Oversight Board is required of the Accepted Enforceable Obligations contained on the Approved ROPS. The Reconsideration Deadline has passed for the Accepted Enforceable Obligations without challenge by the DOF. Consequently, each of the Accepted Enforceable Obligations constitutes an "enforceable obligation" and "recognized obligation" for all purposes of the Dissolution Act and is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition and liquidation, the continued administration of the ongoing agreements herein approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.
7. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post this Resolution on the Successor Agency website, transmit a copy of this Resolution to the Auditor-Controller, to the State Controller and the DOF, and to take any other actions necessary to effectuate the actions and decision of the Oversight Board in this Resolution, including, as appropriate, preparation of an amended and restated Approved ROPS that incorporates the amendments and determinations contained in this Resolution.
8. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

\* \* \* \* \*

I hereby certify that the foregoing Resolution was duly passed and adopted by the Belmont Oversight Board at a special meeting thereof held on May 16, 2012 by the following vote:

AYES, BOARD MEMBERS: DeSmidt, Navas, Feierbach, Frautschi, Bohl, McMillan

NOES, BOARD MEMBERS: \_\_\_\_\_

ABSTAIN, BOARD MEMBERS: \_\_\_\_\_

ABSENT, BOARD MEMBERS: Keller

RECORDING SECRETARY to the Belmont Oversight Board

APPROVED:

CHAIR of the Belmont Oversight Board

**REVISED FOURTH AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)  
 FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2012**  
 Per California Health and Safety Code Section 34177; Updated May 14, 2012

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation (1)	Total Due During Fiscal Year	Month						6 Month Total	Payment Source: (See key below)	
					Jan	Feb	Mar	Apr	May	June			
<b>ENFORCEABLE OBLIGATIONS</b>													
1) 1989 TABs Series A	Bank of New York Mellon	Bond issue - non-housing projects	\$ 13,690,723	\$ 1,188,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,913	E
2) 1989 TABs Series B	Bank of New York Mellon	Bond issue - non-housing projects	\$ 11,279,065	\$ 627,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,014	E
3) 1998 Tax Allocation Bonds	Bank of New York Mellon	Bond issue - housing projects	\$ 1,605,038	\$ 319,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,952	A
4) Employee Costs (2)	City of Belmont / Employees	Payroll for employees	\$ 634,985	\$ 634,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,875	C
5) Successor Agency Administrative Costs (2)	City of Belmont as Successor Agency	Successor Agency Administrative Costs	\$ 5,500,000	\$ 250,000	\$ -	\$ 117,588	\$ 33,101	\$ 33,101	\$ 33,101	\$ 33,101	\$ 33,101	\$ 250,000	D
6) Labor Agreement Obligations (2)	City of Belmont / Employees	Post-employment and termination period obligations	\$ 96,019	\$ 96,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,019	C
7) Services and supplies (2)	Various	Includes vehicle, computer, building, and administrative service charges, telephones, general supplies, legal, LMI property management costs, etc.	\$ 279,038	\$ 279,038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,724	C
8) Legal Services (2)	Craig Labadie	Legal services to the Oversight Board	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 12,000	C
9) Audit Services (2)	Mize & Associates	Redevelopment Agency audit	\$ 278,180	\$ 5,021	\$ -	\$ -	\$ -	\$ 5,021	\$ -	\$ -	\$ -	\$ 5,021	C
10) Public Improvements Reimbursement Agreement and Indenture for 1988 Bonds (2)	Various	Public improvement projects within project area. Bond proceeds must be used for redevelopment activities/improvements consistent with the indenture	\$ 947,218	\$ 947,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,249	\$ -	\$ 689,661	B
11) Toxic Remediation	City of Belmont	To remediate hazardous waste on Redevelopment Agency acquired properties	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	C
12) Housing Project Subsidy Fee	Belmont Vista	Low income housing subsidy	\$ 438,560	\$ 148,520	\$ 12,210	\$ 12,210	\$ 12,210	\$ 12,210	\$ 12,210	\$ 12,210	\$ 12,210	\$ 86,470	A
<b>TOTAL ENFORCEABLE OBLIGATIONS</b>			<b>\$ 35,311,834</b>	<b>\$ 4,506,627</b>	<b>\$ 1,228,309</b>	<b>\$ 225,828</b>	<b>\$ 48,311</b>	<b>\$ 63,331</b>	<b>\$ 152,660</b>	<b>\$ 48,311</b>	<b>\$ 1,784,647</b>		

**Note:**  
 (1) Estimated total future obligations inclusive of current fiscal year.  
 (2) Payment amounts and timing has been estimated.  
**PLEASE NOTE:** This ROPS does not include encumbered unspent balance of restricted bond proceeds held by the Successor Agency.

**Payment Sources:**  
 (A) Low and Moderate Income Housing Fund  
 (B) Bond proceeds  
 (C) Reserve balances  
 (D) Administrative Cost Allowance  
 (E) Redevelopment Property Tax Trust Fund  
 (F) Other revenue sources such as rent/interest earnings