CITY COUNCIL AGENDA  
CITY HALL, 291 N. MAIN STREET  
PORTERVILLE, CALIFORNIA  
JANUARY 31, 2012, 5:30 P.M.

Call to Order
Roll Call

Pledge of Allegiance Led by Council Member Brian Ward
Invocation

Adjourn to a Joint Meeting of the City Council and the Porterville Redevelopment Agency.

JOINT CITYCOUNCIL/PORTERVILLE REDEVELOPMENT AGENCY AGENDA  
291 N. MAIN STREET, PORTERVILLE, CA  
JANUARY 31, 2012

Roll Call:  Agency Members

ORAL COMMUNICATIONS
This is the opportunity to address the Council and/or Redevelopment Agency on any matter of interest, whether on the agenda or not. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

JOINT SCHEDULED MATTER
PRA-01 Overview of Redevelopment Agency Status
Re: Informational report regarding the status of the Redevelopment Agency following the adoption of AB1X 26 and AB1X 27.

AGENCY SCHEDULED MATTER
PRA-02 Adoption of Amendments to the Agency’s Enforceable Obligation Payment Schedule and Initial Recognized Obligation Payment Schedule
Re: Considering approval of a resolution amending the Enforceable Obligation Payment Schedule and the Initial Recognized Obligation Payment, and transmitting the Initial Recognized Obligation Payment Schedule to the City, acting as successor agency.

Adjourn to a meeting of the Porterville City Council.

CITY COUNCIL AGENDA  
291 N. MAIN STREET, PORTERVILLE, CA  
JANUARY 31, 2012

SCHEDULED MATTERS
1. Formation and Declaration of Need for Porterville Housing Authority and Designation of Porterville Housing Authority as Housing Successor Agency, to Assume all Housing Assets and Functions Previously Performed by the Porterville Redevelopment Agency, Pursuant to Health & Safety Code Section 34176
Re: Considering approval of resolutions declaring a need for a housing authority to function in the City; and designating the Housing Authority serve as the successor housing agency to the former Redevelopment Agency
2. **Reconsideration of Options for the June 5, 2012 General Municipal Election**
   Re: Reconsideration of Resolution 06-2012 relative to candidate statements.

Adjourn to a Joint Meeting of the City Council and the Porterville Redevelopment Agency.

**JOINT CITY COUNCIL/REDEVELOPMENT AGENCY CLOSED SESSION:**

A. Closed Session Pursuant to:

   2- Government Code Section 54956.9(c) – Conference with Legal Counsel – Anticipated Litigation – Initiation of Litigation: One case.

During Closed Session, the joint meeting will adjourn to a meeting of the Porterville City Council.

**CITY COUNCIL CLOSED SESSION:**

B. Closed Session Pursuant to:


**RECONVENE OPEN SESSION**

**REPORT ON ANY COUNCIL ACTION TAKEN IN CLOSED SESSION**

**ADJOURNMENT** - to the meeting of February 7, 2012 at 5:30 p.m.

_Pursuant to Ordinance No. 1766, the Council Meeting shall adjourn no later than 9:45 p.m., unless otherwise approved by a majority of the Council Members present._

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this Agenda submitted to the City Council after distribution of the Agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 North Main Street, Porterville, CA 93257, and on the City’s website at www.ci.porterville.ca.us.
OVERVIEW OF REDEVELOPMENT AGENCY STATUS

COMMUNITY DEVELOPMENT DEPARTMENT – REDEVELOPMENT

As the Redevelopment Agency (Agency) is aware, AB1X 26 and AB1X 27 are trailer bills to the 2011-12 State budget that were ultimately signed by the Governor and became effective immediately. Through the adoption of the bills, Parts 1.8, 1.85 and 1.9 of Division 24 of the Health and Safety Code (2011 Redevelopment Legislation) were added to the California Redevelopment Law (CRL).

Part 1.8 of the CRL provides for the restriction of activities and authority of the Agency in the interim period prior to dissolution of certain “enforceable obligations”, and actions required for the general winding up of affairs, preservation of assets, and certain other goals delineated in Part 1.8.

Part 1.85 of the CRL provides for the statewide dissolution of all redevelopment agencies, as of October 1, 2011, and provides that, thereafter, a successor agency will administer the enforceable obligations of the Agency and otherwise wind up the Agency’s affairs, all subject to the review and approval by an oversight committee.

Part 1.9 of the CRL provided for a redevelopment agency to continue in operation if a city or county that included a redevelopment agency adopted an ordinance agreeing to comply with and participate in the Voluntary Alternative Redevelopment Program (Program) established in Part 1.9. On August 16, 2011, the Council adopted Ordinance No. 1779 authorizing participation in the voluntary program.

As the Council and Agency are also aware, the validity, passage, and applicability of the 2011 Redevelopment Legislation was legally challenged by the California Redevelopment Association (CRA) and the League of California Cities (League). On December 29, 2011, the California Supreme Court determined that AB1X 26 was valid but AB1X 27 was unconstitutional and therefore invalid, resulting in the dissolution of all California redevelopment agencies as of February 1, 2012, and the elimination of Part 1.9 from the Health and Safety Code.

In anticipation of the Governor’s stated interest in adopting legislation to dissolve or modify redevelopment as it existed, the City undertook a number of actions to protect financial assets of the Agency and to pay back loans the Agency had received from the City. Those actions are summarized below:

- **March 10, 2011** Debt Repayment: Adopted resolution amending Resolutions PRA 2010-13 and Resolution No. 103-2010 which restructured existing Agency debt to the City and approved payment in full for all debt owed by the Agency to the City and allocated the funds to the Porterville Hotel Redevelopment project.

DD  [Signature]  Appropriated/Funded  [Signature]  CM  [Signature]  ITEM NO. PRA-01
March 10, 2011  Cooperation Agreement: Adopted resolutions 08-2011 and PRA 2011-02 approving a Cooperation Agreement between the City and Agency respectively for public improvement cost reimbursement.

March 10, 2011  Covenants: Authorized staff to record with the County Recorder an Operation, Use and Maintenance Covenant running with the land on all Agency owned improved parking lots and vacant properties appropriate for parking purposes.

May 24, 2011  Loan to Agency: Conceptually approved a future loan from the City to the Agency in the amount of $495,000 which would fund the Agency for fiscal years 2011/12, 2012/13 and 2013/14.

June 21, 2011  Agency Budget: Adopted resolution approving the above mentioned loan in the amount of $495,000 from the City to the Agency and adopted resolution approving the 2011-2012 Agency Budget.

Following the adoption of AB1X 26 and AB1X 27, the Agency took the following actions in conformance with the law:

July 19, 2011  Approved staff to bring back an Ordinance maintaining Redevelopment Project Area No. 1 as amended and directed staff to make payment subject to AB1X 27.

August 2, 2011  Adopted resolution declaring its intention to enact an ordinance participating in the Alternative Voluntary Redevelopment Program and adopted ordinance complying with the Alternative Voluntary Redevelopment Program to permit the continued existence and operation of the Agency.

August 16, 2011  Adopted resolution adopting the Enforceable Obligation payment Schedule (EOPS)

Sept. 20, 2011  Adopted resolution adopting the Initial Recognized Obligation Payment Schedule (IROPs) and adopted resolution electing to serve as the Successor Agency.

Although the Governor did not sign the legislation until June 28, 2011, AB1X 26 contained language retroactively restricting agencies from transferring assets after January 1, 2011, and deeming those actions to not be in the furtherance of the CRL. In order to clearly understand the implications of this provision of the law, each of the actions between March 10, 2011 and June 21, 2011, described above, will be looked at separately.

Debt Repayment:

On March 10, 2011, the City Council and Agency approved the repayment of debt obligations to the City totaling approximately $1.8 million. Payment was made from taxable bond fund balance and the funds were reserved for the Porterville
Hotel Redevelopment Project. It is important to note that Staff and the Agency Counsel have discussed this issue more than any other and the following is a summary of those discussions.

Agency Counsel reviewed the official statements for Bond Series A, B (taxable), C (housing), and D (housing taxable). The official statement states that the Series B (taxable) bonds, in the original principal amount of $2,110,000, "will be used to (a) finance redevelopment activities within or for the benefit of the Redevelopment Project." The language in the official statement of the bond documents was general to allow the Agency flexibility in structuring the deal for the hotel and related projects.

Although the bond documents are not very specific regarding the proposed use of these bond proceeds, the public record clearly indicates the Agency/City intent to redevelop the Porterville Hotel site with the funds. With regard to the fact that the Agency used the funds to pay back the Agency debt to the City, there is an argument that repayment of the Agency's debt to the City satisfied the criteria for the funds to be used for the benefit of the Redevelopment Project and should be left alone for that reason. However, the State Controller may direct the City to return the money to the Agency anyway pursuant to Health and Safety Code Section 34167.5. Further, the following language in Section 34167.5 is problematic: "The Legislature hereby finds that a transfer of assets by a redevelopment agency [after January 1, 2011] is deemed not to be in the furtherance of the Community Redevelopment Law and is thereby unauthorized." Although there is an argument that these funds were properly expended bond proceeds, as permitted in Health and Safety Code Section 34177(i), and should therefore be left with the City, pursuant to Health and Safety Code Section 34167.5, the City will likely be directed to return the $1.8 million debt repayment to the successor agency, for distribution to the taxing agencies.

Cooperation Agreement:

A companion to the repayment of debt to the City was the approval of a Cooperation Agreement requiring the Agency to reimburse the City for construction and installation of various public improvements located inside or contiguous to the Agency's project area, and to reimburse the City for costs incurred over the previous 10 years as permitted by Section 33445(c) of the Health and Safety Code. The sum total of these improvements was valued at $4,221,223. The Agency made a down payment of $275,000 after the agreement was approved and committed to annual payments of $150,000. The first annual payment has not been made as it is due in June of each year. Based on Staff’s and Agency Counsel’s interpretation of the law as currently drafted, specifically Health and Safety Code Sections 34171(d)(2) and 34178, this Cooperation Agreement will become null and void as of February 1, 2012 and the City will be directed to return a portion of these funds to the successor agency. The source of funds for the down payment was tax increment ($65,000) and bond funds
($210,000). The portion consisting of tax increment would be returned to the successor agency.

Covenants:
Also on March 10, 2011, the Agency/Council authorized the Agency to record an Operation, Use and Maintenance Covenant running with the land on all Agency owned improved parking lots and vacant properties. This should not be considered a transfer of assets. The covenant restricts the use of the property for parking purposes and vests authority for amendments in the City Council. While ownership of the properties may succeed to the Successor Agency, the use of the properties should remain restricted to public parking.

Loan to Agency:
In anticipation of adopting the Fiscal Year 2011/12 budget, and to facilitate the provisions of the debt repayment and cooperation agreement for cost reimbursement, Staff proposed taking a new loan from the City to offset the reimbursement payments. Based on Staff’s proposal, the Council conceptually approved a $495,000 loan over a three (3) year period. The loan provided for $165,000 per year to be reviewed annually with the adoption of the budget or upon the State’s elimination of redevelopment. As with the Cooperation Agreement discussed above, pursuant to Health and Safety Code Sections 34171(d)(2) and 34178, this City/Agency agreement will not be valid as of February 1, 2012.

Agency Budget:
In light of the actions outlined above, the City Council and Redevelopment Agency adopted Fiscal Year 2011/12 budgets containing the approved measures. The dissolution of the Agency will either take affect February 1, 2012 or be extended by legislation that is currently under review. Staff will monitor the actions of the legislature and Governor, and will schedule a review with the Council accordingly. It is important to note that AB1X 26 provides for an administrative budget of a minimum of $250,000 per year which will allow Staff and Agency Council to proceed with efforts to wind down or restructure the Agency.

Also on the agenda is the adoption of the second term for the EOPS and IROPS previously adopted on August 16 and September 20, 2011 respectively and consideration of the creation of a Porterville Housing Authority to assume the housing assets and functions previously performed by the Agency.

RECOMMENDATION: Informational
SCHEDULED MATTERS

SUBJECT: ADOPTION OF AMENDMENTS TO THE AGENCY’S ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AND INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT – REDEVELOPMENT

COMMENT: The purpose of this report is to request that the Porterville Redevelopment Agency (“Agency”) consider a resolution amending the Enforceable Obligation Payment Schedule (“EOPS”) pursuant to Section 34169(g) of the Health & Safety Code and the Initial Recognized Obligation Payment Schedule (“IROPS”) pursuant to Section 34169(h) of the Health & Safety Code.

On December 29, 2011, the California Supreme Court upheld AB 1X 26, which dissolves all of the redevelopment agencies in California, and invalidated AB 1X 27, which would have allowed redevelopment agencies to remain in existence if the agency opted in to the “Voluntary Alternative Redevelopment Program” created by AB 1X 27 (“Program”).

On August 16, 2011, pursuant to Health & Safety Code Section 34169(g), the Agency adopted a resolution approving the Agency’s EOPS. The EOPS is a comprehensive list of all of the Agency’s enforceable obligations for which tax increment revenue may be allocated pursuant to AB 1X 26.

Additionally, on September 20, 2011, pursuant to Health & Safety Code Section 34169(h), the Agency adopted a resolution approving an IROPS and transmitting the IROPS to the City. The IROPS also lists all of the Agency’s enforceable obligations to which tax increment revenue will be allocated and describes the sources for all payments to be made by the successor agency for the applicable six month period.

The EOPS and IROPS adopted in August and September 2011 should now be updated to include payments required to be made in January through June, 2012. Pursuant to Health & Safety Code Section 34169(g), the Agency can amend the EOPS from time to time at any public meeting of the Agency. Due to the stay issued by the California Supreme Court when it agreed to consider the constitutionality of AB 1X 26 and AB 1X 27 in California Redevelopment Association, et al., v. Matosants (“Matosants”), and the Court’s opinion, which extended certain deadlines in AB 1X 26 by four months, it is now also necessary and appropriate to amend the IROPS to provide for payments required to be made on enforceable obligations from January through June, 2012.
Although the League of California Cities and the California Redevelopment Agency are working to secure an extension to the February 1, 2012 date provided in the *Matosantos* decision for the dissolution of all redevelopment agencies (and ultimately to revive redevelopment in the state), Agency staff is working towards having all AB 1X 26 requirements met by the February 1, 2012 deadline currently set forth in the *Matosantos* decision.

The attached Agency resolution adopts an amendment to the EOPS and an amendment to the IROPS.

**RECOMMENDATION:** That the Agency adopt a Resolution of the Porterville Redevelopment Agency amending the Enforceable Obligation Payment Schedule and the Initial Recognized Obligation Payment Schedule and transmit the Initial Recognized Obligation Payment Schedule to the City, acting as successor agency

**Attachments:**
1. Amended EOPS
2. Amended IROPS
3. Agency Resolution
<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year</th>
<th>Payments by month January through June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2006 Tax Allocation Bonds Series A</td>
<td>US Bank</td>
<td>Bonds Issued for fund non-housing projects</td>
<td>4,957,328.00</td>
<td>325,000.00</td>
<td>188,489.00 (Jan) 117,173.00 (Feb) 81,649.00 (Mar) 102,499.00 (Apr) 79,010.00 (May) 20,788.02 (June) 300,658.00</td>
</tr>
<tr>
<td>2 2006 Tax Allocation Bonds Series B</td>
<td>US Bank</td>
<td>Bonds Issued for fund non-housing projects</td>
<td>5,388,800.00</td>
<td>164,338.00</td>
<td>81,649.00 (Jan) 102,499.00 (Feb) 144,338.00</td>
</tr>
<tr>
<td>3 2006 Tax Allocation Bonds Series C</td>
<td>US Bank</td>
<td>Bonds Issued for fund housing projects</td>
<td>2,240,760.00</td>
<td>79,910.00</td>
<td>20,788.02 (Jan) 25,031.00 (Feb) 25,031.00 (Mar) 25,031.00 (Apr) 25,031.00 (May) 25,031.00 (June) 79,910.00</td>
</tr>
<tr>
<td>4 2006 Tax Allocation Bonds Series D</td>
<td>US Bank</td>
<td>Bonds Issued for fund housing projects</td>
<td>1,858,879.00</td>
<td>55,162.00</td>
<td>16,354.00 (Jan) 16,354.00 (Feb) 25,031.00 (Mar) 25,031.00 (Apr) 25,031.00 (May) 25,031.00 (June) 55,162.00</td>
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<tr>
<td>5 2006 Tax Allocation Bond Reserves</td>
<td>Funded</td>
<td>Reserve for bonds</td>
<td>616,453.00</td>
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<td>6 2006 Tax Allocation Bond Administration</td>
<td>US Bank</td>
<td>Administration of bonds (Nov)</td>
<td>4,850.00</td>
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<tr>
<td>7 2006 Tax Allocation Bond Arrearage</td>
<td>US Bank</td>
<td>Arrearage and payment of approx. 26,000 in 2013</td>
<td>30,000.00</td>
<td>0.00</td>
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<tr>
<td>8 Bond Disclosure for 2006 Bonds</td>
<td>City of Porterville</td>
<td>Continuing Disclosure for all bonds (Dec)</td>
<td>6,036.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Low and Moderate Income</td>
<td>Housing Set Aside Fund</td>
<td>20% of fiscal year 2011-12 Gross 11</td>
<td>220,919.00</td>
<td>105,998.00</td>
<td>115,221.00 (Jan) 220,919.00</td>
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<tr>
<td>10 Rural Soc. Dev. Infrastructure Projects</td>
<td>Co. of Porterville Dept. of Commerce</td>
<td>Loan for Infrastructure</td>
<td>153,206.00</td>
<td>27,812.00</td>
<td>13,826.00 (Jan) 13,826.00 (Feb) 27,812.00</td>
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<tr>
<td>11 Rural Soc. Dev. Infrastr. Proj</td>
<td>Reserve for REDIP</td>
<td>32,912.00</td>
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<td>12 Porterville Hotel</td>
<td>To Be Determined</td>
<td>Purchase, demolition and project management</td>
<td>1,924,789.00</td>
<td>1,924,789.00</td>
<td>100,000.00</td>
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<tr>
<td>13 Successor Agency Administration</td>
<td>City of Porterville, Shafter</td>
<td>Operation of Successor Agency, cost to administer</td>
<td>200,000.00</td>
<td>16,066.67</td>
<td>16,066.67 (Jan) 16,066.67 (Feb) 16,066.67 (Mar) 16,066.67 (Apr) 16,066.67 (May) 16,066.67 (June) 100,000.00</td>
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<tr>
<td>14 Affordable Housing Monitoring</td>
<td>Successor Housing Entity</td>
<td>Member Affordable Housing Agreements and</td>
<td>50,000.00</td>
<td>4,166.67</td>
<td>4,166.67 (Jan) 4,166.67 (Feb) 4,166.67 (Mar) 4,166.67 (Apr) 4,166.67 (May) 4,166.67 (June) 35,000.00</td>
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<tr>
<td>15 County Pass-Through Agreement</td>
<td>County of Tulare</td>
<td>General County</td>
<td>4,994.00</td>
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<tr>
<td>16 Local Taxing Agencies Pass-Through</td>
<td>Taxing Entity</td>
<td>Pass-through payments for 2011/12</td>
<td>7,400.00</td>
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<td></td>
<td></td>
<td>County School Service Fund</td>
<td>12,400.00</td>
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<td></td>
<td></td>
<td>Ham Community College</td>
<td>12,400.00</td>
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<td></td>
<td></td>
<td>Porterville Unified School District (Elem)</td>
<td>19,956.00</td>
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<td></td>
<td></td>
<td>Porterville Unified School District (High)</td>
<td>19,956.00</td>
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<td></td>
<td>Porterville Memorial</td>
<td>1,210.00</td>
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<td></td>
<td></td>
<td>Tulare County Air Pollution</td>
<td>72.00</td>
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<td></td>
<td></td>
<td>Tulare County Flood Control</td>
<td>1,127.06</td>
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<td></td>
<td></td>
<td>Porterville Cemetery</td>
<td>2,002.00</td>
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<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$20,862,323.00</strong></td>
</tr>
</tbody>
</table>

* This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency prior to January 31, 2012, and represents the time period between January and June 30, 2012. It is valid through June 30, 2012 or until the Recognized Payment Obligation Schedule is approved pursuant to Section 34177.

** Bond and REDIP payments are due May and November each year. Receipt of funds is needed earlier to allow time to process payments.

*** Unsure of when passsthrough payments are made. Tulare County processes all passthroughs payment.
## INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE

**Per AB 26 - Section 34139 (*)**

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payees</th>
<th>Source</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year</th>
<th>Payments by month January through June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jan</td>
<td>Feb</td>
</tr>
<tr>
<td>1</td>
<td>2008 Tax Allocation Bonds Series A</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund non-housing projects</td>
<td>6,427,598.00</td>
<td>305,658.00</td>
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<tr>
<td>2</td>
<td>2008 Tax Allocation Bonds Series B</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund non-housing projects</td>
<td>5,365,800.00</td>
<td>354,390.00</td>
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<tr>
<td>3</td>
<td>2008 Tax Allocation Bonds Series C</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund housing projects</td>
<td>2,240,760.00</td>
<td>79,910.00</td>
</tr>
<tr>
<td>4</td>
<td>2008 Tax Allocation Bonds Series D</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund housing projects</td>
<td>1,636,876.00</td>
<td>85,162.00</td>
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<td>5</td>
<td>2008 Tax Allocation Bond Reserves</td>
<td>Funded</td>
<td>Funded</td>
<td>Reserve for bonds</td>
<td>635,453.00</td>
<td>$ -</td>
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<td>6</td>
<td>2008 Tax Allocation Bond Admin.</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Administration of bonds (Notion)</td>
<td>4,680.00</td>
<td>$ -</td>
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<tr>
<td>7</td>
<td>2008 Tax Allocation Bonds Arbitrage</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Arbitrage next payment of approx, $6,000 in 2015</td>
<td>30,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>8</td>
<td>Bond Discourse for 2008 Bonds</td>
<td>City of Porterville</td>
<td>Tax Increment</td>
<td>Continuing Discourse for all bonds (Disc)</td>
<td>6,036.00</td>
<td>$ -</td>
</tr>
<tr>
<td>9</td>
<td>Low and Moderate Income Set-Aside</td>
<td>Housing Authority</td>
<td>Tax Increment</td>
<td>20% of fiscal year 2011-12 Cross Ti</td>
<td>220,819.00</td>
<td>105,686.00</td>
</tr>
<tr>
<td>10</td>
<td>Rural Eco. Dev. Infrastructure Proj.</td>
<td>St. of Calif Dept of Commerce</td>
<td>Loan for Infrastructure</td>
<td>170,310.00</td>
<td>27,872.00</td>
<td>19,256.00</td>
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<tr>
<td>11</td>
<td>Rural Eco. Dev. Infra. Prog Rev</td>
<td>Funded</td>
<td>Funded</td>
<td>Reserve for REDIP</td>
<td>32,912.00</td>
<td>$ -</td>
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<td>Porterville Hotel</td>
<td>To Be Determined</td>
<td>Bond Proceeds / Purchase, demolition and project management.</td>
<td>1,924,763.00</td>
<td>1,924,763.00</td>
<td>$ -</td>
</tr>
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<td>13</td>
<td>Successor Agency Administration</td>
<td>City of Porterville, Bradley</td>
<td>Admin Cost</td>
<td>Operation of Successor Agency, cost to administer</td>
<td>200,000.00</td>
<td>18,666.67</td>
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<tr>
<td>14</td>
<td>Affordable Housing Monitoring</td>
<td>City of Porterville</td>
<td>Admin Cost</td>
<td>Monitor Affordable Housing Agreement</td>
<td>90,000.00</td>
<td>4,166.67</td>
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<tr>
<td>15</td>
<td>County pass-through Agreement</td>
<td>County of Visalia</td>
<td>General County</td>
<td>78,394.00</td>
<td>$ -</td>
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<td>16</td>
<td>Local Training Agencies Pass-Throughs</td>
<td>Taxing Entity</td>
<td>Taxing Entity</td>
<td>Pass-through payments for 2011/12</td>
<td>7,972.00</td>
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<td>Porterville Community College</td>
<td>Kern Community College</td>
<td>22,508.00</td>
<td>$ -</td>
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<td>Porterville Unified School District (Kern)</td>
<td>Kern Unified School District (Kern)</td>
<td>29,053.00</td>
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<td>Tulare County Air Pollution</td>
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<td>21</td>
<td>Tulare County Flood Control</td>
<td>Tulare County Flood Control</td>
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<td>2,022.00</td>
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**Totals - This Page**
- **$ 20,862,303.00** | **$ 3,770,703.00** | **$ 126,931.33** | **$ 25,683.33** | **$ 20,683.33** | **$ 406,046.33** | **20,683.33** | **403,781.33** | **$ 698,659.00**

**Totals - Page 2**
- **$ 20,862,303.00** | **$ 3,770,703.00** | **$ 126,931.33** | **$ 25,683.33** | **$ 20,683.33** | **$ 406,046.33** | **20,683.33** | **403,781.33** | **$ 698,659.00**

**Totals - Page 3**
- **$ 20,862,303.00** | **$ 3,770,703.00** | **$ 126,931.33** | **$ 25,683.33** | **$ 20,683.33** | **$ 406,046.33** | **20,683.33** | **403,781.33** | **$ 698,659.00**

**Totals - Page 4**
- **$ 20,862,303.00** | **$ 3,770,703.00** | **$ 126,931.33** | **$ 25,683.33** | **$ 20,683.33** | **$ 406,046.33** | **20,683.33** | **403,781.33** | **$ 698,659.00**

**Grand total - All Pages**
- **$ 20,862,303.00** | **$ 3,770,703.00** | **$ 126,931.33** | **$ 25,683.33** | **$ 20,683.33** | **$ 406,046.33** | **20,683.33** | **403,781.33** | **$ 698,659.00**

* This First Amended Initial Recognized Obligation Payment Schedule (IROP1) must be adopted by the redevelopment agency and transmitted to the City acting as the Successor Agency. This IROP1 will form the basis of the Recognized Obligation payment Schedule to be adopted by the City (as Successor Agency) by 3/1/12.
** Bond and REDIP payments are due May and November each year. Receipt of funds is needed earlier to allow time to process payments.
*** Unsafe of when passsthrough payments are made. Tulare County processes all passthroughs payment.
RESOLUTION NO. _______

A RESOLUTION OF THE PORTERVILLE REDEVELOPMENT AGENCY
AMENDING THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
AND THE INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE
AND TRANSMITTING THE INITIAL RECOGNIZED OBLIGATION
PAYMENT SCHEDULE TO THE CITY, ACTING AS SUCCESSOR AGENCY

WHEREAS: The Porterville Redevelopment Agency ("Agency") was formed to
implement the Redevelopment Plan for the Porterville Redevelopment Project No. 1, pursuant to
the provisions of the California Community Redevelopment Law, Health & Safety Code Section
33000, et seq. ("CRL"); and

Matosantos, Case No. S194861, the California Supreme Court upheld AB 1X 26, which
dissolves all of the redevelopment agencies in California, and invalidated AB 1X 27, which
would have allowed redevelopment agencies to remain in existence if they opted in to the
"Voluntary Alternative Redevelopment Program" created by AB 1X 27 ("Program"); and

WHEREAS: By resolution adopted on August 16, 2011, the Agency adopted an
Enforceable Obligation Payment Schedule ("EOPS") pursuant to CRL Section 34169(g), added
by AB 1X 26; and

WHEREAS: By resolution adopted on September 20, 2011, the Agency adopted an
Initial Recognized Obligation Payment Schedule ("IROPs") pursuant to CRL Section 34169(h),
added by AB 1X 26, and submitted such IROPs to the City, as successor agency; and

WHEREAS: The Agency now desires to amend the EOPS and the IROPs and to
transmit the amended IROPs to the City, as successor agency.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1: The above recitals are true and correct, are a substantive part of this Resolution,
and are adopted as the findings of the Agency.

SECTION 2: Pursuant to CRL Section 34169, subdivisions (g) and (h), enacted by AB 1X 26,
the Agency hereby adopts the amended EOPS submitted herewith as Attachment 1 and the
amended IROPs submitted herewith as Attachment 2, which schedules are incorporated herein
by this reference.

SECTION 3: The Agency hereby transmits the amended IROPs submitted herewith as
Attachment 3, to the City, acting as successor agency to the Agency pursuant to AB 1X 26.

SECTION 4: The Agency Executive Director is hereby authorized and directed to post the
EOPS on the City/Agency website pursuant to CRL Section 34169(g)(2) and to notify the
County Auditor Controller, the State Department of Finance, and the State Controller’s Office
concerning this Resolution, the amended EOPS, and its online publication.

SECTION 5: The Agency Secretary shall certify to the adoption of this Resolution.
APPROVED AND ADOPTED this ____ day of January, 2012.

By: ________________________________
    Ronald L. Irish, Chair

ATTEST:

John D. Lollis, Agency Secretary

_______________________________
Patrice Hildreth, Chief Deputy Agency Secretary
<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year</th>
<th>Payments by month January through June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
</tr>
<tr>
<td>1  2008 Tax Allocation Bonds Series A</td>
<td>US Bank</td>
<td>Bonds issued to fund non-housing projects</td>
<td>3,937,338.00</td>
<td>305,658.00</td>
<td>199,466.00</td>
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<td>US Bank</td>
<td>Bonds issued to fund non-housing projects</td>
<td>3,564,909.00</td>
<td>184,338.00</td>
<td>102,499.00</td>
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<td>3  2008 Tax Allocation Bonds Series C</td>
<td>US Bank</td>
<td>Bonds issued to fund housing projects</td>
<td>2,240,780.00</td>
<td>70,910.00</td>
<td>60,142.00</td>
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<td>4  2008 Tax Allocation Bonds Series D</td>
<td>US Bank</td>
<td>Bonds issued to fund housing projects</td>
<td>1,638,879.00</td>
<td>55,182.00</td>
<td>50,181.00</td>
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<td>5  2008 Tax Allocation Bond Reserve</td>
<td>Funded</td>
<td>Reserve for bonds</td>
<td>632,483.00</td>
<td>$ -</td>
<td>$ -</td>
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<td>6  2008 Tax Allocation Bond Admin</td>
<td>US Bank</td>
<td>Administration of bonds (Not)</td>
<td>465,000.00</td>
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<td>7  2008 Tax Allocation Bond Arbitrage</td>
<td>US Bank</td>
<td>Arbitrage next payment of approx. 85,000 in 2013</td>
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<tr>
<td>8  Bond Disbursement for 2008 Bonds</td>
<td>City of Porterville</td>
<td>Continuing Disbursement for all bonds (Total)</td>
<td>6,035.00</td>
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<td>$ -</td>
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<tr>
<td>9  Low and Moderate Income Set-Aside Housing Set Aside Fund</td>
<td>20% of fiscal year 2011-12 Gross</td>
<td>22,019.00</td>
<td>165,564.00</td>
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<td>$ -</td>
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<tr>
<td>10  Rural Eco. Dev. Infrastructure Proj.</td>
<td>SL &amp; Cell Corp of Commerce</td>
<td>Loan for infrastructure</td>
<td>153,205.00</td>
<td>21,872.00</td>
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<td>11  Rural Eco. Dev. Infr. Prog. Res.</td>
<td>Funded</td>
<td>Reserve for REDIP</td>
<td>33,912.00</td>
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<td>$ -</td>
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<tr>
<td>12  Porterville Hotel</td>
<td>To Be Determined</td>
<td>Purchase, demolition and project management</td>
<td>1,624,763.00</td>
<td>1,624,763.00</td>
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<tr>
<td>13  Successor Agency Administration</td>
<td>City of Porterville, Steering</td>
<td>Operation of Successor Agency, cost to administer</td>
<td>200,000.00</td>
<td>18,668.67</td>
<td>16,688.67</td>
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<td>14  Affordable Housing Monitoring</td>
<td>Successor Housing Entity</td>
<td>Monitor Affordable Housing Agreements and Regulatory Agreements for the following projects:</td>
<td>61,000.00</td>
<td>4,196.67</td>
<td>4,196.67</td>
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<td>County of Tulare</td>
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<td>16  Local Taxing Agencies Pass-Throughs</td>
<td>Taxing Entity</td>
<td>Pass-through payments for 2011/12</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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</tbody>
</table>

** Totals - This Page |
$ 20,862,303.00 ** |
$ 3,370,703.00 ** |
$ 126,531.33 ** |
$ 20,832.33 ** |
$ 20,832.33 ** |
$ 406,046.33 ** |
$ 20,832.33 ** |
$ 403,781.33 ** |
$ 968,508.00 **

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* This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency prior to January 31, 2012, and represents the time period between January and June 30, 2012. It is valid through June 30, 2012 or until the Recognized Payment Obligation Schedule is approved pursuant to Section 34177.

** Bond and REDIP payments are due May and November each year. Receipt of funds is needed earlier to allow time to process payments.

*** Unsure of when passthrough payments are made. Tulare County processes all passthrough payments.
<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Source</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year</th>
<th>Payments by month January through June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
</tr>
<tr>
<td>1 2009 Tax Allocation Bonds</td>
<td>US Bank</td>
<td>Incr.</td>
<td>Bonds issued to fund non-housing projects</td>
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<td>2 2009 Tax Allocation Bonds</td>
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<td>Incr.</td>
<td>Bonds issued to fund non-housing projects</td>
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<td>$164,328.00</td>
<td>$103,499.00</td>
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<td>3 2009 Tax Allocation Bonds</td>
<td>US Bank</td>
<td>Incr.</td>
<td>Bonds issued to fund housing projects</td>
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<td>$75,912.00</td>
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<td>Series C</td>
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<td>4 2009 Tax Allocation Bonds</td>
<td>US Bank</td>
<td>Incr.</td>
<td>Bonds issued to fund housing projects</td>
<td>$1,638,879.00</td>
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<td>6 2009 Tax Allocation Bond</td>
<td>US Bank</td>
<td>Incr.</td>
<td>Administration of bonds fund</td>
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<td>Administration</td>
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<td>7 2009 Tax Allocation Bond</td>
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<td>Incr.</td>
<td>Arbitrage paid at par of approx. $36,000 in 2013</td>
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<tr>
<td>8 Bond Disclosure for 2008 Bonds</td>
<td>City of Porterville</td>
<td>Incr.</td>
<td>Continuing Disclosure for all bonds (incl.</td>
<td>$6,030.00</td>
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<td>9 Low and Moderate Income</td>
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<td>Affordable Housing</td>
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<td>20% of fiscal year 2011-12 Gross Ti.</td>
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<td>12 Porterville Hotel</td>
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<td>Bond Proceeds</td>
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<tr>
<td>13 Successor Agency Administration</td>
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<td>City of Porterville, Bonding</td>
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<td>Admin Cost</td>
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<td>City of Porterville or</td>
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<td>County of Tulare</td>
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<tr>
<td>17 Local Taxing Agencies Pass-Throughs</td>
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<td>Tulare County Air Pollution</td>
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<tr>
<td>Tulare County Flood Control</td>
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<tr>
<td>Tulare Cemetery</td>
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* This First Amended Initial Recognized Obligation Payment Schedule (IROPS1) must be adopted by the redevelopment agency and transmitted to the City acting as the Successor Agency. This IROPS1 will form the basis of the Recognized Obligation payment Schedule to be adopted by the City (as Successor Agency) by 3/1/12. ** Bond and REDIP payments are due May and November each year. Receipt of funds is needed earlier to allow time to process payments. *** Unsure of when passthrough payments are made. Tulare County processes all passthrough payments.
CITY COUNCIL AGENDA: JANUARY 31, 2012

SCHEDULED MATTER

SUBJECT: FORMATION AND DECLARATION OF NEED FOR PORTERVILLE HOUSING AUTHORITY AND DESIGNATION OF PORTERVILLE HOUSING AUTHORITY AS HOUSING SUCCESSOR AGENCY, TO ASSUME ALL HOUSING ASSETS AND FUNCTIONS PREVIOUSLY PERFORMED BY THE PORTERVILLE REDEVELOPMENT AGENCY, PURSUANT TO HEALTH & SAFETY CODE SECTION 34176

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: Background – The purpose of this report is to request that the City Council (“City Council”) of the City of Porterville (“City”): (1) adopt a resolution declaring a need for a Porterville Housing Authority (“Housing Authority”) to function within the City pursuant to the California Housing Authorities Law, Health & Safety Code Section 34200, et seq., and making related decisions and (2) adopt a resolution declining to assume the housing assets and functions of the Porterville Redevelopment Agency (“Agency”) but confirming that such housing assets and functions be assumed by the Housing Authority pursuant to Health & Safety Code Section 34176.

Budget Impact - By taking on the housing functions of the former Agency, the Housing Authority may incur obligations relating to the development and/or monitoring of affordable housing units; however, the Housing Authority is also expected to receive certain housing assets of the Agency such as the outstanding loan for $930,000 for the Villa Siena housing project. The law is unclear as to the full extent of the obligations that may be imposed on the Housing Authority if it assumes the housing assets and functions of the Agency, and the character of the assets that will be transferred to the Housing Authority. By designating the Housing Authority instead of the City as the housing successor agency, the City, and therefore the City’s general fund, would not be at risk in the event AB 1X 26 is interpreted to impose housing production or other obligations on the housing successor agency designated pursuant to Health & Safety Code Section 34176.

On December 29, 2011, the California Supreme Court upheld AB 1X 26, which dissolves all of the redevelopment agencies in California, and invalidated AB 1X 27, which would have allowed redevelopment agencies to remain in existence if the agency opted in to the “Voluntary Alternative Redevelopment Program” created by AB 1X 27 (“Program”). The City previously opted into the Program by ordinance soon after the passage of AB 1X 26 and AB 1X 27. Because the constitutionality of both AB 1X 26 and AB 1X 27 was in doubt, the City also, by resolution, affirmatively elected to serve as the successor agency to the Agency pursuant to Health & Safety Code Section 34173(d)(1).
Pursuant to new Health & Safety Code Section 34176, added by AB 1X 27, the City also may elect to retain the “housing assets and functions previously performed by the redevelopment agency.” If the City elects to retain this responsibility, then “all rights, powers, duties, and obligations, excluding any amounts on deposit in the Low and Moderate Income Housing Fund” shall be transferred to the City.

If the City does not elect to retain the responsibility for performing the former Agency’s housing functions then all such rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the former Agency, again excluding the existing balances in the Housing Fund, must be transferred to: (1) the local housing authority, or (2) if there is more than one local housing authority in the jurisdiction, then to the housing authority selected by the City, or (3) if there is no local housing authority, then to the State Department of Housing and Community Development (HCD).

AB 1X 26 is not clear about the scope of the housing responsibilities that would be imposed on the City, should the City elect to assume the Agency’s housing functions and assets. For example, if a redevelopment agency had prior compliance issues and the City were required to carry out those prior housing duties, what funding source(s) would be available to the City? The City and its general fund should not be exposed to unforeseen financial and/or legal duties.

To facilitate local administration and monitoring of the affordable housing projects and housing units previously assisted by the Agency without exposing the City’s general fund to potential liability for housing obligations, staff recommends that the City Council adopt a resolution declaring a need for the Porterville Housing Authority to function in the City, as authorized by the Housing Authorities Law, Health & Safety Code Section 34200, et seq., in order to form the Porterville Housing Authority. Once the Porterville Housing Authority has been authorized by the City Council, staff recommends that the City Council adopt a resolution designating the Porterville Housing Authority as the successor housing agency to the former Agency, thereby authorizing the Porterville Housing Authority to assume the housing assets and functions previously performed by the Agency, including all rights, powers, duties, and obligations of the Agency. By taking these actions, the Porterville Housing Authority may assume the former Agency’s housing assets and functions and the City and its general fund should not be exposed to uncertain legal and financial responsibilities. Alternatively, the City Council may recommend that the Housing Authority of the County of Tulare assume the former Agency’s housing assets and functions because they are the only other local housing authority covering the Agency’s territorial jurisdiction.

With the Porterville Housing Authority assuming the Agency’s housing assets and functions, then as of February 1, 2012, the Porterville Housing Authority may enforce affordability covenants and perform related activities pursuant to
applicable provisions of the Community Redevelopment Law, Health & Safety Code Section 33000, *et seq.*, including, but not limited to, Section 33418.

The City Council should be aware that, on January 4, 2012, State Senator Steinberg amended Senate Bill 654 ("SB 654"), which draft bill includes, among other provisions, authority for the existing Low and Moderate Income Housing Fund balance(s) of dissolved redevelopment agencies to be transferred to the entity that assumes the housing assets and functions of the former redevelopment agency. At the end of the 10/11 fiscal year, the fund balance in the Porterville Redevelopment Agency’s Low and Moderate Income Housing Fund was $291,617. SB 654 also would allow local housing authority(ies) to decline to assume the housing assets and functions of the former agency, causing the State Department of Housing and Community Development (HCD) to assume such housing assets and functions. As of the date of preparation of this agenda report, SB 654 was approved by the policy committee and the Senate Appropriations Committee.

**RECOMMENDATION:** That the City Council:

1. Adopt a Resolution of the City Council of the City of Porterville declaring that there is a need for a housing authority to function in the City, declaring that the members of the City Council shall be the Commissioners of the housing authority and designating the mayor as the first interim Chairperson of the housing authority; and

2. Adopt a Resolution of the City Council of the City of Porterville declining that the City assume the housing assets and functions of the Porterville Redevelopment Agency and recommending that the Porterville Housing Authority assume the housing assets and functions previously performed by the Agency pursuant to Health & Safety Code Section 34176.

**ATTACHMENTS:**

1. Resolution Declaring Need for Housing Authority and Making Related Decisions

2. Resolution Designating Porterville Housing Authority to Serve as Housing Successor Agency
RESOLUTION NO. ________


WHEREAS: The Housing Authorities Law is codified in California Health & Safety Code Sections 34200, et seq. ("Law"); and

WHEREAS: Section 34240 of the Law provides that in every city, including the City of Porterville ("City"), there is a public body, corporate and politic, known as the housing authority of the city ("Housing Authority"); and

WHEREAS: Section 34240 of the Law additionally provides that the Housing Authority shall not transact business or exercise its power unless the City Council of the City ("City Council"), as the governing body of the City, declares by Resolution that there is a need for a Housing Authority to function in the City; and

WHEREAS: Section 34242 of the Law provides for the adoption of a Resolution declaring that there is a need for a Housing Authority to function in the City if the City Council finds either or both that: (a) unsanitary or unsafe inhabited dwelling accommodations exist in the City and/or (b) there is a shortage of safe or sanitary dwelling accommodations in the City available to persons of low income at rentals they can afford; and

WHEREAS: Section 34290 of the Law provides that the City Council may declare by Resolution that the Members of the City Council shall be the Commissioners of the Housing Authority; and

WHEREAS: Section 34277 of the Law provides that the Mayor of the City shall designate the interim Chairperson of the Housing Authority from among the Housing Authority Commissioners, and thereafter the Housing Authority shall select the successor Chairperson from among its commissioners.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1: The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the City Council.

SECTION 2: The City Council finds that there exist in the City unsanitary and unsafe inhabited dwelling accommodations and a shortage of decent, safe, sanitary and affordable dwelling accommodations in the City that are available to persons of low income.

SECTION 3: The City Council finds that there is a need for a Housing Authority to function in the City and hereby authorizes the Porterville Housing Authority to transact any business and exercise any power conferred thereon by the provisions of the Law.
SECTION 4: Pursuant to Section 34290 of the Law, the City Council finds that the appointment of the Members of the City Council as the Commissioners of the Housing Authority will serve the public interest and promote the public safety and welfare in an effective manner and, therefore, the Members of the City Council are hereby declared to be Commissioners of the Housing Authority and all the rights, powers, duties, privileges and immunities that are conferred by the Law on such a Housing Authority shall be vested in such Commissioners, except as otherwise provided by the Law.

SECTION 5: The Mayor of the City shall serve as the interim Chairperson of the Housing Authority, until a permanent Chairperson is selected.

SECTION 6: The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this _____ day of January, 2012.

By:  
Ronald L. Irish, Mayor

ATTEST:

John D. Lollis, City Clerk

Patrice Hildreth, Chief Deputy City Clerk
RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE DECLINING FOR THE CITY TO ASSUME THE HOUSING ASSETS AND FUNCTIONS OF THE PORTERVILLE REDEVELOPMENT AGENCY AND DESIGNATING THE PORTERVILLE HOUSING AUTHORITY TO ASSUME THE HOUSING ASSETS AND FUNCTIONS PREVIOUSLY PERFORMED BY THE AGENCY PURSUANT TO HEALTH & SAFETY CODE SECTION 34176

WHEREAS: The Porterville Redevelopment Agency ("Agency") was formed to implement the Redevelopment Plan for the Porterville Redevelopment Project No. 1, pursuant to the provisions of the California Community Redevelopment Law, Health & Safety Code Section 33000, et seq. ("CRL"); and

WHEREAS: The City of Porterville is a municipal corporation of the State of California ("City"); and

WHEREAS: On December 29, 2011, in California Redevelopment Association v. Matosantos, Case No. S194861, the California Supreme Court upheld AB 1X 26, which dissolves all of the redevelopment agencies in California, and invalidated AB 1X 27, which would have allowed redevelopment agencies to remain in existence if they opted in to the "Voluntary Alternative Redevelopment Program" created by AB 1X 27 ("Program"); and

WHEREAS: The City opted into the Program by ordinance soon after the passage of AB 1X 26; and

WHEREAS: Because the constitutionality of both AB 1X 26 and AB 1X 27 was in doubt, the City also, by resolution, affirmatively elected to serve as the successor agency to the Agency pursuant to CRL Section 34173(d)(1); and

WHEREAS: Pursuant to CRL Section 34176, the City may elect to assume the housing assets and functions previously performed by the Agency or may allow transfer of those assets and functions to the Porterville Housing Authority; and

WHEREAS: The City declines to assume such housing assets and functions and states its desire that the Porterville Housing Authority assume all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the former Agency.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1: The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the City Council.

SECTION 2: Pursuant to CRL Section 34176, enacted by AB 1X 26, the City Council hereby declines to assume the housing assets and functions of the Agency and designates the Porterville Housing Authority to assume the housing assets and functions previously performed
by the Agency, including all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the former Agency.

SECTION 3: The City Manager is hereby authorized and directed to take such other and further actions, and sign such other and further documents, as are necessary and proper in order to implement this Resolution on behalf of the City.

SECTION 4: The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this _____ day of January, 2012.

By: ____________________________
    Ronald L. Irish, Mayor

ATTEST:

John D. Lollis, City Clerk

______________________________
Patrice Hildreth, Chief Deputy City Clerk
SUBJECT: RECONSIDERATION OF OPTIONS FOR THE JUNE 5, 2012 GENERAL MUNICIPAL ELECTION

SOURCE: ADMINISTRATIVE SERVICES DEPARTMENT

COMMENT: At its meeting on January 17, 2012, the City Council took action relative to setting precepts for the upcoming general election of June 5, 2012. One decision made that evening pertained to requiring candidates to pay the pro rata costs for the printing and distribution of the candidate statements. Subsequent to Council action, staff was made aware of an error in the estimate provided to the Council relative to candidate statement cost.

At that time, staff reported that the estimated pro rata cost was approximately $100 per candidate, when in fact the estimated cost is approximately $1,300 per candidate. (Because the election cost estimate had been based on an assumption of ten to 13 candidates, when County staff advised that the cost for candidates’ statements would be $1,300, it was understood that this was the total cost, rather than an estimate for each candidate.)

Council has the following options for consideration:

1. Require that the candidate(s) pay the entire pro rata cost, estimated at $1,300 per candidate, of printing and distributing the candidates' statements of 200 words or less; or
2. Determine that the City will pay the entire cost for candidate statements; or
3. Determine that the City will pay a portion of the cost for candidate statements; or
4. Determine that the City will prohibit candidate statements.

Currently neither the county, nor any cities within the county, pay the cost for candidate statements. In fact, according to the Tulare County Registrar of Voters office, this is a very rare occurrence for cities and counties across the state. Further, Elections staff is unaware of any cities which outright prohibit candidate statements.

RECOMMENDATION: That the City Council:

1. Reaffirm its action on January 17, 2012 via Resolution No. 06-2012. This would require that the candidates pay the entire pro rata cost, estimated at $1,300 per candidate, of printing and distributing the candidates' statements of 200 words or less; OR

Item No. 2
2. Approve the draft resolution rescinding Resolution 06-2012; and

3. Approve and adopt the draft resolution calling the general municipal election of June 5, 2012 and requesting and consenting to consolidation of elections; and setting specifications of the election order, and setting forth the determination that City will:
   a. Pay the entire cost for candidate statements; OR
   b. Pay a portion of the cost for candidate statements; OR
   c. Prohibit candidate statements.

ATTACHMENTS:
1. Resolution No. 06-2012
2. Draft Resolution Rescinding Resolution 06-2012
3. Draft Resolution Calling the General Municipal Election of June 5, 2012 and Requesting and Consenting to Consolidation of Elections; and Setting Specifications of the Election Order
RESOLUTION NO. 06-2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
CALLING THE GENERAL MUNICIPAL ELECTION OF JUNE 5, 2012
AND REQUESTING AND CONSENTING TO CONSOLIDATION
OF ELECTIONS; AND SETTING SPECIFICATIONS
OF THE ELECTION ORDER

WHEREAS, pursuant to the Elections Code, the governing body of any city may, by
resolution, request the Board of Supervisors of the county to permit the Registrar of Voters to render
specified services to the city relating to the conduct of an election; and

WHEREAS, other elections may be held in whole or in part of the territory of the City of
Porterville and it is to the advantage of the City of Porterville to consolidate pursuant to Elections
Code Section 10400; and

WHEREAS, there will be a General Municipal Election held within the boundaries of the
City, in conjunction with a County-wide Election, on June 5, 2012;

WHEREAS, Elections Code Section 10242 provides that the governing board shall determine
the hours of opening and closing the polls; and

WHEREAS, Elections Code Section 10002 requires the City to reimburse the County in full
for the services performed upon presentation of a bill to the City by the County Elections Official;
and

WHEREAS, Elections Code Section 13307 requires that before the nominating period opens,
the governing body must determine whether a charge shall be levied against each candidate
submitting a candidate’s statement to be sent to the voters; and

WHEREAS, Elections Code Section 12101 requires the publication of a notice of the election
once in a newspaper of general circulation in the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Porterville that:

1. The City of Porterville General Municipal Election is hereby called for June 5, 2012,
shall be and is hereby ordered consolidated with the Primary Election to be held
within the City on said date, and within the territory affected by the consolidation.
The election shall be held and conducted, election officers appointed, voting
precincts designated, ballots printed, polls opened and closed, ballots counted, and
returned, returns canvassed, results declared, and all other proceedings incidental to
and connected with the election shall be regulated and done in accordance with the
provisions of law regulating the election as specified herein. The Board of

ATTACHMENT 1
Supervisors of Tulare County, and the Tulare County Registrar of Voters, are hereby requested to order the consolidation of the general municipal election hereby called with the other election to be held within the City on said date, and within the territory affected by the consolidation, and the Board and the Registrar of Voters are hereby authorized to canvass the returns of said municipal election, and said municipal election shall be held in all respects as if there were only one election and the form of ballot shall be as provided for the other election. The County shall certify results of the canvass of the returns of said general municipal election to the City Council which shall thereafter declare the results thereof.

2. That the election be held in accordance with the following specifications:

SPECIFICATIONS OF THE ELECTION ORDER

A. The Election shall be held on Tuesday, the 5th day of June, 2012. The purpose of the election is to choose successors for the following offices:

   Three (3) Members of the City Council
   (Full Term of Four Years)

B. The Porterville City Council hereby requests and consents to the consolidation of this election with other elections which may be held in whole or in part of the territory of the City, as provided in Elections Code Section 10400.

C. The City of Porterville hereby designates the hours the polls are to be kept open shall be from 7:00 a.m. to 8:00 p.m.

D. The City of Porterville will reimburse the County for the actual cost incurred in conducting the election upon receipt of a bill stating the amount due as determined by the Elections Official.

E. The Porterville City Council has determined that the candidate will be required to pay the pro rata cost of printing, handling, translating, and distributing the candidates' statements. The Candidate's Statement will be limited to 200 words, with no additional mailings.

F. The Porterville City Council hereby directs the City Clerk forward a certified copy of this Resolution to the Registrar of Voters, and the Board of Supervisors of Tulare County.
PASSED, APPROVED, AND ADOPTED this 17th day of January, 2012.

[Signature]
Ronald L. Irish, Mayor

ATTEST:

John D. Lollis, City Clerk

[Signature]
Patrice Hildreth, Chief Deputy City Clerk
I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at a regular meeting of the Porterville City Council duly called and held on the 17th day of January, 2012.

THAT said resolution was duly passed, approved, and adopted by the following vote:

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JOHN D. LOLLIS, City Clerk

By: Patrice Hildreth, Chief Deputy City Clerk
RESOLUTION NO. _____-2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
RESCINDING RESOLUTION 06-2012

WHEREAS, on January 17, 2012 the City Council approved and adopted Resolution No. 06-2012 Calling the General Municipal Election of June 5, 2012 and Requesting and Consenting to Consolidation of Elections; and Setting Specifications of the Election Order; and

WHEREAS, based on new information presented relative to costs associated with the printing and distribution of Candidate Statements, the City Council has reconsidered its action and seeks to amend its decision thereby necessitating the need to rescind said resolution.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Porterville that Resolution No. 06-2012 is hereby rescinded.

PASSED, APPROVED, AND ADOPTED this 31 day of January, 2012.

_________________________________________
Ronald L. Irish, Mayor

ATTEST:

John D. Lollis, City Clerk

______________________________
Patrice Hildreth, Chief Deputy City Clerk
RESOLUTION NO. _____-2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
CALLING THE GENERAL MUNICIPAL ELECTION OF JUNE 5, 2012
AND REQUESTING AND CONSENTING TO CONSOLIDATION
OF ELECTIONS; AND SETTING SPECIFICATIONS
OF THE ELECTION ORDER

WHEREAS, pursuant to the Elections Code, the governing body of any city may, by
resolution, request the Board of Supervisors of the county to permit the Registrar of Voters to
render specified services to the city relating to the conduct of an election; and

WHEREAS, other elections may be held in whole or in part of the territory of the City of
Porterville and it is to the advantage of the City of Porterville to consolidate pursuant to
Elections Code Section 10400; and

WHEREAS, there will be a General Municipal Election held within the boundaries of the
City, in conjunction with a County-wide Election, on June 5, 2012;

WHEREAS, Elections Code Section 10242 provides that the governing board shall
determine the hours of opening and closing the polls; and

WHEREAS, Elections Code Section 10002 requires the City to reimburse the County in
full for the services performed upon presentation of a bill to the City by the County Elections
Official; and

WHEREAS, Elections Code Section 13307 requires that before the nominating period
opens, the governing body must determine whether a charge shall be levied against each
candidate submitting a candidate’s statement to be sent to the voters; and

WHEREAS, Elections Code Section 12101 requires the publication of a notice of the
election once in a newspaper of general circulation in the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Porterville
that:

1. The City of Porterville General Municipal Election is hereby called for June 5,
2012, shall be and is hereby ordered consolidated with the Primary Election to be
held within the City on said date, and within the territory affected by the
consolidation. The election shall be held and conducted, election officers
appointed, voting precincts designated, ballots printed, polls opened and closed,
ballots counted, and returned, returns canvassed, results declared, and all other
proceedings incidental to and connected with the election shall be regulated and
done in accordance with the provisions of law regulating the election as specified
The Board of Supervisors of Tulare County, and the Tulare County Registrar of Voters, are hereby requested to order the consolidation of the general municipal election hereby called with the other election to be held within the City on said date, and within the territory affected by the consolidation, and the Board and the Registrar of Voters are hereby authorized to canvass the returns of said municipal election, and said municipal election shall be held in all respects as if there were only one election and the form of ballot shall be as provided for the other election. The County shall certify results of the canvass of the returns of said general municipal election to the City Council which shall thereafter declare the results thereof.

2. That the election be held in accordance with the following specifications:

SPECIFICATIONS OF THE ELECTION ORDER

A. The Election shall be held on Tuesday, the 5th day of June, 2012. The purpose of the election is to choose successors for the following offices:

   Three (3) Members of the City Council
   (Full Term of Four Years)

B. The Porterville City Council hereby requests and consents to the consolidation of this election with other elections which may be held in whole or in part of the territory of the City, as provided in Elections Code Section 10400.

C. The City of Porterville hereby designates the hours the polls are to be kept open shall be from 7:00 a.m. to 8:00 p.m.

D. The City of Porterville will reimburse the County for the actual cost incurred in conducting the election upon receipt of a bill stating the amount due as determined by the Elections Official.

E. The Porterville City Council has determined that _______________ will be required to pay the pro rata cost of printing, handling, translating, and distributing the candidates' statements. The Candidate's Statement will be limited to 200 words, with no additional mailings.

F. The Porterville City Council hereby directs the City Clerk forward a certified copy of this Resolution to the Registrar of Voters, and the Board of Supervisors of Tulare County.
PASSED, APPROVED, AND ADOPTED this 31 day of January, 2012.

____________________________________________
Ronald L. Irish, Mayor

ATTEST:

John D. Lollis, City Clerk

______________________________
Patrice Hildreth, Chief Deputy City Clerk