



AGENDA REPORT
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE SAN CLEMENTE REDEVELOPMENT AGENCY
MEETING DATE: FEBRUARY 24, 2014

Agenda Item 1-C
Approvals:
City Manager [Signature]
Dept. Head [Signature]
Attorney _____
Finance [Signature]

Department: Finance and Administrative Services
Prepared By: Jake Rahn, Financial Services Officer

Subject: ***APPROVAL OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)***

Fiscal Impact: These costs will be funded through an allocation by the County of Orange from the Redevelopment Property Tax Trust Fund.

Summary: The Recognized Obligation Payment Schedule (ROPS) presented, covers obligations of the former Redevelopment Agency to be paid during the period of July 2014 to December 2014. Obligations once approved by the Oversight Board and the State of California are eligible for payment.

Background: Under Health and Safety Code Section (HSC) 34180, certain actions of the Successor Agency (City) require approval of the Oversight Board. As part of the requirement to dissolve the Redevelopment Agency, the Oversight Board is required to approve the Recognized Obligation Payment Schedule (ROPS) every six months. The ROPS lists the remaining obligations of the former Redevelopment Agency. The ROPS has been presented to the Oversight Board on a semi-annual basis since the dissolution of the Redevelopment Agency.

Discussion: The ROPS, attached, covers the first six months of Fiscal Year 2015 (July 2014 to December 2014). The ROPS lists the outstanding obligations of the former redevelopment agency including the Administrative Budget, the General Fund loan, and the operating agreement (lease) costs for the Casa Romantica. These obligations are discussed in more detail below.

Administrative Budget. Budgeted administrative costs of \$250,000 shown on the ROPS represents the annual threshold allowed under State law. Only actual costs incurred related to the dissolution process are reimbursed.

General Fund Advance (Loan). Under AB 1484, General Fund loans are eligible for repayment upon receiving a Finding of Completion and approval by the Oversight Board. The General Fund loan is now eligible for repayment, based on the Department of Finance letter received on June 20, 2013 and the Loan repayment approval by the Oversight Board on July 3, 2013.

The Loan is eligible for payment, however funds allocated for repayment cannot be determined based on HSC 34191.4 (b)(2)(A) until after the Orange County Auditor

Controller remits property taxes in June of 2014. Therefore no payments have been made to date. We have listed \$720,000 as the amount to be paid, however the amount paid during the period could be less based on the funds authorized by the County.

Using the LAIF interest rate (currently .26%) the amount outstanding at July 1, 2014 is anticipated to be approximately \$1,984,119. Further information on the repayment will be reported to the Oversight Board on the repayment of the General Fund loan in the future.

Casa Romantica Lease Obligation. The rental agreement with the Casa Romantica Cultural Center (CRCC) created an obligation under an amendment dated July 1, 2008 to perform certain maintenance items. Staff is finalizing details regarding the exterior painting and will coordinate scheduling with CRCC in the future.

Recommended

Action:

STAFF RECOMMENDS THAT the Oversight Board:

- 1) Approve the Administrative Budget for Operations from July 1, 2014 to June 30, 2015 in relation to the Dissolution of the Former Redevelopment Agency.
- 2) Approve the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2014 through December 31, 2014.
- 3) Adopt Resolution No. _____ entitled "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SAN CLEMENTE REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177"

Attachments:

Resolution No. _____
 Exhibit "A" – Recognized Obligation Payment Schedule
 Exhibit "B" – General Fund Loan Repayment Schedule
 Exhibit "C" – Administrative Budget for Fiscal Year 2015

Notification:

State of California Department of Finance
 State of California State Controllers Office
 County of Orange Auditor Controller
 Casa Romantica Cultural Center

RESOLUTION NO. OB-_____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE SAN CLEMENTE REDEVELOPMENT AGENCY
APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE
PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

WHEREAS, the San Clemente Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of San Clemente ("City"), duly created pursuant to the California Community Redevelopment Law and Health and Safety Code Section 33000, *et. seq.*; and

WHEREAS, the City Council of the City of San Clemente ("City") adopted a redevelopment plan for San Clemente's redevelopment project area; and

WHEREAS, Assembly Bill x1 26 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012, the Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City Council of the City adopted Resolution No 12-04 on January 17, 2012, pursuant to Part 1.85 of the Dissolution Act, electing for the City to serve as the successor agency to the San Clemente Redevelopment Agency under the Dissolution Act ("Successor Agency"); and

WHEREAS, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

WHEREAS, pursuant to Section 34179 the Oversight Board has been established for the Successor Agency and all seven members have been appointed to the Oversight Board; and

WHEREAS, Health and Safety Code Section 34177 requires the RDA Successor Agency to submit the Recognized Obligation Payment Schedule (ROPS) to the Oversight Board for approval and, upon such approval, the RDA Successor Agency is required to submit a copy of such approved ROPS to the County of Orange Auditor-Controller, the California State Controller, and the State of California Department of Finance and post the Approved ROPS on the RDA Successor Agency's website; and

WHEREAS, Health and Safety Code Section 34180 requires the Oversight Board to approve the RDA Successor Agency's establishment of the ROPS prior to the RDA Successor Agency acting upon the ROPS;

NOW, THEREFORE, The Oversight Board to the Successor Agency of the San Clemente Redevelopment Agency does hereby resolve as follows:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Oversight Board hereby approves and adopts the ROPS, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177.

Section 3. The Oversight Board hereby directs the RDA Successor Agency to submit copies of the ROPS approved by the Oversight Board to the County of Orange Auditor-Controller, the State of California Controller and the State of California Department of Finance (DOF) after the effective date of this Resolution or, if the DOF requests a review of the ROPS prior to the effective date of this Resolution, upon approval of the ROPS by the DOF, and to post the ROPS on the RDA Successor Agency's website.

Section 4. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable.

Section 5. The actions taken by the Oversight Board shall take effect upon the date of its adoption, subject to the DOF's review pursuant to Health and Safety Code Section 34179.

Section 6. The Secretary of the Successor Agency shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this _____ day of _____, _____.

ATTEST:

SECRETARY, OVERSIGHT BOARD

CHAIR, OVERSIGHT BOARD

STATE OF CALIFORNIA)
COUNTY OF ORANGE) §
CITY OF SAN CLEMENTE)

I, JOANNE BAADE, Secretary to the Oversight Board of the Successor Agency to the San Clemente Redevelopment Agency, hereby certify that the foregoing resolution was duly adopted at a special meeting of the Oversight Board, held on the ____ day of _____, _____, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this _____ day of _____, 2014.

SECRETARY, OVERSIGHT BOARD

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

[Attached behind this page]

Exhibit A

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: San Clemente
 Name of County: Orange

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):		
A	Bond Proceeds Funding (ROPS Detail)	\$ -
B	Reserve Balance Funding (ROPS Detail)	-
C	Other Funding (ROPS Detail)	-
D		-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 875,000
F	Non-Administrative Costs (ROPS Detail)	750,000
G	Administrative Costs (ROPS Detail)	125,000
H	Current Period Enforceable Obligations (A+E):	\$ 875,000

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	875,000
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(79,429)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 795,571

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	875,000
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	875,000

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) 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
 /s/

 Signature

 Date

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

(Report Amounts in Whole Dollars)

A	B	Fund Sources										I	
		C	D	E	F	G	H						
		Bond Proceeds		Reserve Balance		Other		RPTTF					
Cash Balance Information by ROPS Period												Comments	
ROPS 13-14A Actuals (07/01/13 - 12/31/13)													
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)			80,000							130,286		\$80,000 reserve retained for exterior painting of Casa Romanica, approved on a Prior ROPS, \$130,286 is balance of funds available
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013										968		\$280,000 was the distribution from the County of Orange on 6/3/2013, and was reported on the 12-13 ROPS as a receipt
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of Available Cash Balance (Actual 12/31/13)											4,808	
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A												
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.												
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)			80,000						968		46,049	
ROPS 13-14B Estimate (01/01/14 - 06/30/14)													
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)			80,000									
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014												
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)												
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B			80,000									\$80,000 for exterior painting of Casa Romanica, balance of administrative costs, and balance of Casa Romanica costs
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)												

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

ROPS 13-14A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14A (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 14-15A (July through December 2014) period will be offset by the SA's self-reported ROPS 13-14A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

ROPS 13-14A CAC PPA: To be completed by the CAC upon submittal of the ROPS 14-15A by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the admin amounts do not need to be listed at the line item level and may be entered as a lump sum.

		C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures								RPTTF Expenditures								Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 14-15A Requested RPTTF)	RPTTF Expenditures						Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 14-15A Requested RPTTF)	CAC Comments		
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin				Admin				Non-Admin CAC			Admin CAC									
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)		Net Difference (M-N)	Net Lesser of Authorized / Available	Actual	Difference	Net Lesser of Authorized / Available	Actual			Difference	Net Difference
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 75,081	\$ 30,000	\$ 1,923	\$ 28,077	\$ 250,000	\$ 55,285	\$ 55,285	\$ 3,833	\$ 51,252	\$ 79,429				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1	Costs Reimbursed							30,000	75,081	30,000	1,923	28,077						79,429										
2	Administrative																											
3	Repayment on loan for prior capital projects (2.88% interest rate)																											

Exhibit B

City of San Clemente
General Fund Loan Recalculation

	Beginning Loan Balance	Interest	Payment	Ending Loan Balance	LAIF Interest Rate
Jul-13	1,978,981.99	428.78	-	1,979,410.77	0.26%
Aug-13	1,979,410.77	428.87	-	1,979,839.64	0.26%
Sep-13	1,979,839.64	428.97	-	1,980,268.61	0.26%
Oct-13	1,980,268.61	429.06	-	1,980,697.67	0.26%
Nov-13	1,980,697.67	429.15	-	1,981,126.82	0.26%
Dec-13	1,981,126.82	429.24	-	1,981,556.06	0.26%
Jan-14	1,981,556.06	434.29	-	1,981,990.35	0.26%
Feb-14	1,981,990.35	429.43	-	1,982,419.78	0.26%
Mar-14	1,982,419.78	424.57	-	1,982,844.35	0.26%
Apr-14	1,982,844.35	424.66	-	1,983,269.01	0.26%
May-14	1,983,269.01	424.75	-	1,983,693.76	0.26%
Jun-14	1,983,693.76	424.84	-	1,984,118.60	0.26%
Jul-14	1,984,118.60	424.93	(120,000.00)	1,864,543.53	0.26%
Aug-14	1,864,543.53	399.32	(120,000.00)	1,744,942.85	0.26%
Sep-14	1,744,942.85	373.71	(120,000.00)	1,625,316.56	0.26%
Oct-14	1,625,316.56	348.09	(120,000.00)	1,505,664.65	0.26%
Nov-14	1,505,664.65	322.46	(120,000.00)	1,385,987.11	0.26%
Dec-14	1,385,987.11	296.83	(120,000.00)	1,266,283.94	0.26%
Jan-15	1,266,283.94	271.20	(120,000.00)	1,146,555.14	0.26%
Feb-15	1,146,555.14	245.55	(120,000.00)	1,026,800.69	0.26%
Mar-15	1,026,800.69	219.91	(120,000.00)	907,020.60	0.26%
Apr-15	907,020.60	194.25	(120,000.00)	787,214.85	0.26%
May-15	787,214.85	168.60	(120,000.00)	667,383.45	0.26%
Jun-15	667,383.45	142.93	(120,000.00)	547,526.38	0.26%
Jul-15	547,526.38	117.26	(120,000.00)	427,643.64	0.26%
Aug-15	427,643.64	91.59	(120,000.00)	307,735.23	0.26%
Sep-15	307,735.23	65.91	(120,000.00)	187,801.14	0.26%
Oct-15	187,801.14	40.22	(120,000.00)	67,841.36	0.26%
Nov-15	67,841.36	14.53	(67,855.89)	0.00	0.26%
Dec-15	0.00	-	-	0.00	0.26%
Jan-16	0.00	-	-	0.00	0.26%
Feb-16	0.00	-	-	0.00	0.26%
Mar-16	0.00	-	-	0.00	0.26%
Apr-16	0.00	-	-	0.00	0.26%
May-16	0.00	-	-	0.00	0.26%
Jun-16	0.00	-	-	0.00	0.26%

CITY OF SAN CLEMENTE
SUCCESSOR AGENCY ADMINISTRATIVE BUDGET
JULY 1, 2014 TO JUNE 30, 2015

	<u>Totals</u>
General Fund Overhead (1)	58,270
Contractual services (2)	12,000
Professional services (2)	8,000
Postage, supplies, etc. (3)	1,000
Anticipated dissolution administrative costs	<u>79,270</u>
Other costs	170,730
Total Administration Budget (based on State Law)	<u><u>250,000</u></u>

NOTES

- (1) These costs include allocations based on the prior year activity and include the allocation of City Council, City Manager, City Clerk, Finance, and other staff related costs.
- (3) These costs relate primarily to any contracts or professional services that are required to dissolve the agency and include legal, accounting, appraisals, assessments, etc.
- (3) These costs are for direct costs that may be required as part of the dissolution of the Redevelopment Agency.

