



AGENDA REPORT
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE SAN CLEMENTE REDEVELOPMENT AGENCY
 MEETING DATE: SEPTEMBER 25, 2013

Agenda Item 7A
Approvals:
 City Manager PH
 Dept. Head _____
 Attorney _____
 Finance TCD

Department: Finance
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 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 January 2014 to June 2014. Obligations once approved by the Oversight Board and the State of California are eligible for payment.

Background: Under Health and Safety Code Section 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 take actions. These include the approval of the Recognized Obligation Payment Schedule (ROPS) every six months. The ROPS lists the remaining obligations of the former Redevelopment Agency. The ROPS have been presented to the Oversight Board on a semi-annual basis since the dissolution of the Redevelopment Agency.

Discussion: The ROPS attached covers the last six months of Fiscal Year 2014 (January 2014 to June 2014). The ROPS schedule is again in a new format, but still lists the outstanding obligations of the former redevelopment agency including the General Fund loan, the operating agreement (lease) costs for the Casa Romantica and the Administrative Budget. These obligations are discussed in more detail below.

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 receivable at January 1, 2014 is approximately \$1,981,800. Using the LAIF interest rate (currently .25%) the amount outstanding is anticipated to be approximately \$1,264,000 at June 2014. Further information will be reported to the Oversight Board in relation to 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.

Administrative Budget. The Budgeted Administrative costs shown on the ROPS represents the annual threshold allowed under State law.

Recommended

Action:

STAFF RECOMMENDS THAT THE OVERSIGHT BOARD

- 1) APPROVE THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014.
- 2) ADOPT RESOLUTION No. 13-04 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. 13-04
Exhibit "A" - Draft Recognized Obligation Payment Schedule

Notification:

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

7A-2

RESOLUTION NO. OB-13-04

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

7A-4

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 fo the City of San Clemente, California, this _____ day of _____, 2013.

 SECRETARY, OVERSIGHT BOARD

7A-5

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

[Attached behind this page]

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 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	
A Sources (B+C+D):	\$ -
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 860,000
F Non-Administrative Costs (ROPS Detail)	860,000
G Administrative Costs (ROPS Detail)	-
H Current Period Enforceable Obligations (A+E):	\$ 860,000

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	860,000
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	(69,123)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 790,877

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	860,000
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	860,000

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

7A-7

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances
(Report Amounts In Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	J	K	
Fund Balance Information by ROPS Period		Fund Sources								Total	Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF				
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin			
ROPS III Actuals (01/01/13 - 6/30/13)											
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	-	-	-	-	-	157,548	1,264	\$	158,812	
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller	-	-	-	-	-	12,251	125,000	\$	137,251	ROPS III distribution, received 1/2/13
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	-	-	-	-	-	14,718	71,059	\$	85,777	
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	-	-	-	-	-	80,000	-	\$	80,000	Reserve for exterior painting under maintenance a
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required					15,182	53,941	\$	69,123	
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,899	\$ 1,264	\$	\$ 61,163	
ROPS 13-14A Estimate (07/01/13 - 12/31/13)											
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ 75,081	\$ 55,205	\$	\$ 210,286	
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller	-	-	-	-	-	30,000	250,000	\$	280,000	ROPS 13-14A distibution, receive 6/3/2013
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)	-	-	-	-	-	30,000	125,000	\$	155,000	
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A	-	-	-	-	-	-	-	\$	-	\$80,000 needs to be retained for painting (see Not
11	Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ 75,081	\$ 180,205	\$	\$ 335,286	

7A-8

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
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- | | |
|---|---|
| 1 | The reserve of \$80,000 is anticipated to be paid during the 13-14B period for the exterior painting under the maintenance agreement. It was delayed from original timeframe. |
| 2 | The full administration amount was received on 6/3/2013 for 13-14A and 13-14B. The 13-14B allocation will be used in the second part of the year. |
| 3 | Finding of Completion received, amortization of loan reflects \$120,000 monthly payment, which was approved by the Oversight Board at the July 3rd meeting. |

7A-10

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Prior Period Adjustments
 Reported for the ROPS III (January 1, 2013 through June 30, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
 (Report Amounts in Whole Dollars)

ROPS III 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 III (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14B (January through June 2014) period will be offset by the SA's self-reported ROPS III 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 III CAC PPA: To be completed by the CAC upon submittal of the ROPS 13-14B by the SA to Finance and the CAC

A	B	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	Non-Admin CAC			Admin CAC			Net CAC Non-Admin and Admin PPA		
		LMIHF (Includes LMIHF Due Diligence Review (DDR) retained balances)		Bond Proceeds		Reserve Balance (Includes Other Funds and Assets DDR retained balances)		Other Funds		Non-Admin					Admin					Net Lesser of Authorized / Available	Actual		Difference (If Y is less than Z, the difference is zero)	Net Lesser of Authorized / Available	Actual	Difference (If Y is less than Z, the difference is zero)	Net Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (O + T))	Net Lesser of Authorized / Available		Actual	Difference (If Y is less than Z, the difference is zero)
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If M is less than N, the difference is zero)	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If R is less than S, the difference is zero)												
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$				
										30,000	91,063	30,000	14,818	15,182	125,000	125,000	125,000	71,059	53,941	59,123											
1	Casa Romantica Lease Obligation									30,000	91,063	30,000	14,818	15,182						15,182											
2	Administrative Costs														125,000	125,000	125,000	71,059	53,941	53,941											
3	General Fund Loan																														

7A-11