



AGENDA REPORT
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE SAN CLEMENTE REDEVELOPMENT AGENCY
MEETING DATE: APRIL 4, 2012

Agenda Item _____
Approvals: _____
 City Manager _____
 Dept. Head _____
 Attorney _____
 Finance _____

Department: Finance & Administrative Services
Prepared By: Jake Rahn, Financial Services Manager

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

Summary: 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 City Council is required to take actions under AB 26. These include the approval of the Recognized Obligation Payment Schedule (ROPS) and the Successor Agency’s Administrative Budget.

The ROPS was presented at the February 21, 2012 City Council meeting and approved for submission to the Oversight Board. The ROPS is for the period February through June 2012. At the time the AB 26 was upheld by the California Supreme Court, several projects were already underway. The ROPS schedule lists the financial obligations of the redevelopment agency that were outstanding, including payments related to contracts and agreements; project specific costs; debt payments; and other miscellaneous payments. Included on the schedule are costs related to the dissolution of outstanding obligations of the former Redevelopment Agency. These outstanding obligations include the Casa Romantica Lease Obligation, General Fund Advance, obligations under the Pier Bowl Sidewalk Project, approved affordable housing assistance agreements and dissolution administrative costs.

Information on each of the items listed on the ROPS follows:

Casa Romantica Lease Obligation. This obligation relates to the rental agreement with the Casa Romantica Cultural Center (CRCC). The former RDA is obligated to perform certain maintenance items specified and do an exterior painting every 10 years; with the first painting currently due. This amount is based on an annual maintenance requirement of \$30,000 annually and \$80,000 twice during the estimated life of the original redevelopment agency.

General Fund Advance. In July 2002, the RDA refinanced outstanding debt that was used to purchase the Casa Romantica historical site and related improvements. The loan (advance) was refinanced with the General fund balance in an original amount of \$3.4 million with an interest rate of 2.9% and a term of 16 years, with annual payments equal to \$269,830. This loan was to be paid with property tax increment.

Pier Bowl Lighting and Landscape Project. This project was completed approximately in May of 2011, however due to outstanding issues funds were held in retention. The project is

Attachment "B" - Listing of Administrative Costs

CITY OF SAN CLEMENTE
SUCCESSOR AGENCY ADMINISTRATIVE COSTS
FEBRUARY 1, 2012 TO JUNE 30, 2012

	<u>Totals</u>
Staffing	21,540
General Fund Overhead	45,230
Duplicating	440
Information Technology	900
Communications	450
Negocio Rent	600
Insurance charges	14,290
Legal/Contractual/Auditing	20,000
Other costs	716
Total Administration Budget	<u><u>104,166</u></u>