



AGENDA REPORT

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE SAN CLEMENTE REDEVELOPMENT AGENCY
MEETING DATE: JANUARY 22, 2016

Agenda Item 7-B
Approvals:
City Manager JM
Dept. Head _____
Attorney ✓
Finance JW

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

Subject: *STATUS UPDATE ON REDEVELOPMENT AGENCY DISSOLUTION*

Fiscal Impact: None.

Summary: The Successor Agency has been completing steps to dissolve the Redevelopment Agency (RDA). These steps include the distribution of assets that were held by the RDA and paying enforceable obligations that existed as of February 1, 2012 (date of dissolution). This report outlines steps completed and the remaining steps to be approved by the Oversight Board prior to dissolution.

Background: As part of the State of California FY 2012 budget, legislation was passed dissolving redevelopment agencies. This legislation, and related subsequent legislation, provides procedures to dissolve redevelopment agencies statewide. This report provides a brief status on what the City has completed to dissolve the operations of the San Clemente RDA.

The following activities have been completed as part of the dissolution process:

Dissolution Action	Status
True up payment to County	Completed
LMIHF Due Diligence Review/payment to County	Completed
Other Funds Due Diligence Review/payment to County	Completed
Housing Asset report filing with the State	Completed
State Controllers Office Asset Transfer Review report	Completed
State approval of Finding of Completion	Received State approval
State approval of the General Fund Loan repayment	Received State approval
State approval of Long Range Property Management Plan	Received State approval
Transfer deeds for governmental use assets to the City	Transfer documents recorded
Repayment of the General Fund Loan	In process

Discussion: The dissolution of the former RDA is nearing completion. The background section lists past dissolution actions required and the status of each. Remaining dissolution actions to be completed are:

- 1) Enforceable obligation payments (General Fund loan to the City of San Clemente and related administrative costs), and

- 2) Outstanding loans due to the former RDA included amounts due under two promissory notes/loans. The loan due from the Casa Romantica Cultural Center has five remaining annual payments.

The State continues to modify the dissolution procedures and propose changes to the law. Staff will continue to keep the Oversight Board informed of any additional considerations. Recently, the State law has been modified to allow for the annual submission of the Recognized Obligation payment Schedule (ROPS).

In addition, based on Health and Safety Code Section 34191.6(a), beginning January 1, 2016, agencies that have received a Finding of Completion may submit a Last and Final ROPS if certain conditions are met. Staff will consider these conditions and identify any actions to complete the dissolution process. Items that will need to be settled include the treatment of the Casa Romantica Cultural Center loan receivable and the Negocio lease/leaseback. Upon the resolution of these items, a Last and Final ROPS will be presented to the Oversight Board.

Recommended

Action:

STAFF RECOMMENDS THAT the Oversight Board:

- 1) Direct staff to pursue the dissolution of the Agency and initiate the process to prepare a Last and Final Recognized Obligation Payment Schedule.