



AGENDA REPORT
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE SAN CLEMENTE REDEVELOPMENT AGENCY
MEETING DATE: JUNE 27, 2012

Agenda Item 7-B
Approvals: [Signature]
 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 Oversight Board is required to take actions. These include the approval of the Recognized Obligation Payment Schedule (ROPS).

The ROPS was presented at the June 19, 2012 City Council meeting and approved for submission to the Oversight Board. The ROPS is for the period July through December 2012. The ROPS schedule lists the outstanding financial obligations of the redevelopment agency. The attached ROPS lists the General Fund Advance, an amount related to the operating agreement (lease) for the Casa Romantica and the Administrative Budget. The amounts are discussed in more detail below.

General Fund Advance (loan). The State Department of Finance stated that they do not believe this obligation qualifies as an Enforceable Obligation under Health and Safety Code section 34171 (d) (2) which states that arrangements between the city, county, that created the RDA and the former RDA are only enforceable if made within the first two years of the RDA's existence.

Listing this advance (loan) on the ROPS is provided for under Health and Safety Code Section 34178 (a) upon the approval of its oversight board. The loan is subject to the same payment provisions as when the loan was established, with annual payments of \$269,830. There were no issuance costs associated with the loan and the interest payments were pegged at 2.88%. This oversight board approval is a step to secure the City's repayment. Future repayment is still subject to legislative actions.

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 a listing is attached as Exhibit 2, including an exterior painting every 10 years; with the first painting currently due. The preliminary ROPS for July 1-December 31 reflects the obligation period. A portion of the costs will be paid with available funds in the Agency fund.

Administrative Budget. A separate Agenda Report has been completed on these costs.

Recommended

Action:

STAFF RECOMMENDS THAT THE OVERSIGHT BOARD

- 1) Approve the establishment and repayment of the outstanding loan with the City of San Clemente.
- 2) Approve the revised Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through December 31, 2012.

Fiscal Impact:

These costs will be funded through an allocation by the County from the Redevelopment Property Tax Trust Fund.

Attachments:

Attachment "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

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE JULY 1, 2012 TO DECEMBER 31, 2012 PERIOD**

Name of Successor Agency City of San Clemente

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 2,088,345.00	\$ 549,830.00
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 273,873.27	
Available Revenues other than anticipated funding from RPTTF	\$ -	
Enforceable Obligations paid with RPTTF	\$ 149,914.98	
Administrative Cost paid with RPTTF	\$ 123,958.29	
Pass-through Payments paid with RPTTF	\$ -	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 250,000.00	

Certification of Oversight Board Chairman:
Pursuant to Section 34177(l) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Enforceable Payment Schedule for the above named agency.

Name Title

Signature Date

118-8

Attachment A - Draft Recognized Obligation Payment Schedule

Name of Redevelopment Agency: San Clemente Redevelopment Agency
 Project Area(s) RDA Project Area All

FORM A - Redevelopment Property Tax Trust Fund (RPTTF)

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)						
									Payments by month						Total
									July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
1)	San Clemente/Lease Obligation	June 6,2001 (amended July 1, 2008)	Casa Romantica Cultural	Maintenance requirements under lease (estimate is \$30,000 annually)	Project Area #1	\$ 55,000.00	25,000.00	RPTTF	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	\$ 15,000.00
2)	San Clemente/General Fund Advance	July 1, 2003 (1994 refinance)	City of San Clemente	Loan for prior capital projects/Casa Romantica (2.88% interest rate)	Project Area #1	1,778,345.00	269,830.00	RPTTF	22,485.83	22,485.83	22,485.83	22,485.83	22,485.83	22,485.83	\$ 134,914.98
3)															\$ -
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23)															\$ -
24)															\$ -
Totals - This Page (RPTTF Funding)						\$ 1,833,345.00	\$ 294,830.00	N/A	\$ 24,985.83	\$ 24,985.83	\$ 24,985.83	\$ 24,985.83	\$ 24,985.83	\$ 24,985.83	\$ 149,914.98
Totals - Page 2 (Other Funding)						\$ 5,000.00	\$ 5,000.00	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 3 (Administrative Cost Allowance)						\$ 250,000.00	\$ 250,000.00	N/A	\$ 20,833.33	\$ 20,625.00	\$ 20,624.98	\$ 20,625.00	\$ 20,625.00	\$ 20,624.98	\$ 123,958.29
Totals - Page 4 (Pass Thru Payments)						\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages						\$ 2,088,345.00	\$ 549,830.00		\$ 45,819.16	\$ 45,610.83	\$ 45,610.81	\$ 45,610.83	\$ 45,610.83	\$ 45,610.81	\$ 273,873.27

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be submitted to the County, State Controller and State Department of Finance.
 ** All totals due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

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Name of Redevelopment Agency: San Clemente Redevelopment Agency
 Project Area(s): RDA Project Area All

FORM B - All Revenue Sources Other Than Redevelopment Property Tax Trust Fund (RPTTF)

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source ***	Payable from Other Revenue Sources						Total
									Payments by month						
									July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
1)	San Clemente/Lease Obligation	June 6,2001 (amended July 1, 2008)	Casa Romantica Cultural	Maintenance requirements under lease (estimate is \$30,000 annually)	Project Area #1	5,000.00	5,000.00	Other	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
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24)															\$ -
Totals - LMIHF						\$ 5,000.00	\$ 5,000.00		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Totals - Bond Proceeds															\$0.00
Totals - Other															\$0.00
Grand total - This Page						\$ 5,000.00	\$ 5,000.00		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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 RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

7B.5

Attachment A - Draft Recognized Obligation Payment Schedule

Name of Redevelopment Agency: San Clemente Redevelopment Agency
 Project Area(s) RDA Project Area All

FORM C - Administrative Cost Allowance Paid With Redevelopment Property Tax Trust Fund (RPTTF)

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source **	Payable from the Administrative Allowance Allocation ****							
							Payments by month							Total
							July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012		
1) Overhead Costs	City of San Clemente	Overhead for staffing support (in arrears)	Project #1	70,320.00	70,320.00	Admin	5,860.00	5,860.00	5,860.00	5,860.00	5,860.00	5,860.00	\$ 35,160.00	
2) Legal/Contractual	Rutan & Tucker, others	Legal and consulting as needed	Project #1	172,680.00	172,680.00	Admin	14,390.00	14,390.00	14,390.00	14,390.00	14,390.00	14,390.00	\$ 86,340.00	
3) Auditing	Audit Firm	Auditing services	Project #1	6,000.00	6,000.00	Admin	500.00	291.67	291.66	291.67	291.67	291.66	\$ 1,958.33	
4) Miscellaneous	Various	Various items	Project #1	1,000.00	1,000.00	Admin	83.33	83.33	83.32	83.33	83.33	83.32	\$ 499.96	
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Totals - This Page				\$ 250,000.00	\$ 250,000.00		\$ 20,833.33	\$ 20,625.00	\$ 20,624.98	\$ 20,625.00	\$ 20,625.00	\$ 20,624.98	\$123,958.29	

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be submitted to the County, State Controller and State Department of Finance.
 ** All total due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance
 **** - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

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Name of Redevelopment Agency San Clemente Redevelopment Agency
 Project Area(s) RDA Project Area All

FORM D - Pass-Through Payments

OTHER OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Source of Fund***	Pass Through and Other Payments ****							Total	
								Payments by month								
								July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012			
1)	To be paid by County													\$	-	
2)														\$	-	
3)														\$	-	
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Totals - Other Obligations					\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

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 ** All total due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance
 **** - Only the January through June 2012 ROPS should include expenditures for pass-through payments. Starting with the July through December 2012 ROPS, per HSC section 34183 (a) (1), the county auditor controller will make the required pass-through payments prior to transferring money into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.

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