



AGENDA REPORT
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE SAN CLEMENTE REDEVELOPMENT AGENCY
 MEETING DATE: FEBRUARY 26, 2015

Agenda Item 7-A
Approvals:
 City Manager JRM
 Dept. Head (E)
 Attorney Jano
 Finance JR

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 (RDA) to be paid during the period of January 2015 to June 2015. 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 RDA, 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 RDA. The ROPS has been presented to the Oversight Board on a semi-annual basis since the dissolution of the RDA.

Discussion: The attached ROPS covers the first six months of Fiscal Year 2016 (July 2015 to December 2015). The ROPS lists outstanding obligations of the former RDA including the Administrative Budget and the General Fund loan. The lease maintenance (operating agreement) obligation for the Casa Romantica will be retired in FY 2015.

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. The first half of the year is reported for a total of \$125,000.

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 eligible for repayment. Payment in the amount of \$93,017 was approved for FY 2015 by the California Department of Finance. Using the quarterly LAIF interest rate the amount outstanding at July 1, 2015 is anticipated to be \$1,895,887.

This City is requesting \$250,000 for the repayment, however the actual amount allowed will be computed by the County Auditor-Controller and will be limited to 50%

of incremental increase in property taxes from the prior "base" year. This amount will be received from the County of Orange Auditor-Controller at a future date. Future repayments will be reported to the Oversight Board as part of ROPS reporting.

Casa Romantica Lease Obligation. The lease agreement with the Casa Romantica Cultural Center (CRCC) created an RDA obligation to perform certain maintenance items. This obligation is not listed on the ROPS for FY 2016.

Recommended

Action:

STAFF RECOMMENDS THAT the Oversight Board:

- 1) Approve the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2015 through December 31, 2015.
- 2) 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

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:

2-16-15

7A-3

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 _____, 2015.

SECRETARY, OVERSIGHT BOARD

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

[Attached behind this page]

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary
 Filed for the July 1, 2015 through December 31, 2015 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):	\$ 375,000
F	Non-Administrative Costs (ROPS Detail)	250,000
G	Administrative Costs (ROPS Detail)	125,000
H	Current Period Enforceable Obligations (A+E):	\$ 375,000

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	375,000
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(8,587)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 366,413

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	375,000
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	375,000

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
 /s/
 Signature

 Title
 Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

Item #	Project Name / Debt Obligation	C	D	E	F	G	H	I	J	K	L	M		N	O	P
												Non-Redevelopment/Plazerty Tax Trust Fund	Funding Source			
		Obigation Type	Contract/Agreement Escalation Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Blond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
2	Administrative Costs	Admin Costs	11/20/14	6/30/2014	City of San Clemente	Administrative costs related to the	Project Area #1	\$ 2,143,097	N	\$ -	\$ -	\$ -	\$ 240,000	\$ 125,000		\$ 315,000
3	Refinancing on loan for prior capital projects (LAIF quarterly appointment interest rate)	City/County Loans	7/1/2002	6/1/2015	City of San Clemente	Refinancing on loan for prior capital projects (LAIF interest rate)	Project Area #1	1,895,097	N	\$ -	\$ -	\$ -	350,000	125,000		450,000
4									N							\$ -
5									N							\$ -
6									N							\$ -
7									N							\$ -
8									N							\$ -
9									N							\$ -
10									N							\$ -
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48									N							\$ -
49									N							\$ -

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I							
									Fund Sources						
									Bond Proceeds		Reserve Balance		Other		RPTTF
Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments									
Cash Balance Information by ROPS Period															
ROPS 14-15A Actuals (07/01/14 - 12/31/14)															
1	Beginning Available Cash Balance (Actual 07/01/14)						131,216								
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014					19,571									
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts: H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q														
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					19,571	144,208	\$24,025 is for the start of exterior painting which was listed on prior ROPS. \$139,754 is \$29,778 for admin costs, \$93,017 for loan repayment, and \$16,959 regarding Casa Romantica lease costs.							
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S						8,587								
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(21,579)							
ROPS 14-15B Estimate (01/01/15 - 06/30/15)															
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(12,992)							
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015														
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)														
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						175,621	Remaining Casa Romantica painting related costs and the \$125,000 for administrative costs							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(188,613)							

Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes
July 1, 2015 through December 30, 2015

Item #	Notes/Comments
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1	The amount exceeds the \$30,000 previously authorized due to the payment of exterior painting which was listed on previous ROPS.
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Exhibit B - General Fund Loan Repayment Schedule

City of San Clemente
General Fund Loan Calculation

	<u>Beginning</u> <u>Loan Balance</u>	<u>Interest</u>	<u>Payment</u>	<u>Ending</u> <u>Loan Balance</u>	<u>LAIF</u> <u>Interest Rate</u>
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	379.80	-	1,981,935.86	0.23%
Feb-14	1,981,935.86	379.87	-	1,982,315.73	0.23%
Mar-14	1,982,315.73	379.94	-	1,982,695.67	0.23%
Apr-14	1,982,695.67	363.49	-	1,983,059.16	0.22%
May-14	1,983,059.16	363.56	-	1,983,422.72	0.22%
Jun-14	1,983,422.72	363.63	-	1,983,786.35	0.22%
Jul-14	1,983,786.35	396.76	-	1,984,183.11	0.24%
Aug-14	1,984,183.11	396.84	(93,017.00)	1,891,562.95	0.24%
Sep-14	1,891,562.95	378.31	-	1,891,941.26	0.24%
Oct-14	1,891,941.26	394.15	-	1,892,335.41	0.25%
Nov-14	1,892,335.41	394.24	-	1,892,729.65	0.25%
Dec-14	1,892,729.65	394.32	-	1,893,123.97	0.25%
Jan-15	1,893,123.97	394.40	-	1,893,518.37	0.25%
Feb-15	1,893,518.37	394.48	-	1,893,912.85	0.25%
Mar-15	1,893,912.85	394.57	-	1,894,307.42	0.25%
Apr-15	1,894,307.42	394.65	-	1,894,702.07	0.25%
May-15	1,894,702.07	394.73	-	1,895,096.80	0.25%
Jun-15	1,895,096.80	394.81	-	1,895,491.61	0.25%

2-26-15

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