

**AGENDA
OVERSIGHT BOARD TO THE
CITY OF SAN DIMAS SUCCESSORY AGENCY**

**FEBRUARY 13, 2014 4:00 P.M.
SAN DIMAS COUNCIL CHAMBERS CONFERENCE ROOM
245 EAST BONITA AVENUE
SAN DIMAS, CA 91773**

1. Call to Order
2. Approval of Minutes of September 26, 2013
3. Review and Consideration of Resolution No. 22 – A Resolution of the Oversight Board of the former San Dimas Redevelopment Agency finding that the loan from the former San Dimas Redevelopment Agency's Low and Moderate Income Housing Fund to the former San Dimas Redevelopment Agency for the purpose of meeting the former Agency's SERAF obligation is an Enforceable Obligation and approving the same and adopting a repayment schedule pursuant to HSC Section 34171 (d) (1) (G)
4. Review and Consideration of Resolution No. 23 - A Resolution of the Oversight Board of the former San Dimas Redevelopment Agency finding that loans previously entered into between the City of San Dimas and the former San Dimas Redevelopment Agency were for legitimate redevelopment purposes and therefore enforceable obligations under HSC Section 34191.4 (b) and approving the same and a loan consolidation and new interest and payment schedule
5. Review and Consideration of Resolution No. 24 – A Resolution of the Oversight Board of the former San Dimas Redevelopment Agency approving the Administrative Budget of the Successor Agency for the Period of July 1, 2014 through December 31, 2014 Pursuant to Health and Safety Code Section 34177
6. Review and Consideration of Resolution No. 25 – A Resolution of the Oversight Board of the former San Dimas Redevelopment Agency Approving the July 1, 2014 through December 31, 2014 Recognized Payment Obligation Schedule (ROPS 14-15 A) Pursuant to Health and Safety Code Section 34180(g)
7. Update on the Long Range Property Management Plan
8. Reports from Staff
9. Public Comment
10. Reports of Board Members
11. Adjournment

MINUTES
OVERSIGHT BOARD TO THE
CITY OF SAN DIMAS SUCCESSOR AGENCY

SEPTEMBER 26, 2013 4:00 P.M.
SAN DIMAS COUNCIL CHAMBERS CONFERENCE ROOM
245 E. BONITA AVENUE
SAN DIMAS, CA 91773
AND VIA TELECONFERENCE
3027 TWITCHELL ISLAND ROAD
WEST SACRAMENTO, CA 56691

PRESENT: Chairman Curt Morris, Board Members Bonnie Bowman, A.F. Feldbush, Larry Stevens, Ann Sparks, Brian Stiger (via teleconference)

Successor Agency Staff: City Manager Blaine Michaelis, Assistant City Manager Ken Duran, Finance Manager Barbara Bishop, City Attorney J. Kenneth Brown

ABSENT: David Hall

CALL TO ORDER

Chair Morris called the meeting to order at 4:00 p.m.

APPROVAL OF MINUTES OF SEPTEMBER 12, 2013

Board member Feldbush made a motion to approve the minutes of September 12, 2013 as submitted. The motion was seconded by Board member Sparks and passed by a vote of 4-0-1 with Board member Stiger abstaining.

REVIEW AND CONSIDERATION OF RESOLUTION NO. 20 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5

Mr. Duran reviewed his staff report regarding the Long Range Property Management Plan. He stated that the Board received a preliminary review of the Plan at their September 12 meeting and the Plan presented today is essentially the same with two minor changes as suggested by the Board. The first change was revising the aerial exhibit for the 108 & 112 Cataract property and the second was adding a sentence to the TOD section explaining that the proposed use of that property is consistent with the City's Housing Element. He added that with those changes staff is recommending approval by the Board.

In response to a question Mr. Duran stated that the Plan specifies that the two properties that are proposed to be retained for future development be brought back to the Board in 2018 for reconsideration if they haven't been sold by then.

Mr. Stevens asked to clarify that nothing in the Plan would preclude the City from rezoning any of the properties. Mr. Duran clarified that that was correct.

Mr. Stiger asked to clarify that the Plan includes the statement that when the properties are sold the proceeds would be distributed to the other taxing entities. Mr. Duran clarified that that language is included. Mr. Stevens asked if the inclusion of that language is consistent with state law. Mr. Brown responded that is consistent with the Health and Safety Code.

Mr. Duran read by title Resolution No. 20. Board member Sparks made a motion to waive further reading an adopt Resolution No. 20 approving the Long Range Property Management Plan. The motion was seconded by Board member Bowman. Chair Morris conducted a roll call vote and the motion passed by vote of 6-0-0.

REVIEW AND CONSIDERATION OF RESOLUTION NO. 21 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY AMENDING THE JANUARY 1, 2014 THROUGH JUNE 30, 2014 RECOGNIZED PAYMENT OBLIGATION SCHEDULE (ROPS 13-14 B) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180 (g)

Mr. Duran commented that he had sent out a revised staff report and amended Resolution to the Board on this matter. Board member Stiger acknowledged that he received the materials and had a chance to review them. Mr. Duran reminded the Board that they had approved the ROPS 13-14B at their last meeting. He added that the approved ROPS was submitted to the Department of Finance for review. He further added that the DOF reviewer questioned the ROPS submittal, in particular the new Fund Balance form and the exclusion of LMIHF obligations. The initial ROPS submittal has been denied by the DOF for this reason therefore, requiring an amended ROPS be considered.

Mr. Duran reviewed the changes to the ROPS as outlined in the staff report. He added that staff and the City Attorney disagree with the inclusion of the LMIHF obligations, however are recommending including them on the ROPS with a letter explaining our disagreement. The Board reviewed the draft letter.

Board member Bowman asked why the letter doesn't indicate that the ROPS is submitted under protest. Mr. Brown responded that he feels the language of the letter

adequately conveys the Agency's concerns. Board member Stevens suggested that bullet points two and three be stronger emphasizing the intent of the legislature. Board member Stiger commented that he totally agrees with the letter and feels the Agency is backed into a corner.

Mr. Duran read by title Resolution No. 21. Board member Feldbush made a motion to waive further reading and adopt Resolution 21 approving the amended ROPS 13-14B including the submission of an accompanying letter expressing the Boards disagreement with the format of the Fund Balance form and the inclusion of LMIHF assets and interest as available Fund Balance. The motion was seconded by Board member Stiger. Chair Morris conducted a roll call vote and the motion passed by a vote of 6-0-0.

Board member Feldbush expressed that he is frustrated that the Board does its due diligence in reviewing matters but is constantly questioning decisions by the DOF.

To clarify the LHIHF funds Mr. Michaelis reiterated the obligations approved from the LMIHF and potential future projects.

PUBLIC COMMENT

None.

REPORTS OF BOARD MEMBERS

Board member Stiger thanked the staff for accommodating his teleconference participation.

Board members Sparks and Bowman each thanked the staff for their work and the detailed reports.

ADJOURNEMENT

There being no further business the meeting was adjourned at 4:30 p.m.



Oversight Board Staff Report

DATE: February 13, 2014
TO: Successor Agency Oversight Board
FROM: Ken Duran, Assistant City Manager
SUBJECT: SERAF Loan

BACKGROUND

In 2009 the state legislature and Governor removed \$2.05 Billion from Redevelopment Agencies to be used for state purposes. San Dimas was required to pay \$2,085,645. The state concluded that if an Agency did not have the money to pay, it was authorized to borrow money from its Low and Moderate Income Housing Fund – to be repaid within 5 years. By action taken by the former Redevelopment Agency on May 11, 2010, they made the findings that the Agency did not have sufficient funds available to make the payment and therefore needed to make the loan from the Low and Moderate Income Housing Fund. The principal due was \$2,085,000, without any accrued interest, making annual payments of \$417,110. Prior to the dissolution of the Agency, the Agency made one payment on the loan leaving a balance due at the time of dissolution of \$1,668,441. The Oversight Board previously reviewed the history and documentation on the loan and approved the SERAF loan as an enforceable obligation when you approved the ROPS I and a payment obligation of \$417,110 was made from the RTPPF. The adoption of AB1484 by the State legislature changed the timing of the repayment of SERAF loans as enforceable obligations. AB 1484 changed the Health and Safety Code to only allow for the repayment of SERAF loans after a Successor Agency has been granted a Finding of Completion by the State and subject to the amount of funds available annually based upon the loan repayment formula. With the Agency's granting of a Finding of Completion in 2013 the Successor Agency can now include the SERAF loan on the ROPS as an enforceable obligation beginning with ROPS 14-15A.

SUMMARY

The Oversight Board has previously reviewed the documentation that supports the SERAF loan and has previously determined that it is an enforceable

obligation. The outstanding loan amount is \$1,251,331. Therefore, the Board should make the findings that the loan is an enforceable obligation. The attached loan schedule makes estimations based upon the statutory loan repayment formula as outlined in the HSC. The payment plan is based upon best estimates but is contingent upon the actual funds available for distribution. The projection is that based upon the funds available each year the last loan payment will be in 2017-18.

RECOMMENDATION

Staff recommends that the Oversight Board approve Resolution No. 22 finding that the loan from the former Redevelopment Agency's Loan and Moderate Income Housing Fund to the former Redevelopment Agency for the purpose of meeting the for Agency's SERAF obligation is an Enforceable Obligation and approving the same and adopting a repayment schedule pursuant to HSC Section 34171 (d) (1) (G)

CITY OF SAN DIMAS

ESTIMATED FUNDS AVAILABLE FOR LOAN REPAYMENT (per formula in HSC Section 34176 (e) (6) (B))

Fiscal Year	Net Available Property Tax	ROPS Obligation	Residual Distribution	Available for Loan Repayment (Formula is residual base year 12-13 minus the current year base times 50%)	Estimated Loan Payment SERAF	Estimated Loan Payment CITY	LMHF 20% Set Aside
2012 - 2013	0.00	0.00	2,525,595 *	0.00	0.00		
2013 - 2014	4,852,825	0.00	3,091,902 *	283,154	0.00		
2014 - 2015	4,949,881 **	1,954,385	2,995,496	234,951	283,154		
2015 - 2016	5,048,879	1,723,541	3,325,338	399,872	234,951		
2016 - 2017	5,149,856	1,912,558	3,237,298	355,852	399,872		
2017 - 2018	5,252,853	1,182,704 ***	4,070,149	772,277	339,275	13,262	3,315
2018 - 2019	5,357,910	1,578,789	3,779,121	626,763		617,822	154,455
2019 - 2020	5,465,068	1,483,365	3,981,703	728,054		501,410	125,353
2020 - 2021	5,574,396	1,584,626	3,989,770	732,088		582,443	145,611
2021 - 2022	5,685,884	1,616,318	4,069,566	771,986		585,670	146,418
2022 - 2023						617,589	154,397
TOTAL					1,257,252	2,918,196	729,549

SERAF Loan Paid Back First - \$1,251,331

* Actual

** Estimate 2% growth beginning FY14-15

*** Bonds Paid off in FY16-17 reflects reduction in ROPS.

RESOLUTION NO. 22

A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY FINDING THAT THE LOAN FROM THE FORMER SAN DIMAS REDEVELOPMENT AGENCY'S LOW AND MODERATE INCOME HOUSING FUND TO THE FORMER SAN DIMAS REDEVELOPMENT AGENCY FOR THE PURPOSE OF MEETING THE FORMER AGENCY'S SERAF OBLIGATION IS AN ENFORCABLE OBLIGATION AND APPROVING THE SAME AND ADOPTING A REPAYMENT SCHEDULE PURSUANT TO HSC SECTION 34171 (d) (1) (G)

WHEREAS, In 2009 the state legislature and Governor removed \$2.05 billion from Redevelopment Agencies to be used for State purposes and the former San Dimas Redevelopment Agency was required to pay \$2,085,645 as its share, referred to as the SERAF obligation; and

WHEREAS, the state concluded that if a Redevelopment Agency did not have the funds available to make the payment they could borrow the money from the Agency's Low and Moderate Income Housing Fund with the requirement that the loan be paid back within 5 years; and

WHEREAS, on May 11, 2010 the former San Dimas Redevelopment Agency Board made the finding that the Agency did not have sufficient funds available to make the \$2,085,645 payment and therefore needed to receive a loan from the Agency's Low and Moderate Income Housing Fund with an annual repayment amount of \$417,110; and

WHEREAS, the former Redevelopment Agency had made one loan payment in the amount of \$417,110 prior to the dissolution of the Agency in 2011 leaving an outstanding principal loan balance of \$1,668,441; and

WHEREAS, Under AB 26X 1, SERAF loans could be considered an enforceable obligation and subject to repayment from RPTTF funds; and

WHEREAS, the Oversight Board approved the outstanding SERAF loan as an enforceable obligation and including a payment of \$417, 110 on the ROPS I, which was subsequently approved by the State Department of Finance and funded with the ROPS I RTPPF distribution; and

WHEREAS, the adoption of AB 1484 changed the treatment of SERAF loans by adding HSC Section 34171 (d) (1) (G), which specifies that amounts borrowed from, or payments owing to the LMIHF are enforceable obligations, provided the Agency's Oversight Board makes the finding that they were valid loans and approves a repayment schedule and may begin to be repaid once an Agency is given a Finding of Completion by the State Department of Finance;

WHEREAS, pursuant to HSC Section 34171 (d) (1) (G), amounts borrowed from, or payments owing to the LMIHF are enforceable obligations, provided the Agency's Oversight Board makes the finding that they were valid loans and approves a repayment schedule.

NOW THEREFORE, THE OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2 The Board finds that on May 11, 2010 the former San Dimas Redevelopment Agency authorized the borrowing of \$2,085,552 from the Agency's Low and Moderate Income Housing Fund to meet the Agency's SERAF obligation as allowable by state legislation.

SECTION 3 The Board previously approved the SERAF loan repayment as an enforceable obligation by adoption of Resolution No. approving the ROPS II.

SECTION 4. The Board hereby recognizes the amount of \$1,251,331 as the balance due to the San Dimas Housing Authority, the successor agency to the former Redevelopment Agency Low and Moderate Income Housing Fund.

SECTION 5. The Board sets forth the annual repayment schedule on the outstanding loan to equal to the maximum amount allowed pursuant to the loan repayment formula as outlined in HSC Section 34176 (6) (B).

I HEREBY CERTIFY that the foregoing Resolution was introduced and passed by the Oversight Board of the Successor Agency to the former San Dimas Redevelopment Agency, at its meeting of February 13, 2014 by the following vote:

AYES:

NOES:

ABSENT:

CHAIR, OVERSIGHT BOARD



Oversight Board Staff Report

DATE: February 13, 2014
TO: Successor Agency Oversight Board
FROM: Ken Duran, Assistant City Manager
SUBJECT: City Loans

BACKGROUND

Since the initial ROPS discussions with the Oversight Board, Agency staff has provided information to the Board regarding loans from the City to the former Redevelopment Agency, collectively referred to as City loans. There are in actuality three separate loans, referred to as the Creative Growth loan, Walker House loan and Rancho loan. The general description of each loan, as we have presented in the past is as follows:

- **Loan to Creative Growth** – Redevelopment Agency projects typically take many years to accomplish their projects. It is not unusual for property acquisitions involving multiple owners, environmental issues, competing business relationships, deed and title issues, property availability, and seller expectations to take 10 years or more per project. Therefore the need for money comes in increments such as \$400,000 to close on a property purchase, \$40,000 in business relocation assistance, \$75,000 for engineering services etc. In addition, the need for \$1.5 million to complete infrastructure improvements can arise when certain elements of a project break free.

Redevelopment resources grow very slowly and therefore need to borrow money to move projects forward. In those formative years Redevelopment cannot always demonstrate the financial capacity to secure the level of needed financing. Therefore a host city can play a role in helping an Agency bridge the decades of time to complete projects until the resources of the Agency are then sufficient to repay those loans. San Dimas was in a position to make incremental loans through the years. Not only did those loans provide timely assistance; they were also very cost effective, to the agency saving several hundred thousands of dollars in bond issuance costs.

In 2001 the city prepared a refinancing and consolidation of the remaining principal due for these loans into a 30 year loan at 5.5% interest. The Successor

Agency is considering this the origination of this City loan. The principal due on this loan was \$9,408,969.67 with annual payments of \$647,378.

- **Loan CRA for Walker House** – In late 2000 the city was introduced to the opportunity to restore/renovate the most significant historical structure in our community – the Walker House built in 1887. The Agency adopted the required findings, actively secured several grants to assist with the project, and obtained historic tax credits to work with redevelopment tax increment money to complete the project. To make the project more cost effective, the city acted as the ‘bank’ to loan the net amount needed after grants to complete the project. Alternatively, a tax allocation bond financing would have added several hundred thousand dollars to the project and financing cost. The loan was finalized in June 2009 with a 20 year term at 5.5% interest. Principal due \$6,523,256 – annual payments \$546,177. The total project cost was \$11.177 million.
- **Loan to Rancho San Dimas** – Rancho San Dimas is a project area that worked several years to accomplish the Target Center. The city provided incremental loans as needed through the years to complete the project. Upon completion of the project in 1997 the city’s assistance was consolidated into a 37 year loan at 4% interest. Principal due \$1,218,307 – annual payments \$64,015.26.

In addition to the above summary we have prepared the attached spreadsheets to provide more detail on the loan history of each loan. (Exhibit #1 – Creative Growth, green; Rancho, blue; Walker House, beige)

As the Board is aware from previous discussions the initial adoption of ABx1 26 did not recognize prior loans from City’s as enforceable obligations. However, the adoption of AB 1484 provided for provisions for the partial repayment of these loans under certain conditions. Those conditions include:

1. Loans can begin to be included as enforceable obligations once an Agency has been given a Finding of Completion. (HSC section 34191.1)
2. The Oversight Board must make a finding that prior loan agreements entered into by the City and former Redevelopment Agency were for legitimate redevelopment purposes. (HSC section 34191.4 (b) (1))
3. If the Board finds that the loan is an enforceable obligation that the accumulated interest on the remaining principal amount of the loan shall be recalculated from the origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF). (HSC section 34191.4 (b) (2))
4. The loan shall be repaid to the City in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest earned by funds deposited into LAIF. (HSC section 34191.4 (b) (2))
5. Loan repayments shall not be made prior to 2013-14 fiscal year.
6. There is a maximum annual payment amount for City loans and SERAF loans combined based upon a formula as outlined in HSC section 34191.4 (b) (2) (A).
7. Repayments received by the City shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund for

purposes of the Supplemental Educational Revenue Augmentation Fund (SERAF) (HSC section 34191.4 (b) (2) (b))

8. Twenty percent of any loan repayment shall be deducted from the loan repayment amount and transferred to the Low and Moderate Income Housing Asset Fund; after all outstanding loans from the Low and Moderate Income Housing Funds (SERAF loans) have been paid. (HSC section 34191.4 (b) (2) (C))

SUMMARY

The Oversight Board is requested to begin the process to recognize the prior City loans to the former Redevelopment Agency as enforceable obligations. The following recap corresponds to the bullet point requirements as outlined above.

1. The Successor Agency received its Finding of Completion on April 26, 2013 from the State Department of Finance.
2. Staff has previously provided the Board with history, background and documentation on each of the three City loans. The Oversight Board on several occasions has acknowledged that the City loans were loans for legitimate redevelopment purposes and should have been included as enforceable obligations. Staff has included with this report even more detailed spreadsheets regarding the loan history of each loan. (Exhibit #1)
3. Staff has prepared and included exhibits recalculating each of the three prior loans principal amounts from their originations based upon interest rates earned by LAIF. (Exhibit #2, 3 and 4)
4. Staff has combined the three loans into one consolidated loan, calculated beginning in 2011-12, after the last year a payment was made, calculating the interest at current LAIF rates. (Exhibit #7) The term of the loan is subject to annual repayment at an amount that is equal to the maximum amount available under the repayment schedule to be recalculated annually.
5. The first year eligible for loan repayment is FY 14-15, since the formula establishes funds available from base year, FY 12-13 to each year's actual residual beginning in FY 13-14.
6. Staff has provided an exhibit illustrating the estimated funds available under the formula. (Exhibit #5)
7. The Agency must repay the outstanding SERAF loan prior to the ability to pay back City loans. It is estimated that based upon funds available the SERAF loan will be retired in FY 17-18 at which time City loan repayments may resume.
8. Exhibit #5 illustrating the repayment schedule takes into consideration the 20% low and moderate housing requirement.

RECOMMENDATION

After review and discussion staff recommends that the Oversight Board approve Resolution No. 23 finding that loans previously entered into between the City of San Dimas and the former Redevelopment Agency were for legitimate redevelopment purposes and therefore enforceable obligations under HSC Section 34191.4 (b) and approving the same and a loan consolidation and new interest and payment schedule.

**CITY LOAN TO RANCHO SAN DIMAS
ORIGINAL FORMAT - ORIGINAL LOAN WAS
AT 4% FOR 40 YEARS**

RANCHO SAN DIMAS LOAN RECALCULATED USING PAST LAIF RATES

Fiscal Year	Annual Loan	Accrued Interest	TOTAL P&I Repayments	Principal Only Balance	Principal		LAIF Rate	Interest Based on LAIF		Principal Payment	Interest Payment	Principal at Laif Rate
					Annual	Cumulative		Annual	Cumulative			
1996 - 1997	1,218,307.27	0.00	0.00	1,218,307.27	1,218,307.27	5.599%	68,213.02	68,213.02	0.00	0.00	0.00	1,286,520.29
1997 - 1998	-	0.00	0.00	1,218,307.27	1,286,520.29	5.699%	73,318.79	141,531.82	0.00	0.00	0.00	1,359,839.09
1998 - 1999	-	48,732.29	(64,015.26)	1,203,024.30	1,359,839.09	5.344%	72,669.80	214,201.62	(15,282.97)	(48,732.29)	(48,732.29)	1,368,493.63
1999 - 2000	-	48,120.97	(64,015.26)	1,187,130.01	1,368,493.63	5.708%	78,113.62	292,315.23	(15,894.29)	(48,120.97)	(48,120.97)	1,382,591.98
2000 - 2001	-	47,485.20	(64,015.26)	1,170,599.95	1,382,591.98	6.104%	84,393.41	376,708.65	(16,530.06)	(47,485.20)	(47,485.20)	1,402,970.14
2001 - 2002	-	46,824.00	(64,015.26)	1,153,408.69	1,402,970.14	3.445%	48,332.32	425,040.97	(17,191.26)	(46,824.00)	(46,824.00)	1,387,287.20
2002 - 2003	-	46,136.35	(64,015.26)	1,135,529.78	1,387,287.20	2.152%	29,854.42	454,895.39	(17,878.91)	(46,136.35)	(46,136.35)	1,353,126.36
2003 - 2004	-	45,421.19	(64,015.26)	1,116,935.71	1,353,126.36	1.532%	20,729.90	475,625.28	(18,594.07)	(45,421.19)	(45,421.19)	1,309,840.99
2004 - 2005	-	44,677.43	(64,015.26)	1,097,597.88	1,309,840.99	2.256%	29,550.01	505,175.30	(19,337.83)	(44,677.43)	(44,677.43)	1,275,375.75
2005 - 2006	-	43,903.92	(64,015.26)	1,077,486.54	1,275,375.75	3.873%	49,395.30	554,570.60	(20,111.34)	(43,903.92)	(43,903.92)	1,260,755.79
2006 - 2007	-	43,099.46	(64,015.26)	1,056,570.74	1,260,755.79	5.121%	64,563.30	619,133.90	(20,915.80)	(43,099.46)	(43,099.46)	1,261,303.83
2007 - 2008	-	42,262.83	(64,015.26)	1,034,818.31	1,261,303.83	4.325%	54,551.39	673,685.30	(21,752.43)	(42,262.83)	(42,262.83)	1,251,839.97
2008 - 2009	-	41,392.73	(64,015.26)	1,012,195.78	1,251,839.97	2.224%	27,840.92	701,526.22	(22,622.53)	(41,392.73)	(41,392.73)	1,215,665.63
2009 - 2010	-	40,487.83	(64,015.26)	988,668.35	1,215,665.63	0.651%	7,913.98	709,440.20	(23,527.43)	(40,487.83)	(40,487.83)	1,159,564.35
2010 - 2011	-	39,546.73	(64,015.26)	964,199.82	1,159,564.35	0.495%	5,739.84	715,180.04	(24,468.53)	(39,546.73)	(39,546.73)	1,101,288.93
2011 - 2012	-	-	-	964,199.82	1,101,288.93	0.382%	4,206.92	719,386.97	0.00	0.00	0.00	1,105,495.86
	Original Loan ending balance at dissolution			964,199.82								
	Recalculated ending balance at LAIF rates			1,105,495.86								
	GAIN BY USING PAST LAIF RATES			141,296.04								
	1,218,307	578,090.93	(832,198.38)		1,218,307.27							

**CITY OF SAN DIMAS LOAN (ALL COMBINED INTO ONE LOAN) TO CRA/SA
RECALCULATED USING PAST LAIF RATES**

**CITY GENERAL FUND LOAN TO CRA - BEGINNING WITH NEW PRINCIPAL AMOUNT
OUTSTANDING 2011-2012 ONCE RECALCULATED USING PAST LAIF RATES**

#7												20% Set	
Fiscal Year	Est Amt		Principal	LAIF Rate	Interest Based on LAIF			Principal		Interest		New Principal at Laif Rate	Aside LMHF
	For Payment	Cumulative			Annual	Cumulative	Payment	Payment	at Laif Rate				
2011 - 2012			11,947,719.08	0.382%	45,640.29	45,640.29	0.00	0.00	0.00	0.00	11,993,359.37		
2012 - 2013			11,993,359.37	0.360%	43,176.09	88,816.38	0.00	0.00	0.00	0.00	12,036,535.46		
2013 - 2014			12,036,535.46	0.280%	33,702.30	122,518.68	0.00	0.00	0.00	0.00	12,070,237.76		
2014 - 2015			12,070,237.76	0.280%	33,796.67	156,315.35	0.00	0.00	0.00	0.00	12,104,034.43		
2015 - 2016			12,104,034.43	0.280%	33,891.30	190,206.64	0.00	0.00	0.00	0.00	12,137,925.72		
2016 - 2017			12,137,925.72	0.280%	33,986.19	224,192.83	0.00	0.00	0.00	0.00	12,171,911.91		
2017 - 2018			12,171,911.91	0.280%	34,081.35	258,274.19	0.00	(13,262.00)			12,192,731.27	(3,315.00)	
2018 - 2019		(772,277.40)	12,192,731.27	0.280%	34,139.65	292,413.83	(446,479.92)	(171,342.08)			11,609,048.91	(154,455.40)	
2019 - 2020		(626,763.00)	11,609,048.91	0.280%	32,505.34	324,919.17	(474,424.52)	(26,985.48)			11,140,144.25	(125,353.00)	
2020 - 2021		(728,054.00)	11,140,144.25	0.280%	31,192.40	356,111.58	(556,546.13)	(25,896.87)			10,588,893.66	(145,611.00)	
2021 - 2022		(732,088.00)	10,588,893.66	0.280%	29,648.90	385,760.48	(560,864.79)	(24,805.21)			10,032,872.56	(146,418.00)	
2022 - 2023		(771,986.00)	10,032,872.56	0.280%	28,092.04	413,852.52	(593,878.51)	(23,710.49)			9,443,375.60	(154,397.00)	

NOTE: The annual payments are only estimates and estimated to increase by 2% each year. Since the repayment is restricted to the formula outlined in HSC Section 34176 (e) (6) (B) the actual payment will be equal to the maximum amount allowed pursuant to the HSC code cited and will be recalculated each fiscal year.

CITY OF SAN DIMAS

ESTIMATED FUNDS AVAILABLE FOR LOAN REPAYMENT (per formula in HSC Section 34176 (e) (6) (B))

Fiscal Year	Net Available Property Tax	ROPS Obligation	Residual Distribution	Available for Loan Repayment (Formula is residual base year 12-13 minus the current year base times 50%)	Estimated Loan Payment SERAF	Estimated Loan Payment CITY	LMHF 20% Set Aside
2012	0.00	0.00	2,525,595	0.00	0.00		
2013	4,852,825	0.00	3,091,902	283,154	0.00		
2014	4,949,881	**	2,995,496	234,951	283,154		
2015	5,048,879	1,723,541	3,325,338	399,872	234,951		
2016	5,149,856	1,912,558	3,237,298	355,852	399,872		
2017	5,252,853	1,182,704	4,070,149	772,277	339,275	13,262	3,315
2018	5,357,910	1,578,789	3,779,121	626,763		617,822	154,455
2019	5,465,068	1,483,365	3,981,703	728,054		501,410	125,353
2020	5,574,396	1,584,626	3,989,770	732,088		582,443	145,611
2021	5,685,884	1,616,318	4,069,566	771,986		585,670	146,418
2022	-	2023				617,589	154,397
TOTAL					1,257,252	2,918,196	729,549

SERAF Loan Paid Back First - \$1,251,331

* Actual

** Estimate 2% growth beginning FY14-15

*** Bonds Paid off in FY16-17 reflects reduction in ROPS.

RESOLUTION NO. 23

A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY FINDING THAT LOANS PREVIOUSLY ENTERED INTO BETWEEN THE CITY OF SAN DIMAS AND THE FORMER SAN DIMAS REDEVELOPMENT AGENCY WERE FOR LEGITIMATE REDEVELOPMENT PURPOSES AND THEREFORE ENFORCABLE OBLIGATIONS UNDER HSC SECTION 34191.4 (b) AND APPROVING THE SAME AND A LOAN CONSOLIDATION AND NEW INTEREST AND PAYMENT SCHEDULE

WHEREAS, the California Health and Safety Code provides that loans made from a City to a former Redevelopment Agency (City Loans) may be considered enforceable obligations and included on Recognized Payment Obligation Schedules (ROPS) if certain criteria are met; and

WHEREAS, the Oversight Board (Board) of the former San Dimas Redevelopment Agency has reviewed the criteria provided for under the Health and Safety Code; and

WHEREAS, the Board has reviewed the background, history and documentation supporting the City Loans; and

WHEREAS, the Board has reviewed the schedules consolidating and restructuring the City Loans which combines the three previously issued City Loans, recalculates the interest rates and establishes a new repayment schedule.

NOW THEREFORE, THE OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2 The Board finds that the Agency received its Finding on Completion on April 26, 2013 from the State Department of Finance.

SECTION 3 The Board has reviewed the background, history and documentation supporting the previously issued City loans and finds that the prior loan agreements entered into by the City and former Redevelopment Agency were for legitimates redevelopment purposes.

SECTION 4. The Board hereby approves the consolidation of the three separate previous City Loans into one new loan, with the accumulated interest rate on the combined remaining principal amount recalculated from the loan origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF).

SECTION 5. The Board sets forth that the annual repayment schedule shall be calculated based upon the current LAIF rate and subject to the repayment at an amount that is

equal to the maximum amount available under the repayment schedule as specified under HSC Section 34191.4 (b) (2) (A).

SECTION 6. The Board acknowledges that pursuant the HSC; City loans are not eligible for inclusion on the ROPS until all outstanding SERAF payment obligations have been met

I HEREBY CERTIFY that the foregoing Resolution was introduced and passed by the Oversight Board of the Successor Agency to the former San Dimas Redevelopment Agency, at its meeting of February 13, 2014 by the following vote:

AYES:

NOES:

ABSENT:

CHAIR, OVERSIGHT BOARD

HISTORY OF LOANS TO CRA FROM CITY
2/6/2014

Ref#	Fiscal Year	Loan From To CRA	Principal Paid	Interest Paid	New Loans	New Principal Amount	Interest Per Schedule	Total Amount Due	Description	
		CITY GENERAL FUND LOAN HISTORY TO CREATIVE GROWTH								
1	1980-1981				1,204,162.17	1,204,162.17			Amount due from CRA to 01 = 920113.01 Fund 10 = 140000 Fund 22 = 2284.21 Fund 26 = 121164.95 Combined	
2	1981-1982		79,000.00		559,000.00	1,684,162.17			Pay back Fund 10, 22, 26	
3	1982-1983		461,069.06		350,000.00	1,573,093.11			New loans and payback bal w/ Gen Ledger	
4	1983-1984		450,000.00		1,120,000.00	2,243,093.11			New loans and payback bal w/ Gen Ledger and opening amt adj	
5	1984-1985				800,000.00	3,043,093.11			New loans and no payback bal w/ Gen Ledger and opening amt adj	
6	1985-1986		1,273,093.11		150,000.00	1,920,000.00			New loan and big payoff bal w/Gen Ledger	
7	1986-1987		314,491.16		485,000.00	2,090,508.84			New loan and payoff bal w/Gen Ledger	
8	1987-1988		830,940.28		1,650,000.00	2,909,568.56			New loan and payoff bal w/Gen Ledger	
9	1988-1989		1,091,534.30		1,911,000.00	3,729,034.26			88-89 Approval by minute action loans needed during FY to cover CRA obligations bal	
10	1989-1990		878,587.73		3,372,604.88	6,223,051.41			New Loans 6/30/91 minute action loans for RE Acq/Improvements/Admin Exp bal w gl	
11	1990-1991		1,229,307.41		700,000.00	5,693,744.00			New Loans 6/30/91 minute action loans for RE Acq/Improvements/Admin Exp bal w/gl	
12	1991-1992				300,000.00	5,993,744.00	3,279,670.10	9,273,414.10	New loans 91-92 to cover expense added to ending principal in 6/30/91 for new total loans-New Sch adopted to pay bak in 5 Yrs @ 10.5% Consolidated loans with plans for large principal payt of 993744 on 7/1/92 which did not happen	
13	1992-1993					5,993,744.00	3,279,670.10	9,273,414.10	Changed loan sched to 10 yrs 8.5% (5yrs not possible for payback with funds avail) no payback	
14	1993-1994			389,407.46	140,385.00	6,134,129.00	3,277,438.28	9,411,567.28	New loan new sched revised to 9 yrs at 8.5% to get new int and payt amounts not enough \$ to pay P&I per sched so paid partial interestand no principal and diff due of interest was added to principal orig int jpayt 529792.46 on paid 389407 bal 140385 add to principal and new sch calculated	
15	1994-1995			91,793.96	429,607.00	6,563,736.00	2,747,876.76	9,311,612.76	New loan re-calc sched at 8 yrs 8.5% - not enough to pay per py sch Int due was 521400.96 93-94 sch only paid 91793.96 so bal of int due 429607 was added to princ loan and re-calc	
16	1995-1996			537,000.00	107,730.56	6,563,736.00	2,318,607.32	8,882,343.22	Int Pd j642 6/30/96 537000 and add py int not pd 107730.56 to princ bal	
17	1996-1997			625,355.90	901,414.73	7,465,150.73	1,692,251.42	9,157,402.15	New loan 901414.73 Int Pd 518625.34 curr yr 107730.56 py that was added to princ new sch recal	
18	1997-1998		0.00		0.00	6,895,158.73	6,338,276.98	13,233,435.71	New Sch 97-98 all loans from all funds to cra princ o/s combined 40 yr sch 4%	
19	1998-1999		3,000,000.00			3,895,158.73	4,138,490.70	8,033,649.43	Partial Refinance of 1991 Tax Allocation Bonds - \$3M proceeds paid to principal Sch revised 8/98	
19	1998-1999		53,929.43	214,233.73		3,841,229.30	3,924,256.97	7,765,486.27	6/30/99 Annual Payment on Revised Loan Schedule 30 yrs @ 5.5%	
20	1999-2000		56,895.55	211,267.61		3,784,333.75			Payment 6/20/2000 per Schedule	
20	1999-2000				632,107.00	4,416,440.75	4,699,806.92	9,116,247.67	New loan for 6/30/2000 / new Schedule approved with new Principal bal 30 yrs 5.5%	



Oversight Board Staff Report

TO: Successor Agency Oversight Board
For the Meeting of February 13, 2014

FROM: Ken Duran, Assistant City Manager

SUBJECT: Consideration of the Successor Agency Administrative Budget covering the period July 1, 2014 – December 31, 2014

BACKGROUND

AB 1x 26 requires the preparation of an administrative budget for each six month period. The administrative budget lists the estimated amount of Successor Agency administrative costs for the period. The administrative budgets are prepared prospectively and are estimates.

This Administrative Budget for Oversight Board review is for the period July 1, 2014 – December, 2014. This will be the sixth budget reviewed and approved by the Oversight Board. Attached is a history of prior period expenses.

AB 1x 26 caps the amount of administrative reimbursable expense at \$250,000 or 3% of available tax increment per fiscal year. In San Dimas' case the \$250,000 cap applies. Previous budgets separated out expenses for personnel and personnel related cost from legal and consultant costs. Those two expenses were listed separately and it was staff understands that legal and consultant costs did not apply towards the administrative cost cap. In the Department of Finances review of the ROPS III they ruled that all of those costs should be applied towards the cap. Therefore, the current and proposed budgets reflect all expenses being applied toward the cap.

The overall administrative budget is made up of four categories staff, legal, consultants and miscellaneous.

- Staff - Staff includes the personnel costs of the primary City staff working on responsibilities of the Successor Agency. The projected hours are based on the best estimate of the hours necessary to continue the work of the Successor Agency. The number of staff hours has fluctuated for each period depending on the workload and Agency activities within that period. This budget reflects similar levels to last period, however, less than the

actual for 13-14A. In addition the staff component reflects a 10% overhead charge for the support of the primary staff - staff, equipment and incidentals. The office rent component reflects a proportionate office rent cost for the primary staff. This amount had been reduced in half in the previous budget as the staff hours have been reduced.

- Legal – This component reflects the billable hours from legal counsel directly related to the Successor Agency activities. The proposed budget is \$25,000, which is consistent with the last proposed budget.
- Consultants – The consultant component includes expenses for bond trustees, auditors and funds set aside for potential consultants related to property disposition. Since audit and trustee expenses are only paid once per year there were no expenses for the last budget but are included again in this budget.
- Misc. – Includes miscellaneous expenses such as travel or specific supplies related to the Successor Agency activities.

Exhibit "A" shows the proposed Administrative Budget for the July 1, 2014 – December 31, 2014 period totaling \$140,000. This budget reflects the first half of the fiscal year, making the total administration budget for the fiscal year.

RECOMMENDATION

Staff recommends that the Oversight Board review and approve Resolution No. 24 approving the Administrative Budget for the July 1, 2014 through December 31, 2014 time period.

Successor Agency Administrative Budget History

Expense Category	ROPS I (Actual)	ROPS II (Actual)	ROPS III (Actual)	ROPS 13-14A (Actual)	ROPS 13-14B (Budget)	ROPS 14-15A (Proposed)
Staff	\$264,357	\$150,253	\$91,572	\$99,650	\$68,028	\$70,850
Legal* and Consultant	\$48,366	\$101,697	\$25,440	\$12,306	\$25,000	\$25,000
Consultants*	Included in above	Included in above	\$345	\$11,737	\$15,000	\$42,000
Misc.	Not accounted	Not accounted	\$802	\$0	\$1,972	\$2,150
TOTAL	\$312,723	\$251,950	\$118,159*	\$123,693	\$110,000	\$140,000

* Amount requested was \$127,982 but reduced by DOF when legal and consultant costs were included in total admin costs.

SAN DIMAS SUCCESSOR AGENCY ADMINISTRATION BUDGET
ROPS 14-15A (VI) JULY – DECEMBER 2014

EXPENSE CATEGORY	AMOUNT	NOTES
Staff	\$70,850	See Staff Cost Chart for detail of hours. Hours same as 13-14B budget, but less than 13-14A actual
Legal	\$25,000	Estimate is the same as 14-15A
Consultants	\$30,000	Tax Consultant - \$5,000 Property Disposition - \$25,000
Audit/Trustee Fees	\$12,000	Annual Audit and Bank Fees
Misc. – Travel, supplies	\$2,150	DOF meetings, office supplies
TOTAL	\$140,000	

	<u>HOURS</u>	<u>RATE</u>	<u>COST</u>
ADMINISTRATIVE SERVICES			
CITY MANAGER	80	\$166.58	\$13,326.40
ASSISTANT CITY MANAGER	160	\$129.31	\$20,689.60
FINANCE/IS MANAGER	110	\$101.00	\$11,110.00
DEPUTY CITY CLERK	32	\$47.60	\$1,523.20
SENIOR ACCOUNTING TECHNICIAN	95	\$56.80	\$5,396.00
COMMUNITY DEVELOPMENT			
ASSISTANT CITY MANAGER OF COMMUNITY DEV	32	\$142.59	\$4,562.88
TOTAL PERSONNEL			\$56,608.08
OVERHEAD 10%			\$5,660.81
OFFICE RENT	SF 681	\$12.60	\$8,580.60
TOTAL EXPENDITURES			\$70,849.49

RATES ARE PRODUCTIVE HOURLY RATES

RESOLUTION NO. 24

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF SAN DIMAS REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET OF THE SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2014, THROUGH DECEMBER 31, 2014, PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34177.

WHEREAS, the Oversight Board of the Successor Agency to the City of San Dimas Redevelopment Agency has been appointed pursuant to the provisions of Health & Safety Code Section 34179; and

WHEREAS, the City of San Dimas ("City"), acting in its capacity as the Successor Agency ("Successor Agency") to the dissolved San Dimas Redevelopment Agency ("RDA"), duly prepared proposed Administrative Budget for the period of July 1, 2014 through December 31, 2014, in accordance with Health and Safety Code sections 34171(b) and 34177(j); and

WHEREAS, pursuant to Health and Safety Code sections 34177(j), the Oversight Board must approve an administrative budget for a successor agency for it to become established, valid, and operative for the applicable six-month fiscal period.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

SECTION 1. The foregoing Recitals are true and correct and are incorporated herein.

SECTION 2. The Administrative Budget covering the period of July 1, 2014 through December 31, 2014, attached hereto and incorporated herein by reference as Exhibit A, is hereby approved pursuant to Health and Safety Code Sections 34177(j), and any other law that may apply to the approval by the Oversight Board of the identified budget for the identified periods.

SECTION 3. Pursuant to Health and Safety Code section 34177(k), the Secretary or authorized designee shall provide to the County Auditor-Controller administrative cost estimates that are to be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund based on the Administrative Budgets for the identified period approved by this Resolution.

I HEREBY CERTIFY that the foregoing resolution was introduced and passed by the San Dimas Oversight Board, at its meeting of February 13, 2014.

CHAIR, OVERSIGHT BOARD

ATTEST:

SECRETARY, OVERSIGHT BOARD



Oversight Board Staff Report

DATE: February 13, 2014

TO: Successor Agency Oversight Board

FROM: Ken Duran, Assistant City Manager

SUBJECT: Adoption of July - December 2014 Recognized Obligation Payment Schedule (ROPS 14-15A)

Background

One of the requirements of ABx1 26, is that every six months successor agencies must submit for approval by the Oversight Board a "Recognized Obligation Payment Schedule" (ROPS). This schedule lists all of the payment obligations of the Agency based upon commitments prior to the legislation being adopted. In May of 2012 the Oversight Board approved the ROPS for the January – June 2012 time period (ROPS I) and the July – December 2013 time period (ROPS II). In August 2012 the Board approved the ROPS for the January – June 2013 time period (ROPS III). In February 2013 the Board approved the ROPS for the July – December 2013 time period (ROPS 13-14A) and in September 2013 approved the ROPS for the January – July 2014 period (ROPS 13-14B).

Presented for review and consideration is ROPS 14-15A, for the period of July - December 2014.

The Department of Finance provides the form to be used to submit the ROPS. The form changed again for this submittal period. The form essentially contains five pages:

- Page 1 – July – December 2014 Obligations. This page lists all of the obligations for the July - December period. A detailed explanation for each item is included in the attached ROPS Summary Information report.
- Page 2 – Notes pertaining to the Page 1 Obligations
- Page 3 - Prior Period Estimated Obligation vs. Actual Payments (ROPS 13-14A). This page compares the estimated vs. actual amounts for the July - December 2013 period. This is to serve as a "true-up" analysis for that prior six month period. If actual expenses were less than the estimates, a deduction will be made on the disbursement of the ROPS 14-15A funds. There is one expense from the ROPS 13-14A that was different than the approved ROPS. That item is

the Administrative Cost. This item is always an estimate. The approved amount was \$140,000 and the actual was \$123,693 for a difference of \$16,307.

- Page 4 – Summary Page The Summary page is a summary of the prior two pages and makes the estimated calculation of the amount eligible from the RPTTF or Trust Fund. The gross Enforceable Obligation funded from the RPTTF is \$1,643,543. There is a deduct for the underspending of the Admin Cost for the prior year in the amount of \$16,307 making a net RPTTF request of \$1,643,543.
- Page 5 – Report of Cash Balance. This was a new requirement beginning last ROPS cycle. If you will recall staff had several concerns with the methodology of the report and what should be included. In fact after original adoption, staff brought the ROPS back for amendment by the Board to address changes in the Balance Sheet portion of the report. The report is designed to review the Cash Balance of the Redevelopment Property Tax Trust Fund. This would account for funds in the account other than ROPS distributions, such as bond proceeds and outside income such as rent. In San Dimas' case there are no revenue sources outside of the ROPS distribution. However, the instructions for the report state that unspent cash from approved low and moderate housing obligations should be included. Though we disagree with the inclusion we have included the item on the report however, we anticipate that we may spend all of a good portion of those funds this period.

The ROPS 14-15A must be submitted to the DOF by March 1, 2014 after it has been approved by the Oversight Board. There are financial penalties for not submitting by that date. DOF then has 45 days to review and make a determination on the ROPS. Within 5 days of the determination a successor agency may request additional review and meet and confer on the determination. In June 2014 County Auditor-Controllers shall make the distribution of funds for the ROPS 14-15A.

SUMMARY

The attached Summary Information report provides the background for each of the items included on the ROPS. In the past we have provided this Summary which included an explanation for each item listed in the ROPS form. This time we are only including items that are currently active for this ROPS submittal. The new items for inclusion are the SERAF loan repayment and City loan consolidation totals; however no request for payment is being made for the City loan. Each of these two items is discussed in greater detail under separate agenda items. In the past we provided you with relevant documentation pertaining to each item. Abbreviated or the entire supporting documents for each item are again available for your additional review upon request.

RECOMMENDATION

After review and discussion staff recommends that the Oversight Board approve Resolution No. 25, approving the ROPS for July 1, 2014 – December 31, 2014 (ROPS 14-15A).

**SAN DIMAS SUCCESSOR AGENCY – RECOGNIZED PAYMENT OBLIGATION
SCHEDULE (ROPS 14-15A)**

SUMMARY INFORMATION

#1 – 1991 Taxable Bond Issue Creative Growth - 1991 Bond issued for non-housing related projects

In 1991 Bonds were issued by the Agency in the amount of \$9,000,000 for the purpose of the refinancing a prior bond issue and for the continued purposes of the Agency. In 1998 the Agency issued a new bond, which one of the purposes was to refinance a portion of this 1991 Bond. After the 1998 bond issuance the balance on the 1991 bond was \$1,850,000. The current balance on the bond is \$218,226. The schedule reflects a final bond payment in September 2016. The ROPS 14-15A includes a payment of \$66,581.

#2 – 1998 Taxable Bond Issue Creative Growth Refinance Portion - 1998 Bond issued for non-housing related projects

In 1998 Bonds were issued by the Agency in the amount of \$5,950,000 for the purpose of the refinancing of a portion of the 1991 bond issuance to take advantage of better rates and for the continued purposes of the Agency. The current outstanding balance on the bonds is \$1,771,125. The ROPS 14-15A includes a payment of \$561,125.

#4, #5 and #6 Combined as City Loan

This item listed as #4 on the ROPS consists of the combination and recalculation of the previous ROPS items 4-6, various loans from the City to the former Redevelopment Agency. The background on the combination and recalculation methodology is presented as a separate report. A brief summary, as has been previously described of each loan follows;

- **Loan to Creative Growth** – Redevelopment Agency projects typically take many years to accomplish their projects. It is not unusual for property acquisitions involving multiple owners, environmental issues, competing business relationships, deed and title issues, property availability, and seller expectations to take 10 years or more per project. Therefore the need for money comes in increments such as \$400,000 to close on a property purchase, \$40,000 in business relocation assistance, \$75,000 for engineering services etc. In addition, the need for \$1.5 million to complete infrastructure improvements can arise when certain elements of a project break free.

Redevelopment resources grow very slowly and therefore need to borrow money to move projects forward. In those formative years Redevelopment cannot always demonstrate the financial capacity to secure the level of needed financing. Therefore a host city can play a role in helping an Agency bridge the decades of time to complete projects until the resources of the Agency are then sufficient to repay those loans.

San Dimas was in a position to make incremental loans through the years. Not only did those loans provide timely assistance; they were also very cost effective, to the agency saving several hundred thousands of dollars in bond issuance costs.

In 2001 the city prepared a refinancing and consolidation of the remaining principal due for these loans into a 30 year loan at 5.5% interest. The Successor Agency is considering this the origination of this City loan. The principal due on this loan was \$9,408,969.67 with annual payments of \$647,378.

- **Loan CRA for Walker House** – Late 2000 the city was introduced to the opportunity to restore/renovate the most significant historical structure in our community – the Walker House built in 1887. The Agency adopted the required findings, actively secured several grants to assist with the project, and obtained historic tax credits to work with redevelopment tax increment money to complete the project. To make the project more cost effective, the city acted as the ‘bank’ to loan the net amount needed after grants to complete the project. Alternatively, a tax allocation bond financing would have added several hundred thousand dollars to the project and financing cost. The loan was finalized in June 2009 with a 20 year term at 5.5% interest. Principal due \$6,523,256 – annual payments \$546,177. The total project cost was \$11.177 million.
- **Loan to Rancho San Dimas** – Rancho San Dimas is a project area that worked several years to accomplish the Target Center. The city provided incremental loans as needed through the years to complete the project. Upon completion of the project in 1997 the city’s assistance was consolidated into a 37 year loan at 4% interest. Principal due \$1,218,307 – annual payments \$64,015.26.

#7 – Loan to CRA Walker House LLC – An LLC was formed to partner with a private interest (in this case the Sherwin Williams Paint Company) to create eligibility for historic tax credits to be available for the Walker House restoration/renovation. Proceeds from the historic tax credit program were loaned from the LLC to assist in the funding of the Walker House restoration/renovation project. The loan is for 20 years at 5.0% interest. Principal due \$1,853,268 – annual payments \$132,470. This item was originally denied by the Department of Finance on the ROPS I, II and III. The Agency

appealed that denial and the Department of Finance ultimately approved the item as an Enforceable Obligation.

#8 – SERAF Loan – In 2009 the state legislature and Governor removed \$2.05 Billion from Redevelopment Agencies to be used for state purposes. San Dimas was required to pay \$2,085,645. The state concluded that if an Agency did not have the money to pay, it was authorized to borrow money from its Low and Moderate Income Housing Fund – to be repaid within 5 years. To complete the payment, San Dimas borrowed the money. Principal currently due is \$1,251,331. Under the revised provisions with AB 1484 that changed the HSC, this is the beginning of the repayment of this loan. The amount requested is \$283,154 as described under a separate report.

#9 – Administrative Costs - Reimburse the City for administrative costs of the Successor Agency

The administrative budget for the Successor Agency is being discussed under separate report. The amount included on the ROPS is \$140,000.

#13 – OPDDA (Parking Lot Lease) – Costco – The Costco project involved above market property acquisition, business relocation, demolition, multiple environmental review, utility work, and off-site traffic improvements over and above project costs to construct the Costco site and building. To address a portion of those costs the Agency and Costco through a Disposition and Development Agreement provided a means for a payment to Costco for a term of 14 years and a maximum total lease payment of \$7 million. The payment amount is calculated from a formula that considers the sales tax production of the site and property taxes on a quarterly basis. The payment obligation began in May 2008. This item was originally denied by the Department of Finance on the ROPS III. The Agency appealed that denial and the DOF ultimately accepted this item as an Enforceable Obligation. The amount is calculated on actual revenues received by the City, therefore is paid once the actual revenues are calculated. These amounts are therefore not known when the ROPS are prepared so we can only provide an estimate. Beginning with the ROPS 13-14B we started calculating the obligation as an estimation of the two quarters and adding in any difference from the prior periods actuals. This has been a process that continues each ROPS submittal since we will always be submitting estimates and “trueing-up” to actuals the following ROPS submittal. The amount included in the ROPS is \$746,632.

#14 – Grove Station Low/Mod Housing – (Housing Fund) The Redevelopment Agency entered into an Owner Participation and Disposition and Development Agreement (OPDDA) with William Fox Homes in 2006. This Agreement has recently been assumed by Olson Development. The original Agreement provided for a 10,000 square foot commercial office building (which has been constructed) and 110 residential

condominiums including 7 live-work units (14 condominiums have been constructed including the 7 live-work condominiums). Four of the remaining seven constructed condominiums are owned by the City Housing Authority and are being marketed to qualifying persons at the moderate income level. The project went into foreclosure and that lender was taken over by the FDIC. A court-appointed receiver had been in control of the property but Olson Development recently closed escrow on the purchase of the project. They have secured new entitlements for a down-scaled project consisting of 67 additional condominiums (reducing the total number of units from 110 to 81). The OPDDA provided that 9% of the units (totaling a minimum of 10 units) be made available for sale to moderate income persons. The Second Implementation Agreement (SIA) to the OPDDA provided for the RDA to contribute \$4,300,000 to facilitate construction and acquisition of the moderate income affordable units. The 4 constructed affordable units included a contribution of \$1,997,368. The SIA provided for \$2,744,000 to acquire the remaining affordable units which were intended to be in the next phase of 24 units. The balance of the funds will be spent on housing obligations. This item was approved by the Department of Finance and the funds to fulfill the obligation have been retained by the Housing Authority. Staff is still unclear why the DOF continues to include this item on the ROPS since it is an approved Housing Authority obligation. However, per their request we need to list it under "Reserve Balance" obligation. However, to clarify we are not requesting any payment under through the RPTTF.

RESOLUTION NO. 25

A RESOLUTION OF THE SAN DIMAS OVERSIGHT BOARD APPROVING THE JULY 1, 2014 THROUGH DECEMBER 31, 2014 RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180(g)

WHEREAS, California Health & Safety Code Sections 34177(l) (2) (A) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (the "ROPS") and make associated notifications and distributions; and

WHEREAS, the ROPS must be approved by the Oversight Board pursuant to Health and Safety Code Section 34180(g) and 34177(j).

NOW THEREFORE, BE IT RESOLVED, that the San Dimas Oversight Board approves the ROPS for the period July 1, 2014 through December 31, 2014 and directs the Successor Agency Executive Director, or their designee, to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the ROPS.

I HEREBY CERTIFY that the foregoing resolution was introduced and passed by the San Dimas Oversight Board, at its meeting of February 13, 2014.

CHAIR, OVERSIGHT BOARD

Attest:

SECRETARY, OVERSIGHT BOARD

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: San Dimas
 Name of County: Los Angeles

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF)	
A Funding Sources (B+C+D):	\$ 746,632
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	746,632
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,649,464
F Non-Administrative Costs (ROPS Detail)	1,509,464
G Administrative Costs (ROPS Detail)	140,000
H Current Period Enforceable Obligations (A+E):	\$ 2,396,096

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	1,649,464
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(16,307)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 1,633,157

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	1,649,464
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	1,649,464

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

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash 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	
Cash Balance Information by ROPS Period									
ROPS 13-14A Actuals (07/01/13 - 12/31/13)									
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 balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin				
1 Beginning Available Cash Balance (Actual 07/01/13)									
Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)									
		2,744,000			1,246,296				ROPS 13-14A July-December 2013
2 Revenue/Income (Actual 12/31/13)									
Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013									
3 Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)									
Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of ROPS									
			1,997,368		1,229,989				ROPS 13-14A July-December 2013
4 Retention of Available Cash Balance (Actual 12/31/13)									
Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A									
5 ROPS 13-14A RPTTF Prior Period Adjustment									
Note that the RPTTF amount should tie to column S in the Report of PPAs.									
					16,307				ROPS 13-14A July-December 2013
6 Ending Actual Available Cash Balance									
		-	-	746,632	-	-	-	-	
ROPS 13-14B Estimate (01/01/14 - 06/30/14)									
7 Beginning Available Cash Balance (Actual 01/01/14)									
(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)									
		-	-	746,632	-	-	-	16,307	Beginning Balance ROPS 13-14B 1/1/14-6/30/14
8 Revenue/Income (Estimate 06/30/14)									
Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014									
								516,541	Rec'd for ROPS 13-14B 1/1/14-6/30/14
9 Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)									
				746,632				526,469	Expenditures for ROPS 13-14B 1/1/14-6/30/14
10 Retention of Available Cash Balance (Estimate 06/30/14)									
Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B									
11 Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)									
		-	-	-	-	-	-	6,379	Remaining Cash Balance June 30, 2014