

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

**September 12, 2013 4:00 P.M.**  
**SAN DIMAS COUNCIL CHAMBERS CONFERENCE ROOM**  
**245 EAST BONITA AVENUE**  
**SAN DIMAS, CA 91773**

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1. Call to Order
2. Approval of Minutes of July 8, 2013
3. Review and Consideration of Resolution No. 18 – 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 January 1, 2014 through June 30, 2014 Pursuant to Health and Safety Code Section 34177
4. Review and Consideration of Resolution No. 19 – A Resolution of the Oversight Board of the former San Dimas Redevelopment Agency Approving 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)
5. Preliminary Review of the Long Range Property Management Plan
6. Reports from Staff
7. Public Comment
8. Reports of Board Members
9. Adjournment



# Oversight Board Staff Report

**TO:** Successor Agency Oversight Board  
*For the Meeting of September 12, 2013*

**FROM:** Ken Duran, Assistant City Manager

**SUBJECT:** Consideration of the Successor Agency Administrative Budget covering the period January 1, 2014 – June 30, 2014

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## **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 January 1, 2014 – June 30, 2014. This will be the fifth budget reviewed and approved by the Oversight Board. We have now experienced actual expenses for three of those periods and are in the current six month period for the fourth. Attached is a history of 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 been reduced from

prior budgets as it is anticipated that some staff will be performing less work on the dissolution during this period. This budget reflects a 20% reduction in hours from the previous budget. 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 the actual amount of ROPS III budget.
- Consultants – The consultant component includes expenses for bond trustees, auditors and funds set aside for potential consultants related to property disposition. There are no audit or trustee expenses anticipated for this 6 month period. Expenses are anticipated for tax consulting and property disposition costs.
- 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 January 1, 2014 – June 30, 2014 period totaling \$110,000. This budget reflects the second half of the fiscal year, making the total administration budget for the fiscal year at \$250,000.

### **RECOMMENDATION**

Staff recommends that the Oversight Board review and approve Resolution No. 018 approving the Administrative Budget for the January 1, 2014 through June 30, 2014 time period.

Successor Agency Administrative Budget History

Expense Category	ROPS I (Actual)	ROPS II (Actual)	ROPS III (Actual)	ROPS 13-14A (Budget)	ROPS 13-14B (Proposed)
Staff	\$264,357	\$150,253	\$91,572	\$83,575	\$68,028
Legal* and Consultant	\$48,366	\$101,697	\$25,440	\$30,000	\$25,000
Consultants*	Included in above	Included in above	\$345	\$25,000	\$15,000
Misc.	Not accounted	Not accounted	\$802	\$1,425	\$1,972
<b>TOTAL</b>	\$312,723	\$251,950	\$118,159*	\$140,000	\$110,000

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

**RESOLUTION NO. 018**

**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 JANUARY 1, 2014, THROUGH JUNE 30, 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 January 1, 2014 through June 30, 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 January 1, 2014 through June 30, 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 September 12, 2013.

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CHAIR, OVERSIGHT BOARD

ATTEST:

\_\_\_\_\_  
SECRETARY, OVERSIGHT BOARD



## Oversight Board Staff Report

**DATE:** September 12, 2013

**TO:** Successor Agency Oversight Board

**FROM:** Ken Duran, Assistant City Manager

**SUBJECT:** Adoption of January – June 2014 Recognized Obligation Payment Schedule (ROPS 13 – 14B)

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### **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).

Presented for review and consideration is ROPS 13-14B, for the period of January – June 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 – January 1, 2014 – June 30, 2014 Obligations. This page lists all of the obligations for the January – June 2014 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 III). This page compares the estimated vs. actual amounts for the January – June 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 13-14A funds. There is one expense from the ROPS III that was not paid during that period. That item was item #12 "Parking Assessment Puddingstone Center" in the amount of \$9,928. That item is only

paid once a year and was inadvertently including on the ROPS III. Therefore the actual expenses for that period were \$9,928 less that funds received. This results in the Prior Period Adjustment of \$9,928.

- 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.
- Page 5 – Report of Fund Balance. This is a new requirement. It is designed to review the Fund 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.

The ROPS 13-14A must be submitted to the DOF by October 1, 2013 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 December 2013 County Auditor-Controllers shall make the distribution of funds for the ROPS 13-14B.

### **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 it listed in the ROPS form. This time we are only including items that we are requesting funding for on this ROPS submittal. There are no new items on this ROPS. 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. 019, approving the ROPS for the January 1, 2014 – June 30, 2014 (ROPS 13-14B).

**SAN DIMAS SUCCESSOR AGENCY – RECOGNIZED PAYMENT OBLIGATION  
SCHEDULE (ROPS 13-14B)**

**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 \$222,000. The schedule reflects a final bond payment in September 2016. The ROPS 13-14B includes an interest payment of \$6,581 due in February 2014.

**#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 \$1,812,250. The ROPS 13-14B includes an interest payment of \$41,125.

**#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 \$110,000.

**#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. For the ROPS III period the estimated amount was \$118,673 less than the actual amounts that were due once the actual figures were available. For the ROPS 13-14B we are requesting payment for the difference between the estimated and actual amount for the ROPS III period, \$118,673, and the estimation for the next two quarters of \$125,000 each, for a total of \$368,763. This will be a process that will continue each ROPS submittal since we will always be submitting estimates and "trueing-up" to actuals the following ROPS submittal.

**#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 four constructed affordable units included a contribution of \$1,591,000. The SIA provided for \$2,709,000 to construct and acquire the remaining affordable units which were intended to be in the next phase of 24 units. 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. 019**

**A RESOLUTION OF THE SAN DIMAS OVERSIGHT BOARD APPROVING THE JANUARY 1, 2014 THROUGH JUNE 30, 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 January 1, 2013 through June 30, 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 September 12, 2013.

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CHAIR, OVERSIGHT BOARD

Attest:

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SECRETARY, OVERSIGHT BOARD



## ***Oversight Board Staff Report***

**DATE:** September 12, 2013  
**TO:** Oversight Board  
**FROM:** Ken Duran, Assistant City Manager  
**SUBJECT:** Preliminary review of the Long Range Property Management Plan

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### **Background**

At previous meetings staff has provided the Board with information on the requirements of a Long Range Property Management Plan (LRPMP). In particular at your April 25<sup>th</sup> meeting we presented the attached report on the Long Range Property Management Plan Development Process. The Successor Agency has until October 26<sup>th</sup> to present to the Department of Finance an approved Plan.

The Board approved a list of Governmental Purpose Properties on July 8, 2013 which has been submitted to the Department of Finance for review. There are three remaining former Agency owned properties that are subject to inclusion in the LRPMP. They are referred to as; 108 & 112 Cataract, 334 Bonita Ave. and Bonita & Eucla Property.

We have prepared property profiles and disposition recommendations for each of these three properties. The purpose of this discussion is for staff to present the information on each of these properties and answer questions of the Board. The intention would be to take preliminary input from the Board and bring back a final recommendation prior to October 26<sup>th</sup>.

If any Board member would like additional back-up material on any of these properties prior to the meeting please let us know and we will gladly provide that information.

