

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

**SEPTEMBER 11, 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 July 10, 2014
3. Review and Consideration of *Resolution No. 28 – A Resolution of the San Dimas Oversight Board Approving the January 1, 2015 through June 30, 2015 Recognized Obligation Payment Schedule Pursuant to Health and Safety Code Section 34180 (g)*
4. Update on the Long Range Property Management Plan
5. Reports from Staff
6. Public Comment
7. Reports of Board Members
8. Adjournment

MINUTES
OVERSIGHT BOARD TO THE
CITY OF SAN DIMAS SUCCESSOR AGENCY

JULY 10, 2014 4:00 P.M.
SAN DIMAS COUNCIL CHAMBERS CONFERENCE ROOM
245 E. BONITA AVENUE
SAN DIMAS, CA 91773

Present: Board Members Curt Morris, David Hall, Bonnie Bowman, A.F. Feldbush, Ann Sparks, Brian Stiger, Larry Stevens

Successor Agency Staff: City Manager Blaine Michaelis, Assistant City Manager Ken Duran, Finance Manager Barbara Bishop, Senior Accounting Technician Steve Valdivia, Assistant City Attorney Mark Steres.

CALL TO ORDER

Chair Morris called the meeting to order at 4:05 p.m.

APPROVAL OF MINUTES OF APRIL 24, 2014

Board member Feldbush suggested removing his comment on page 3 of the minutes in regards to the fairness of the interest rate. Board member Stevens made a motion to approve the minutes as amended. The motion was seconded by Board member Bowman and passed by a vote of 5-0-2 with members Morris and Hall abstaining.

REVIEW AND CONSIDERATION OF LONG RANGE PROPERTY MANAGEMENT PLAN RESOLUTION NO. 27 – A RESOLUTION OF THE SAN DIMAS OVERSIGHT BOARD APPROVING AN AMENDED LONG RANGE PROPERTY MANAGEMENT PLAN

Mr. Duran reviewed his staff report outlining the Department of Finance's comments on the Long Range Property Management Plan and the proposed changes to the Plan. In response to a question Mr. Duran stated that the Agency does not have any appraisals or current values on any of the properties and therefore has submitted the Agencies booked value.

Board member Stevens asked in regards to the 108 & 112 Cataract property, what happens to them if the MTA does not approve the use of their land for the parking lot. Mr. Michaelis provided an update on discussions with MTA for their approval. Mr.

Duran added the property would not transfer to the City until all approvals are in place for the parking lot and if it is denied by the MTA the Agency will bring back a revised plan for the disposition of the property.

Board member Hall made a motion to waive further reading and adopt Resolution No. 27 approving an amended Long Range Property Management Plan. The motion was seconded by Board member Feldbush and adopted by unanimous vote.

TIMELINE ON THE APPROVAL OF ROPS 14 – 15B

Mr. Duran outlined the timeline for approval of the ROPS 14-15B indicating that it will be scheduled for either the September 11th or 25th Board meeting.

REPORTS FROM STAFF

Mr. Duran reported that there is nothing new in regards to the status of the City loans and that the Agency is not in a position to request loan payments yet, we are tracking what's happening with other cities. Mr. Michaelis reported that staff met with Senator Liu and providing her staff with more information.

Board member Feldbush expressed that he feels the City or Oversight Board should send a strong letter expressing concerns over how the loans are being treated. There was discussion about how best to communicate the Agency and Boards concerns. It was suggested that a letter or Resolution reaffirming that the Board has reviewed the loans and found them to be enforceable obligations be brought back to the Board for consideration.

Mr. Duran reported that staff will continue to track other agencies and legislation on City loans and bring back to the Board a letter or Resolution reaffirming their position on the city's loans.

Mr. Duran reported that the legislature recently adopted AB 471 which among other things permits Housing Authorities to submit on ROPS for an administrative cost allowance of \$150,000 per year as an enforceable obligation. He added that several agencies submitted this request on their ROPS 14-15A but have been denied by DOF. He added that staff intends to recommend this be included on the ROPS 14-15B.

PUBLIC COMMENT

None

REPORTS FROM BOARD MEMBERS

Chair Morris asked if the Agency can begin to market and sell property once the LRPMP is approved. Mr. Duran responded that once the LRPMP is approved by DOF the Agency can begin the disposition process if it desires.

Vice Chair Hall asked if there is a way to know how much residual tax increment has been paid to each entity. Mr. Duran responded that that data is available and he will distribute it to the Board.

ADJOURNMENT

The meeting was adjourned at 4:40 p.m.



Oversight Board Staff Report

DATE: September 11, 2014

TO: Successor Agency Oversight Board

FROM: Ken Duran, Assistant City Manager

SUBJECT: Adoption of January - December 2015 Recognized Obligation Payment Schedule (ROPS 14-15B)

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). In February 2014 the Board approved ROPS 14-15A

Presented for review and consideration is ROPS 14-15B, for the period of January - June 2015.

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 – June 2015 Obligations. This page lists all of the obligations for the January - June period. A detailed explanation for each item is included in the attached ROPS Summary Information report. There is one new item, #18, which is explained in the Summary.
- Page 2 - Prior Period Estimated Obligation vs. Actual Payments (ROPS 13-14B). This page compares the estimated vs. actual amounts for the January - June 2014 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 14-15B funds. There are no adjustments identified.

- 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 total Enforceable Obligation funded from the RPTTF is \$670,681.
- Page 5 – Report of Cash Balance. This was a new requirement beginning with the 13-14B ROPS cycle. If you will recall staff has had several concerns with the methodology of the report and what should be included. 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 14-15B must be submitted to the DOF by October 3, 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 January 2015 County Auditor-Controllers shall make the distribution of funds for the ROPS 14-15B.

SUMMARY

The attached Summary Information report provides the background for each of the items included on the ROPS. There is one new item, Housing Successor Agency Administrative Expense, which is described in detail in the Summary. 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. 28, approving the ROPS for January 1, 2015 – June 30, 2015 (ROPS 14-15B).

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

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 \$148,838. The schedule reflects a final bond payment in September 2016. The ROPS 14-15B includes an interest payment of \$4,556.

#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 \$1,210,000. The ROPS 14-15B includes an interest payment of \$28,125.

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

The administrative budget for the Successor Agency for FY 14-15 was approved by the Board in February. The ROPS 14-15A included \$140,000. Therefore, the maximum allowable for the remainder of the fiscal year 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. 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 \$378,000.

#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 was 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 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 the balance that is continuing to be used for those units under “Reserve Balance” obligation. However, to clarify we are not requesting any payment from the RPTTF.

18 – HOUSING SUCCESSOR AGENCY ADMINISTRATIVE EXPENSE

On February 18, 2014, the Governor signed AB 471 as urgency legislation so it was effective immediately. This legislation among other things, specified that Housing

Authorities could receive a "housing administrative cost allowance."¹ This allowance is to be up to 1 percent of the property taxes allocated to the RORF (Redevelopment Obligation Retirement Fund) but not less than \$150,000 per fiscal year. The San Dimas Housing Authority would qualify for the prescribed minimum of \$150,000. The San Dimas Housing Authority is the successor housing entity and administers the low-and moderate – income properties and programs that were held by the former redevelopment agency. Up to this point the Authority has not received any administrative cost allowance. In order to claim this amount, it must be included on the ROPS. The Agency did not include this item on the ROPS 14-15A since the legislation was enacted just as the Board was approving that ROPS. Therefore, the allocation amount of \$150,000 for FY 14-15 has been included on ROPS 14-15B.

¹ (p) From July 1, 2014, to July 1, 2018, inclusive, "housing entity administrative cost allowance" means an amount of up to 1 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund on behalf of the successor agency for each applicable fiscal year, but not less than one hundred fifty thousand dollars (\$150,000) per fiscal year.

(1) If a local housing authority assumed the housing functions of the former redevelopment agency pursuant to paragraph (2) or (3) of subdivision (b) of Section 34176, then the housing entity administrative cost allowance shall be listed by the successor agency on the Recognized Obligation Payment Schedule. Upon approval of the Recognized Obligation Payment Schedule by the oversight board and the department, the housing entity administrative cost allowance shall be remitted by the successor agency on each January 2 and July 1 to the local housing authority that assumed the housing functions of the former redevelopment agency pursuant to paragraph (2) or (3) of subdivision (b) of Section 34176.

RESOLUTION NO. 28

A RESOLUTION OF THE SAN DIMAS OVERSIGHT BOARD APPROVING THE JANUARY 1, 2015 THROUGH JUNE 30, 2015 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 31, 2015 through June 30, 2015 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 11, 2014.

AYES:

NOES:

ABSENT:

CHAIR, OVERSIGHT BOARD

Attest:

SECRETARY, OVERSIGHT BOARD

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail
January 1, 2015 through June 30, 2015
 (Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | | | | | O | P | | | | | |
|--------|--|--|-----------------------------------|-------------------------------------|--|---|-----------------------------------|--------------------------------------|---------|---|-----------------|-------------|------------|------------|-----------------|---|---|---|-------|-----------------|-------|
| | | | | | | | | | | L | | | | | | | M | N | Admin | Six-Month Total | |
| | | | | | | | | | | Funding Source | | | | | | | | | | | RPTTF |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | | | | | | | | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total | | | | | | |
| 1 | 1991 Taxable Bond Issue Creative | Bonds Issued On or Before 12/31/10 | 4/16/1991 | 9/2/2016 | US Bank | Bond Issue to fund non-Housing | Creative Growth | \$ 24,756,846 | N | \$ - | \$ 692,120 | \$ - | \$ 410,681 | \$ 260,000 | \$ 1,362,801 | | | | | | |
| 2 | 1998 Taxable Bond Issue Creative Growth Refinance Portion | Bonds Issued On or Before 12/31/10 | 9/1/1998 | 9/2/2016 | US Bank | Bond Issue to fund non-Housing Projects | Creative Growth | 148,838 | N | | | | 4,556 | | 4,556 | | | | | | |
| 3 | 1998 Charter Oak Mobile Home Park | Bonds Issued On or Before 12/31/10 | 7/1/1999 | 3/2/2028 | US Bank | Bond Issue to fund housing projects | Creative Growth | 1,210,000 | N | | | | 28,125 | | 28,125 | | | | | | |
| 4 | Loan to CRA -Re-Calculated at LAIF .29% Combined All Loans due from CRA Est Payback Beg 2018-19. Estimated payback 2042. | City/County Loans On or Before 6/27/11 | 6/30/2001 | 6/30/2042 | City of San Dimas | Loan for non-housing projects - All PY Loans recalculated Remaining Principal of 14,630,304 at .29% LAIF interest for 30 Years and combined as 1 loan - | Creative Growth | 2,240,000 | N | | | | | | - | | | | | | |
| 5 | Loan to CRA Walker House Fund 30- Combined with line 4 | City/County Loans On or Before 6/27/11 | 6/9/2009 | 6/30/2028 | City of San Dimas | Loan for rehabilitation projects - combined above with line 4 | Creative Growth | 11,947,719 | N | | | | | | - | | | | | | |
| 6 | Loan to Rancho San Dimas- Combined with line 4 | City/County Loans On or Before 6/27/11 | 10/28/1997 | 6/30/2035 | City of San Dimas | Loan to fund non-housing projects - combined above with line 4 | Creative Growth | | N | | | | | | - | | | | | | |
| 7 | Loan to CRA Walker House Fund 03 | City/County Loans On or Before 6/27/11 | 6/9/2009 | 6/30/2028 | Walker House Master Tennant | Loan for rehabilitation projects | Creative Growth | 1,719,798 | N | | | | | | - | | | | | | |
| 8 | SERAF Loan | SERAF/ERAF | 5/10/2010 | 6/30/2015 | Housing Set Aside | Repayment to housing fund | Creative Growth/ Rancho San Dimas | 968,176 | N | | | | | | - | | | | | | |
| 9 | Administrative Costs | Admin Costs | 8/23/2012 | 6/30/2014 | City of San Dimas | Cost to Administer Successor Agency | Creative Growth/ Rancho San Dimas | 110,000 | N | | | | | 110,000 | 110,000 | | | | | | |
| 12 | Parking Assessment Puddingstone Center | Property Maintenance | 9/2/2006 | 3/3/2017 | Puddingstone Parking District | Parking Lot Maintenance & Operations | Creative Growth | 3,949 | N | | | | | | - | | | | | | |
| 13 | Parking Lot Lease | Business Incentive Agreements | 6/1/2007 | 5/16/2023 | Costco Wholesale Corp. | Lease to insure adequate parking | Creative Growth | 5,116,246 | N | | | | 378,000 | | 378,000 | | | | | | |
| 14 | Grove Station Low/Mod Housing | Miscellaneous | 9/2/2008 | 6/30/2014 | Olson Co./Alshire & Wynder LLC | Housing Assistance per Development Agreement & Legal included with Admin Costs | Creative Growth | 692,120 | N | | 692,120 | | | | 692,120 | | | | | | |
| 18 | Housing Successor Agency Administrative Expense | Admin Costs | 2/18/2014 | 7/1/2018 | San Dimas Housing Authority - Successor Agency | Cost to Administer Housing Successor Agency | Creative Growth | 600,000 | N | | | | | 150,000 | 150,000 | | | | | | |
| 19 | | | | | | | | | N | | | | | | - | | | | | | |
| 20 | | | | | | | | | N | | | | | | - | | | | | | |
| 21 | | | | | | | | | N | | | | | | - | | | | | | |
| 22 | | | | | | | | | N | | | | | | - | | | | | | |
| 23 | | | | | | | | | N | | | | | | - | | | | | | |
| 24 | | | | | | | | | N | | | | | | - | | | | | | |
| 25 | | | | | | | | | N | | | | | | - | | | | | | |
| 26 | | | | | | | | | N | | | | | | - | | | | | | |
| 27 | | | | | | | | | N | | | | | | - | | | | | | |
| 28 | | | | | | | | | N | | | | | | - | | | | | | |
| 29 | | | | | | | | | N | | | | | | - | | | | | | |
| 30 | | | | | | | | | N | | | | | | - | | | | | | |
| 31 | | | | | | | | | N | | | | | | - | | | | | | |
| 32 | | | | | | | | | N | | | | | | - | | | | | | |
| 33 | | | | | | | | | N | | | | | | - | | | | | | |
| 34 | | | | | | | | | N | | | | | | - | | | | | | |
| 35 | | | | | | | | | N | | | | | | - | | | | | | |
| 36 | | | | | | | | | N | | | | | | - | | | | | | |
| 37 | | | | | | | | | N | | | | | | - | | | | | | |
| 38 | | | | | | | | | N | | | | | | - | | | | | | |
| 39 | | | | | | | | | N | | | | | | - | | | | | | |
| 40 | | | | | | | | | N | | | | | | - | | | | | | |

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

Filed for the January 1, 2015 through June 30, 2015 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) Funding | | |
| A Sources (B+C+D): | | \$ 692,120 |
| B Bond Proceeds Funding (ROPS Detail) | | - |
| C Reserve Balance Funding (ROPS Detail) | | 692,120 |
| D Other Funding (ROPS Detail) | | - |
| E Enforceable Obligations Funded with RPTTF Funding (F+G): | | \$ 670,681 |
| F Non-Administrative Costs (ROPS Detail) | | 410,681 |
| G Administrative Costs (ROPS Detail) | | 260,000 |
| H Current Period Enforceable Obligations (A+E): | | \$ 1,362,801 |

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

| | | |
|--|--|-------------------|
| I Enforceable Obligations funded with RPTTF (E): | | 670,681 |
| J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S) | | - |
| K Adjusted Current Period RPTTF Requested Funding (I-J) | | \$ 670,681 |

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

| | | |
|---|--|----------------|
| L Enforceable Obligations funded with RPTTF (E): | | 670,681 |
| M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA) | | - |
| N Adjusted Current Period RPTTF Requested Funding (L-M) | | 670,681 |

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 |

