



Special Meeting AGENDA

Oversight Board of the Successor Agency to the South Pasadena Community Redevelopment Agency

City Council Chambers, 1424 Mission Street
Wednesday, February 13, 2013 4:00 PM

Chair: Gary E. Pia
Vice-Chair: Richard Roche
Board Members: Tim Evans; John Mayer; Scott Price; Ted Shaw; Bob Miller

In order to address the Board, please complete a Public Comment Card and present it to the Secretary. Speakers will be called upon by the Chairman at the appropriate time. Time allotted per speaker: 3 minutes.

Call to Order

- Roll Call
- Pledge of Allegiance
- Confirmation of Agenda

Public Comment

Opportunity for members of the public to comment on any items not appearing on the agenda. When addressing the Oversight Board, please state your name and address for the record. Time allotted per speaker: 3 minutes

Discussion Items

1. Approval of Minutes: January 9, 2013 Regular Meeting
2. Resolution approving the Recognized Obligation Payment Schedule – July 1, 2013 to December 31, 2013

Adjournment

Accommodations



Meeting facilities are accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 403-7230. Hearing assistive devices are available in the Council Chambers. Notification at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of the City Hall at 1414 Mission Street, South Pasadena, CA 91030, as required by law.

2-7-13
Date


Lucy L. Kbjian,
Executive Assistant to City Manager

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**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH PASADENA
COMMUNITY REDEVELOPMENT AGENCY**

**CITY OF SOUTH PASADENA
CITY COUNCIL CHAMBERS
1424 MISSION STREET
SOUTH PASADENA, CALIFORNIA 91030**

Wednesday, January 9, 2013

4:00 p.m.

AUDIO LINK FOR THE ENTIRE MEETING. (13-0357)

Attachments: Audio

CALL TO ORDER

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

ROLL CALL

Lucy L. Kbjian, Executive Assistant to City Manager, called the roll:

**Present: Board Members John Mayer, Scott S. Price,
Vice Chair Richard Roche and Chair Gary Pia**

**Absent: Board Members Timothy B. Evans, Bob Miller and
Ted R. Shaw**

PLEDGE OF ALLEGIANCE

Board Member Mayer led the Pledge of Allegiance.

CONFIRMATION OF AGENDA

Chair Pia confirmed the agenda and reviewed it with the Board.

PUBLIC COMMENT

Opportunity for members of the public to comment on any items not appearing on the agenda. When addressing the Oversight Board, please state your name and address for the record. Time allotted per speaker: three (3) minutes.

There were none.

DISCUSSION ITEMS

1. Approval of Minutes: December 20, 2012 Special Meeting (13-0355)

On motion of Board Member Price, seconded by Board Member Mayer, duly carried by the following vote, the Oversight Board approved the December 20, 2012 Special Meeting Minutes:

Ayes: 4 - Board Members Mayer, Price, Vice Chair Roche and Chair Pia

Absent: 3 - Board Members Evans, Miller and Shaw

Attachments: 12-20-12 South Pasadena Minutes

2. Review, Approval, and Transmittal of the Due Diligence Review of Non-Housing Funds in Accordance with Health and Safety Code Section 34179.5 and 34179.6. (13-0356)

Chair Pia reminded the Oversight Board that the Due Diligence Review of Non-Housing funds was presented by Successor Agency Staff on Thursday, December 20, 2012; and the floor was opened for comments and questions.

There were none.

On motion of Board Member Price, seconded by Board Member Roche, duly carried by the following vote, the Oversight Board adopted Resolution No. 2013-01, "A Resolution of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena, California, Approving the Due Diligence Review of the Non-Housing Funds, Authorizing Retention of Non-Obligated Funds Described Therein, and Authorizing Successor Agency Staff to Transmit Thereof as Required by the Health and Safety Code":

Ayes: 4 - Board Members Mayer, Price, Vice Chair Roche and Chair Pia

Absent: 3 - Board Members Evans, Miller and Shaw

Attachments: Staff Report
Final Non-Housing Due Diligence Review Report
Resolution

ADJOURNMENT

The meeting adjourned at 4:10 p.m. The next regular meeting is scheduled for Wednesday, February 13, 2013 at 4:00 p.m.

Approved

Gary E. Pia, Chair

Date

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Oversight Board of the Successor Agency to the South Pasadena CRA

MEETING DATE: February 13, 2013

FROM: Chu Thai, Finance Director

SUBJECT: **Resolution Approving a Recognized Obligation Payment Schedule
– July 1, 2013 to December 31, 2013**

Recommendation:

It is recommended that Oversight Board adopt the attached resolution approving the Recognized Obligation Payment Schedule for the period of July 1, 2013 – December 31, 2013 (13-14A ROPS).

Background:

AB X1 26, the Dissolution Act, required all successor agencies to formulate Recognized Obligation Payment Schedule (ROPS) under which the Successor Agency to the South Pasadena Community Redevelopment Agency (Successor Agency), would make payments for eligible obligations of the former Redevelopment Agency. The ROPS shall be reviewed and approved by the Oversight Board and subsequently by the State Department of Finance (DOF).

The former Community Redevelopment Agency, on January 30, 2012, approved the First Recognized Obligation Payment Schedule for the period of January-June 2012 (First ROPS) and the Second Recognized Obligation Payment Schedule for the period of July-December 2012 (Second ROPS). On May 9, 2012, the Oversight Board approved both ROPS 1 and ROPS 2 which were forwarded to the DOF and the State Controller's Office. On May 25, 2012, the DOF notified the City that all of the items listed on the ROPS were approved.

As part of the Fiscal Year 2012-2013 State budget package, on June 27, 2012, the Legislature passed, and the Governor signed, Assembly Bill (AB) 1484. The primary purpose of this bill was to make technical and substantive amendments to the Dissolution Act. As a budget "trailer bill," AB 1484 took immediate effect upon the signature by the Governor. AB 1484 clarified certain items that may properly be included in the ROPS.

On August 15, 2012, the Successor Agency approved the Third ROPS for the period covering January-June 2013 (Third ROPS). Per AB 1484 added Section 34177 (m) to the Health and Safety Code, the Successor Agency submitted the ROPS to the DOF, the State Controller's Office, the County Administrators Office and to the County Auditor-Controller at the same time it submitted them to the Oversight Board for approval. The Oversight Board approved the Third ROPS on August 22, 2012, and submitted the ROPS to the DOF. On October 3, 2012, the DOF issued the Successor Agency a letter in which they denied the inclusion in the Third ROPS of

February 13, 2013
Approval of 13-14A ROPS
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\$8,000 in legal fees as an enforceable obligation separate from the administrative cost allowance. While Section 34177.3(b) of the Health & Safety Code allows the creation of an enforceable obligation for legal work related to the winding down of redevelopment activities, the DOF contended that the amount in question “related to general legal representation and not specifically to bringing or contesting a legal action in court,” and was therefore, in their view, simply an administrative expense that is properly categorized under the administrative cost allowance. The Successor Agency challenged this ruling and requested a Meet and Confer Session with the DOF to discuss the matter further and resolve the contentions. The Meet and Confer Session was held on October 18, 2012, and the DOF issued a formal determination letter on December 18, 2012, in which they upheld their initial determination.

Analysis:

On February 6, 2013, the Successor Agency reviewed and approved the 13-14A ROPS for the period covering July 1, 2013 to December 31, 2013. AB 1484 added Section 34177 (m) to the Health and Safety Code which requires the Successor Agency to submit the ROPS to the DOF, the State Controller’s Office, the County Administrators Office and to the County Auditor-Controller at the same time it submits the ROPS to the Oversight Board for approval. The 13-14A ROPS must now be considered by the Oversight Board and approved by resolution (attached). Once approved by the Oversight Board, the 13-14A ROPS must be submitted to the DOF by March 1, 2013.

Fiscal Impact:

If the Successor Agency and Oversight Board fail to meet this deadline, the City of South Pasadena may be liable for substantial penalties, including a \$10,000 per day penalty for each day past the deadline that the ROPS is not submitted to the DOF and the County Auditor-Controller.

Attachment: Oversight Board Resolution Approving the Recognized Obligation Payment Schedule – July 1, 2013 to December 31, 2013 (13-14A ROPS)

**OVERSIGHT BOARD
RESOLUTION NO. 2013-02**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD OF JULY – DECEMBER, 2013**

WHEREAS, Health and Safety Code, Section 34177(I)(2), as modified by the Supreme Court decision in *California Redevelopment Association, et al., v. Ana Matosantos, et al.*, Case No. S194861, requires the Successor Agency to prepare a recognized obligation payment schedule (“ROPS”) every six months covering forward looking six month time frame; and

WHEREAS, Health and Safety Code, Section 34177(I)(2), requires the Successor Agency to submit the ROPS to the Successor Agency’s Oversight Board for its approval, and simultaneously submit a copy to the Los Angeles County Auditor-Controller, the Los Angeles County Administrator’s Office, and the State of California Department of Finance, and once approved by the Oversight Board, to post the Approved ROPS on the Successor Agency’s website and resubmit the Approved ROPS to the DOF and the Los Angeles County Auditor-Controller; and

WHEREAS, the Oversight Board for the Successor Agency to South Pasadena Community Redevelopment Agency ("Oversight Board" as applicable) has met and has duly considered a recognized obligation payment schedule for the period July 1, 2013 through December 31, 2013, in the form submitted by the Successor Agency (“13-14A ROPS”); and

WHEREAS, prior to its meeting on February 13, 2013, the members of the Oversight Board have been provided with copies of the 13-14A ROPS and instruments referenced in the 13-14A ROPS; and

WHEREAS, the Oversight Board has reviewed the 13-14A ROPS and those instruments referenced in the 13-14A ROPS; and

WHEREAS, the Oversight Board desires to express and memorialize its approval of the 13-14A ROPS as the Recognized Obligation Payment Schedule duly approved by the Oversight Board, a Recognized Obligation Payment Schedule in the form attached hereto as Exhibit “A,” which consists of the 13-14A ROPS with additions or deletions made by and at the instance of the Oversight Board.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Oversight Board approves as the Recognized Obligation Payment Schedule for the period July 1, 2013 through December 31, 2013 (the "13-14A ROPS") a Recognized Obligation Payment Schedule in the form attached hereto as Exhibit "A," which consists of the 13-14A ROPS with additions or deletions made by and at the instance of the Oversight Board.

SECTION 3. The Executive Director of the Successor Agency is authorized and directed to post the 13-14A ROPS on the Successor Agency's website, and to submit the 13-14A ROPS to the California Department of Finance and the Los Angeles County Auditor-Controller by March 1, 2013. The Executive Director of the Successor Agency is further authorized to take all other actions necessary and required under the Health & Safety Code or any other applicable law. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the 13-14A ROPS as may be necessary to submit the 13-14A ROPS in any modified form required by the California Department of Finance, and the 13-14A ROPS as so modified shall thereupon constitute the 13-14A ROPS as approved by the Oversight Board pursuant to this Resolution.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution and the 13-14A ROPS as approved hereby.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 13th day of February, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Kbjian, Oversight Board Secretary

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **SOUTH PASADENA (LOS ANGELES)**

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$2,782,630
Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$48,909
C Administrative Allowance Funded with RPTTF	\$125,000
D Total RPTTF Funded (B + C = D)	\$173,909
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$173,909
F Enter Total Six-Month Anticipated RPTTF Funding	\$173,909
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$0

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34.186 (a))

H Enter Estimated Obligations Funded by RPTTF (lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)	\$201,570
I Enter Actual Obligations Paid with RPTTF	\$51,570
J Enter Actual Administrative Expenses Paid with RPTTF	\$138,937
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$11,063
L Adjustment to RPTTF (D - K = L)	\$162,846

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

SOUTH PASADENA (LOS ANGELES)
 Pursuant to Health and Safety Code section 34136 (a)
 PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)
 July 1, 2012 through December 31, 2012

Item #	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTF		Other	
					Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
1	Tax Allocation Bonds Series 2000	Union Bank of California	Bonds Issued to Fund Downtown Revitalization Project	Downtown Revitalization Project Area	50	50	50	50	50	50	515,000	514,937	51,570	51,570	50	0
2	Administrative Costs	Employees / Contractors	Payroll / Admin. Overhead / Prof. Fees	Downtown Revitalization Project Area	0	0	0	0	0	0	150,000	138,937	0	0	0	0
3	Bond Reserve Fund	Union Bank of California	Maintain Reserve Fund per Bond Covenants	Downtown Revitalization Project Area	0	0	0	0	0	0	0	0	0	0	0	0
4	Compensating Balance Account	Bank of America	Interest Compensation for Low-Mod Housing Loans	Downtown Revitalization Project Area	0	0	0	0	0	0	0	0	0	0	0	0
5	Legal Services	Law Offices of Jones & Meyer	Legal Services	Downtown Revitalization Project Area	0	0	0	0	0	0	0	0	0	0	0	0

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