

**NOTICE/CALL AND AGENDA FOR A SPECIAL MEETING OF THE  
SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD  
SANTEE, CALIFORNIA**

**SEPTEMBER 29, 2015**

A SPECIAL MEETING of the Santee CDC Successor Agency Oversight Board is hereby called for **Tuesday, September 29, 2015 at 3:30 PM** at the Santee City Hall Council Chambers, 10601 Magnolia Avenue, Santee, California, for the following purposes:

1. Welcome and Introductions
2. Approval of Minutes for the February 24, 2015 Oversight Board Meeting
3. Resolution of the Santee CDC Successor Agency Oversight Board Approving the Recognized Obligation Payment Schedule for the Period from January 1, 2016 to June 30, 2016 ("ROPS 15-16B")
  - 3A *Staff Presentation on the Recognized Obligation Payment Schedule*
  - 3B *Review and Discussion by Oversight Board Members.*
  - 3C *Oversight Board Adoption of the Resolution Approving the ROPS for the Period from January 1, 2016 to June 30, 2016*
4. SB 107 Update (Redevelopment Dissolution Legislation)
5. Future Meeting Schedule
6. Comments from Oversight Board Members
7. Communication from the Public
8. Adjournment

*The City of Santee complies with the Americans With Disabilities Act.  
If you require reasonable accommodations for this meeting contact the City Manager's Office  
at (619) 258-4100 ext. 295 at least twelve (12) hours prior to the meeting.*

State of California        }  
County of San Diego     } ss.  
City of Santee            }

**AFFIDAVIT OF POSTING AGENDA**

I, Pamela White, Senior Econ. Dev. Coordinator of the City of Santee, hereby declare, under penalty of perjury, that a copy of this Special Meeting Agenda was posted in accordance with Resolution 61-2003 on August 28, 2015 at 3:30 p.m.



Signature

8/28/15

Date

# **SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD**

**WARREN H. SAVAGE JR. [CHAIR]**

*SANTEE RESIDENT*

*COUNTY OF SAN DIEGO APPOINTEE*

**ARNOLD WINSTON [VICE CHAIR]**

*SANTEE RESIDENT*

*SANTEE MAYORAL APPOINTEE*

**SAHAR ABUSHABAN**

*VICE PRESIDENT OF ADMIN. SERVICES – CUYAMACA COLLEGE  
GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT*

**KARL CHRISTENSEN**

*ASSISTANT SUPERINTENDENT - BUSINESS SERVICES  
SANTEE SCHOOL DISTRICT*

**WILLIAM POMMERING**

*TREASURER, DIVISION III – BOARD OF DIRECTORS  
PADRE DAM MUNICIPAL WATER DISTRICT*

**TOM ROMSTAD**

*SENIOR MANAGEMENT ANALYST  
[FORMER EMPLOYEE OF THE REDEVELOPMENT AGENCY]  
SANTEE MAYORAL APPOINTEE*

**RUSTY WILLIAMS**

*SANTEE RESIDENT  
COUNTY OF SAN DIEGO APPOINTEE*

**SANTEE CDC SUCCESSOR AGENCY**

**PAUL MALONE – INTERIM CITY MANAGER**

**TIM McDERMOTT - FINANCE DIRECTOR/TREASURER**

**PAMELA WHITE - SENIOR ECONOMIC DEV. COORD.**

**FOR MORE INFORMATION - CONTACT THE  
CITY MANAGER'S OFFICE AT (619) 258-4100, EXT. 223**

## MINUTES

### **SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD SPECIAL MEETING FEBRUARY 24, 2015**

#### **SANTEE CITY COUNCIL CHAMBERS, 10601 MAGNOLIA AVENUE**

The February 24, 2015 special meeting of the Santee CDC Successor Agency Oversight Board was called to order at 3:34 p.m. by Vice Chairman Arnold Winston. Present were Board Members Karl Christensen, William Pommering, Tom Romstad, Rusty Williams, and Arnold Winston (Vice Chair). Successor Agency staff present were Finance Director Tim McDermott and Senior Economic Development Coordinator Pamela White. Chairman Warren Savage and Board Member Sahar Abushaban were absent.

#### **AGENDA ITEM #1: WELCOME AND INTRODUCTIONS**

Following some brief introductory remarks, Members of the Oversight Board and the Santee CDC Successor Agency staff were introduced.

#### **AGENDA ITEM #2: APPROVAL OF MINUTES FOR THE SEPTEMBER 23, 2014 OVERSIGHT BOARD MEETING**

**ACTION:** On a motion by Board Member Pommering, seconded by Board Member Romstad, the Minutes for the September 23, 2014 Oversight Board Meeting were approved, with all Board Members voting aye.

#### **AGENDA ITEM #3: RESOLUTION OF THE SANTEE CDC OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JULY 1, 2015 TO DECEMBER 31, 2015 (ROPS 15-16A)**

Finance Director Tim McDermott proceeded with a line by line explanation of the Recognized Obligation Payment Schedule (ROPS) for the period from 7/1/15 to 12/31/15. He remarked that the State Department of Finance (DOF) continues to revise the ROPS template, including this ROPS for the first half of the 2015-16 fiscal year. The resolution approving the ROPS also has a new Section 4 that references the administrative cost budget amount for the ROPS period.

Commencing with the ROPS summary page, McDermott noted that Bond Proceeds Funding of \$500,000 was requested for the Prospect Avenue Enhancements Project, to take this project through completion of final phases of work and project closeout, and for the Riverview infrastructure improvements to support future development planned for the segment of Town Center Parkway east of Cuyamaca Street. In response to a question on Item D of the Summary, he explained that the "Other Funding" of \$4,045 reflected interest income. The Administrative Costs (Item G) reports a Six-Month total of \$90,570, which was half of the annual costs calculation of \$181,040. This amount is

lower than the annual allowance of \$250,00 and reflects actual costs. There is also a prior period adjustment (or “true-up” calculation) of \$514, taken as a credit against the total. The summary showed \$2,883,432 in anticipated six-month funding from the Redevelopment Property Tax Trust Fund (RPTTF),

***ROPS FOR THE PERIOD JULY 1, 2015 TO DECEMBER 31, 2015***

- 1) Tax Allocation Bonds 2005 Series A – relates to remaining bond payments on a January 2005 issuance of \$23.1 M, with \$9.32 M to refund the outstanding 1993 TAB and \$14 M to finance additional phases of Town Center Community Park (U.S. Bank as trustee). The outstanding debt is \$27,343,270, with \$1,042,392 as the Six-Month Total.
- 2) Tax Allocation Bonds 2011 Series A – relates to bond payments on a March 2011 issuance of \$26.84 M, primarily used to finance major street, infrastructure and streetscape improvements to the Prospect Avenue Enhancements Project (U.S. Bank as trustee). The outstanding debt is \$52,335,881, and the Six-Month Total is \$1,358,494. This project has been under construction since mid-2014.
- 3) Tax Allocation Bonds 2011 Series B - relates to bond payments on a March 2011 taxable issuance of \$4.71 M to assist in the development of the 44-unit Forester Square affordable apartments project on Olive Lane (U.S. Bank as trustee). The outstanding debt is \$10,836,288, and the Six-Month Total is \$284,150. This affordable housing project was completed in May 2013.
- 4) Bond trustee fees – relates to bond trustee fees payable to U.S. Bank relating to the 2005 Series A TAB, 2011 Series A TAB, and the 2011 Series B TAB [see items 1-3]. The outstanding obligation is \$98,000, with no payment reflected for the Six-Month Total.
- 5) Arbitrage rebate calculations – provides for required arbitrage rebate calculations by BLX Group Inc. for tax-exempt 2005 and 2011 issuances [see items 1-2]. The total amount due is \$50,600, with \$3,850 as the Six-Month Total.
- 6) Continuing disclosure reporting – provides for required disclosure reporting for a specified period by KNN Public Finance for 2005 and 2011 issuances [see items 1-3]. The total amount due is \$20,250, with no payment reflected for the Six-Month Total.
- 7) Project management agreement – this represents the project management agreement with SourcePoint that provides for contract management and fund disbursement of up to \$28.5 M for the Prospect Avenue Enhancements project and Riverview improvements. This agreement was executed in March 2011. The Six-Month Total is \$500,000 from Bond Proceeds.

Items 8 and 9 are retired obligations that were paid in full and are no longer reflected in the ROPS.

10) Successor agency administration – provides for City of Santee’s administrative cost reimbursement as successor agency. Administrative costs may be allowed based on an annual allocation of \$250,000, or a formula allocation of up to 5% of the property tax allocated to the successor agency for Fiscal Year 2011-2012 and up to 3% of the property tax allocated to the successor agency for succeeding fiscal years. Since Santee has calculated its FY 2015-16 administrative costs to be \$181,140, the total amount payable is \$181,140, and the Six-Month Total is \$90,570.

11) Loan from City for unfunded obligation from July-December 2012 ROPS – this represents a loan repayment to the City of Santee for funding advanced for administrative expenses reported on the July-December 2012 ROPS, which was unable to be paid from the Redevelopment Property Tax Trust Fund (RPTTF) due to a required “residual balance” payment. There are no payments reflected because this item was disallowed by the DOF.

12) Enforceable Obligation Loan – this provides for repayment to the City for funding advanced for administrative expenses reported on the July-December 2012 ROPS, which was unable to be paid due to a required “residual balance” payment. The vehicle for this repayment is an Enforceable Obligation Expense Loan Agreement between the CDC Successor Agency and the City of Santee. This item was disallowed by the DOF.

Items 13, 14, and 15 are retired obligations that were paid in full and are no longer reflected in the ROPS.

16) Housing entity administrative cost allowance – provides for the County Housing Authority to receive an administrative cost reimbursement of \$150,000 as the designated housing entity administering the housing assets of the former Successor Agency. The total amount payable is \$150,000 and the Six-Month Total is \$75,000.

17) Unfunded obligation – this reflects a shortfall of \$33,021 for the February 1, 2015 debt service payment due to insufficient RPTTF funds having been requested because other available funding sources were over-estimated. Specifically, this relates to anticipated bond reserve fund interest earnings of over \$33,000 that were not available due to the unanticipated early termination of a banking investment agreement.

Finance Director McDermott then referenced the ROPS Report of Cash Balances on page 14 of the Agenda packet, and noted that there is a prior period adjustment (or “true-up” calculation) of \$514, taken as a credit against the total. The Ending Actual Available Cash Balance shows a cash shortfall of \$48,296, which was covered on behalf of the Successor Agency by the City of Santee.

**ACTION:** There being no further comments or questions, on a motion by Board Member Pommering, seconded by Vice Chairman Winston, the Resolution of the Oversight Board Approving the Recognized Payment Schedule for the period July 1, 2015 to December 31, 2015 (ROPS 15-16A) was approved, with all Board Members voting aye.

**AGENDA ITEM #4: TRANSFER OF REDEVELOPMENT TAX ALLOCATION BOND PROCEEDS FROM THE PROSPECT AVENUE ENHANCEMENTS PROJECT TO THE RIVERVIEW PUBLIC IMPROVEMENTS PROJECT**

Finance Director McDermott explained that when the redevelopment funding was being allocated for the Prospect Avenue Enhancements and Riverview Public Improvements projects, and the project management contract with SourcePoint was being approved in early March 2011, staff had needed to apportion costs between the two projects based upon early costs estimates. Bond proceeds of \$23.8 M were authorized for the Prospect Avenue Enhancements and \$3.5 M in property tax revenues for the Riverview Public Improvements. It has now been determined that final project costs for the Riverview Public Improvements are just under \$3.7 M, representing a need for about \$200,000 in additional funding. However, as a result of favorable construction costs with the Prospect Avenue Enhancements project, unexpended tax allocation bond proceeds are available for transfer to the Riverview Public Improvements project to fund these additional costs.

McDermott also mentioned a few other reasons for the cost differential on these projects. The Riverview infrastructure improvements were anticipated to be integrated into the work that the Riverview master developer Ryan Companies was planning for Town Center Parkway to support development of the theater parcel and adjacent projects. When these projects were delayed, the City needed to move forward with the planned infrastructure improvements, to take advantage of a key window of time and funding. The work was processed through SANDAG's job order contract system, and the final costs were higher, but it was necessary to complete these improvements. By comparison, the Prospect Avenue work achieved cost savings because city staff was heavily involved in each phase and monitoring costs.

**ACTION:** On a motion by Board Member Pommering, seconded by Board Member Christensen, the transfer of an amount not to exceed \$200,000 of redevelopment tax allocation bond proceeds from the Prospect Avenue Enhancements project to the Riverview Public Improvements project was approved, with all Board Members voting aye.

**AGENDA ITEM #5: FUTURE MEETING SCHEDULE**

The next meeting would be scheduled for mid to late September 2015, to approve the Recognized Obligation Payment Schedule (ROPS) for the next six-month period, covering the first half of 2016, January through June. The key meeting months are February and September because each six-month ROPS must be submitted to the State Department of Finance and other agencies the first of March and October, respectively. Several weeks prior to the next meeting, staff would follow up with Board Members to schedule the next meeting date.

**AGENDA ITEM #6: COMMENTS FROM OVERSIGHT BOARD MEMBERS**

Chairman Savage thanked Finance Director Tim McDermott, and staff for their support to the Oversight Board, and for the outstanding work on behalf of the Successor Agency.

**AGENDA ITEM #7: COMMUNICATION FROM THE PUBLIC**

There was no communication from the public.

**AGENDA ITEM #8: ADJOURNMENT**

**ACTION:** On a motion by Board Member Williams, seconded by Board Member Pommering, the Oversight Board voted to adjourn the meeting, with all Members voting aye.

Meeting was adjourned at 4:42 p.m.



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Pamela A. White  
Senior Economic Development Coordinator  
Santee CDC Successor Agency

# SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD AGENDA STATEMENT

**MEETING DATE** September 29, 2015

**AGENDA ITEM NO.** 3

**ITEM TITLE** RESOLUTION OF THE SANTEE COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JANUARY 1, 2016 TO JUNE 30, 2016 (“ROPS 15-16B”)

## **SUMMARY**

On December 29, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, which addressed the constitutionality of Assembly Bills 1x26 and 1x27 (“AB 26” and “AB 27”). The Court upheld, in large part, the constitutionality of AB 26 and overturned AB 27 in its entirety. In accordance with this decision, all redevelopment agencies in the state of California have been dissolved effective February 1, 2012. On January 11, 2012 the City Council elected to become the Successor Agency to the Santee Community Development Commission (“CDC”). As the Successor Agency, the City has certain administrative and other responsibilities for the winding down of redevelopment activities.

One such requirement is the preparation of the Recognized Obligation Payment Schedules (“ROPS”). The ROPS list all of the “enforceable obligations” of the CDC, the minimum amounts and due dates of payments required for each enforceable obligation, and the source of funding for each required payment. The attached resolution adopts the ROPS covering the six month period from January 1, 2016 through June 30, 2016 (“ROPS 15-16B”). The ROPS will then be filed with the County Auditor-Controller, State Controller’s Office, and the State Department of Finance for their review before the October 5, 2015 due date.

## **FINANCIAL STATEMENT**

Adoption of the attached resolution will provide for the receipt of \$1,563,914 in property tax revenues in order to satisfy the enforceable obligations listed on the ROPS.

## **CITY ATTORNEY REVIEW**

N/A  Completed

## **RECOMMENDATION**

Adopt the attached resolution

## **ATTACHMENTS (Listed Below)**

Resolution

**Resolution No. CDCSAOB 02-2015**

**A RESOLUTION OF THE SANTEE COMMUNITY DEVELOPMENT COMMISSION  
SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD  
FROM JANUARY 1, 2016 TO JUNE 30, 2016 (“ROPS 15-16B”)**

**WHEREAS**, pursuant to the Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.), the City Council of the City of Santee (“City”) created the Community Development Commission of the City of Santee (“CDC”); and

**WHEREAS**, the CDC was responsible for implementing the Amended and Restated Redevelopment Plan for the Santee Community Redevelopment Project covering certain properties within the City (“Project Areas”); and

**WHEREAS**, as part of the 2011-12 State budget bill, companion bills AB 1X26 and AB 1X27, eliminated the redevelopment functions of the CDC and required their dissolution; and

**WHEREAS**, on January 11, 2012, the City Council elected to become the successor agency to the CDC (“CDC Successor Agency”); and

**WHEREAS**, in accordance with AB 1484, which was signed into law on June 27, 2012, the ROPS for the period from January 1, 2016 through June 30, 2016 (“ROPS 15-16B”) must be approved by the CDC Successor Agency and Successor Agency Oversight Board and submitted to the County Auditor-Controller, State Controller, and the State Department of Finance for review by October 5, 2015; and

**NOW THEREFORE BE IT RESOLVED**, by the Community Development Commission Successor Agency Oversight Board of the City of Santee, California, as follows:

**Section 1.** Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

**Section 2.** Approval of ROPS. The ROPS for the period from January 1, 2016 through June 30, 2016 (“ROPS 15-16B”) is hereby approved, in substantially the form attached hereto as Exhibit A.

**Section 3.** Posting; Transmittal to Appropriate Agencies. The approved ROPS 15-16B shall be submitted to the County Auditor-Controller, the State Controller’s Office, and the State Department of Finance by October 5, 2015, and posted on the Successor Agency’s web site.

**Section 4.** Successor Agency Administration: The Successor Agency administrative cost budget in the amount of \$90,570 for the period from January 1, 2016 through June 30, 2016 is hereby approved.

**Section 5.** Effective Date. This Resolution shall become effective upon its adoption.

**Resolution No. CDCSAOB 02-2015**

**ADOPTED** by the Santee Community Development Commission Successor Agency Oversight Board at a Special Meeting thereof held this 29<sup>th</sup> day of September, 2015 by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:** None

**APPROVED:**

**WARREN H. SAVAGE JR., CHAIRPERSON**

**ATTEST:**

**JAN SHERAR, ACTING SECRETARY**

Attachments: Exhibit A: Recognized Obligation Payment Schedule for the Period from January 1, 2016 through June 30, 2016 ("ROPS 15-16B")

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

For the Period from January 1, 2016 to June 30, 2016 (“ROPS 15-16B”)

### Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

**Name of Successor Agency:** Santee  
**Name of County:** San Diego

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>		
<b>A Sources (B+C+D):</b>		<b>\$ 716,921</b>
B	Bond Proceeds Funding (ROPS Detail)	711,000
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	5,921
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>		<b>\$ 1,584,885</b>
F	Non-Administrative Costs (ROPS Detail)	1,494,315
G	Administrative Costs (ROPS Detail)	90,570
<b>H Total Current Period Enforceable Obligations (A+E):</b>		<b>\$ 2,301,806</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I	Enforceable Obligations funded with RPTTF (E):	1,584,885
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(20,971)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>		<b>\$ 1,563,914</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L	Enforceable Obligations funded with RPTTF (E):	1,584,885
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>		<b>1,584,885</b>

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.

Warren H. Savage Jr.	Chair
Name	Title
/s/	9/29/2015
Signature	Date

Santee Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail  
January 1, 2016 through June 30, 2016  
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
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	Funding Source					Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
1	Tax Allocation Bonds 2005 Series A	Bonds Issued On or Before 12/31/10	1/25/2005	8/1/2033	U.S. Bank (trustee)	Primarily non-housing projects and refunding	Santee	\$ 88,911,244	N	\$ 711,000	\$ -	\$ 5,921	\$ 1,494,315	\$ 90,570	\$ 2,301,806
2	Tax Allocation Bonds 2011 Series A	Bonds Issued After 12/31/10	3/4/2011	8/1/2041	U.S. Bank (trustee)	Non-housing projects	Santee	50,977,388	N			5,921	384,871		\$ 827,444
3	Tax Allocation Bonds 2011 Series B	Bonds Issued After 12/31/10	3/4/2011	8/1/2041	U.S. Bank (trustee)	Affordable housing project	Santee	10,552,138	N				201,750		\$ 201,750
4	Bond trustee fees	Fees	1/25/2005	8/1/2041	U.S. Bank	Bond trustee fees (items 1-3)	Santee	105,000	N				4,500		\$ 4,500
5	Arbitrage rebate analysis	Fees	5/11/2005	8/1/2041	BLX Group Inc.	Arbitrage rebate calculations (items 1-2)	Santee	46,750	N						\$ -
6	Continuing disclosure reporting	Fees	1/18/2012	8/1/2041	KNN Public Finance	Continuing disclosure reporting (items 1-3)	Santee	19,500	N				750		\$ 750
7	Project management agreement	Improvement/Infrastructure	3/11/2011	12/31/2014	SourcePoint	Prospect Ave. and Town Center improvement projects	Santee	711,000	N	711,000					\$ 711,000
10	Successor agency administration	Admin Costs	7/1/2014	6/30/2016	City of Santee	Administrative cost reimbursement	Santee	90,570	N					90,570	\$ 90,570
16	Housing entity administrative cost allowance	Housing Entity Admin Cost	7/1/2014	6/30/2016	Housing Authority of the County of San Diego	Housing entity administrative cost allowance	Santee	75,000	N				75,000		\$ 75,000
17	Unfunded obligation - 2005 Tax Allocation Bonds January 2015 debt service	Bonds Issued On or Before 12/31/10	1/25/2005	8/1/2033	U.S. Bank (trustee)	Other available funding sources were over-estimated for Feb. 1, 2015 debt service payment resulting in insufficient RPTTF having been requested	Santee	33,020	N						\$ -
18									N						\$ -
19									N						\$ -
20									N						\$ -
21									N						\$ -
22									N						\$ -
23									N						\$ -
24									N						\$ -
25									N						\$ -
26									N						\$ -

**Santee Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances  
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (I), 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. For tips on how to complete the Report of Cash Balances Form, see <a href="#">Cash Balance Tips Sheet</a>									
A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources						Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin		
<b>ROPS 14-15B Actuals (01/01/15 - 06/30/15)</b>									
1	Beginning Available Cash Balance (Actual 01/01/15)		5,526,845			21,393	514	<a href="#">RPTTF balance reflects \$48,808 adjustment for amount received from the City of Santee to cure the RPTTF deficit previously reported with ROPS 15-16A</a>	
2	Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015		33,094			38,941	1,674,614		
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q		143,258			50,368	1,653,645		
4	Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)		4,182,001						
5	ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S	No entry required						20,971	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ 1,234,680	\$ -	\$ -	\$ 9,966	\$ 512		
<b>ROPS 15-16A Estimate (07/01/15 - 12/31/15)</b>									
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ 5,416,681	\$ -	\$ -	\$ 9,966	\$ 21,483		
8	Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015		15,000				2,882,918		
9	Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15)		500,000			4,045	2,883,432		
10	Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)		4,182,000						
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ 749,681	\$ -	\$ -	\$ 5,921	\$ 20,969		

Santee Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments  
Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)  
(Report Amounts in Whole Dollars)

**ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA):** Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures						RPTTF Expenditures											Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF)	SA Comments
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin							
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)		
		\$ 783,022	\$ 143,258	\$ -	\$ -	\$ 17,348	\$ 50,368	\$ 1,549,616	\$ 1,549,616	\$ 1,549,616	\$ 1,528,645	\$ 20,971	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ 20,971		
1	Tax Allocation Bonds 2005 Series A	33,022	1	-	-	17,348	50,368	352,022	352,022	\$ 352,022	352,022	\$ -						\$ -		
2	Tax Allocation Bonds 2011 Series A	-	16,743	-	-	-	-	838,494	838,494	\$ 838,494	821,751	\$ 16,743						\$ 16,743		
3	Tax Allocation Bonds 2011 Series B	-	3,588	-	-	-	-	204,150	204,150	\$ 204,150	200,562	\$ 3,588						\$ 3,588		
4	Bond trustee fees	-	-	-	-	-	-	4,200	4,200	\$ 4,200	3,810	\$ 390						\$ 390		
5	Arbitrage rebate analysis	-	-	-	-	-	-	-	-	\$ -	-	\$ -						\$ -		
6	Continuing disclosure reporting	-	-	-	-	-	-	750	750	\$ 750	500	\$ 250						\$ 250		
7	Project management agreement	750,000	122,926	-	-	-	-	-	-	\$ -	-	\$ -						\$ -		
10	Successor agency administration	-	-	-	-	-	-	-	-	\$ -	-	\$ -	125,000	125,000		125,000		\$ -		
16	Housing entity administrative cost allowance	-	-	-	-	-	-	150,000	150,000	\$ 150,000	150,000	\$ -						\$ -		
										\$ -		\$ -						\$ -		
										\$ -		\$ -						\$ -		



# SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD AGENDA STATEMENT

**MEETING DATE** September 29, 2015

**AGENDA ITEM NO.** 4

**ITEM TITLE** SB 107 (REDEVELOPMENT DISSOLUTION LEGISLATION)

## **SUMMARY**

On September 22, 2015 Governor Jerry Brown signed SB 107, which includes some significant changes to redevelopment dissolution law. Some of the more significant provisions of SB 107 address issues involving prior city/redevelopment agency loans, though none of these changes will impact the Santee CDC Successor Agency as there are no such loans outstanding.

The attached document prepared by the League of California Cities provides a summary of the provisions of SB 107. Items of significance that may or will have an impact to Santee have been highlighted in yellow.

## **FINANCIAL STATEMENT**

N/A

**CITY ATTORNEY REVIEW**  N/A  Completed

## **RECOMMENDATION**

Receive information regarding SB 107.

## **ATTACHMENTS (Listed Below)**

Summary of SB 107

## Summary of SB 107 (Budget and Fiscal Review) Chapter 325, Statutes of 2015

### Important Dates

- *November 1, 2015*: Deadline for Successor Agency (SA) for a Redevelopment Agency (RDA) that was not allocated property tax prior to February 1, 2012 to submit request to formally dissolve SA.<sup>1</sup>
- *December 31, 2015*: Deadline for successor agency to make true-up payment or amount owing pursuant to DDR or never receive Finding of Completion.<sup>2</sup>
- **February 1, 2016**: Deadline to submit first annual Recognized Obligation Payment Schedule (ROPS) for July 1, 2016 – June 30, 2017<sup>3</sup>
- *April 15, 2016*: Deadline for the Department of Finance (DOF) to make its determinations on ROPS for July 1, 2016-June 30, 2017<sup>4</sup>
- *July 1, 2016*: Deadline for successor agency with Long Range Property Management Plan (LRPMP) approved prior to January 1, 2016 to amend Plan to allow for retention of parking facilities.<sup>5</sup>
- **July 1, 2018**: Single county-wide oversight board takes effect. Five oversight boards established in those counties (Los Angeles) in which more than 40 oversight boards were created.<sup>6</sup>

### Most Significant Provisions

- Repayment of prior city RDA loans [See page 2, #1]
- Use of 2011 bond proceeds [See page 4, #6]
- Re-entered city-RDA agreements under AB X1 26 [See page 3, #3]
- Public parking facilities [See page 8, LRMP #1]
- Agreements between RDA and city to repay federal (HUD/CDBG) grants or loans are enforceable obligations [See page 3, #2]
- Limitation on future legal expenses [See page 9, Legal #2]
- Special Provisions [See page 10]

<sup>1</sup> Section 34187(c) [All references are to Health & Safety Code unless otherwise noted]

<sup>2</sup> Section 34179.7 (a)

<sup>3</sup> Section 34177(o)

<sup>4</sup> Section 34177(o)

<sup>5</sup> Section 34191.3 (b)

<sup>6</sup> Section 34179(j); Section 34179(q).

## Funding

1. Repayment of Previous City-RDA Loans: If a successor agency has received a finding of completion, an oversight board may revitalize a loan agreement between the former RDA and the city. SB 107 defines “loan agreement” as follows:

- Loans for money under which the city transferred *cash* to the former RDA for use for a lawful purpose and where the former RDA was obligated to repay the money pursuant to a required repayment schedule;<sup>7</sup>
- Agreement under which city transferred *real property* to the former RDA for use for a lawful purpose and RDA was obligated to pay the city for the real property interest; and
- Agreement under which city contracted with third party on behalf of the former redevelopment agency for the development of *infrastructure* in connection with the redevelopment project as identified in a redevelopment project plan and RDA was obligated to reimburse the city for the payments made to the third party. <sup>8</sup> The language of SB 107 can be read to limit the total amount of funds repaid for this type of loan to \$5,000,000. However, DOF staff testified to the Senate Budget Committee that the \$5 million cap was on a “per loan” basis. Senator Leno submitted a letter to the Senate Journal explaining that the Legislature intended to allow a maximum payment of \$5,000,000 on each loan.<sup>9</sup>

*Interest rate*: On the remaining principal amount of the loan that was previously unpaid after the original effective date shall be recalculated from the date of origination of the loan as approved by the redevelopment agency on a quarterly

<sup>7</sup> Concerns have been raised by city attorneys over how DOF may interpret the requirement to repay pursuant to a “repayment schedule.” While in its tentative ruling in *Watsonville* the Court referred to a “repayment schedule,” it later used the more flexible phrase “with repayment terms” in its final ruling.

<sup>8</sup> It is hoped that DOF will interpret these loan-repayment provisions consistent with testimony presented to the Senate Budget Committee and legislative intent reflected in the Letter to the Journal.

<sup>9</sup> Section 34191.4(b)(2).

- Here is a link to the hearing where the DOF staff testifies to the Senate Budget Committee: <http://senate.ca.gov/media/senate-budget-and-fiscal-review-committee-30?type=video>.
- The Letter to the Journal is intended to support the Legislature’s intent, based upon what DOF’s staff stated in testimony to the committee. <http://www.cacities.org/Resources-Documents/Policy-Advocacy-Section/Hot-Issues/Redevelopment-Dissolution/2015-RDA-Budget-Proposal/SB-107-Letter-to-Journal> Letters to the Journal typically will only be considered by a court under limited circumstances if the language of the statute is found to be ambiguous.

basis at a simple interest rate of 3%. Moneys repaid shall be applied first to principal and second to interest.<sup>10</sup>

*Previously approved loans:* The definition of “loan agreement” is made retroactive to June 28, 2011. However, the new definition shall not result in the denial of a loan that has been previously approved by DOF prior to the effective date of SB 107. DOF staff affirmed this commitment in testimony to the Senate Budget Committee and this intent is also captured in the Letter to the Journal.<sup>11</sup>

SB 107 also provides that the definition of “loan agreement” and the limitation on the interest rate does not impact the judgments entered in the *City of Watsonville* and *City of Glendale* decisions.<sup>12</sup>

2. Three New Enforceable Obligations Recognized: AB X1 26 provided that written agreements between the city and its RDA were not enforceable obligations unless the agreement was entered into at the time of issuance, but in no event later than 12/31/2010 for indebtedness obligations and solely for the purpose of securing or repaying those obligations.

SB 107 creates 3 new exceptions:

- Agreement entered into at the time of issuance, but in no event later than June 27, 2011 of indebtedness obligations solely for the refunding or refinancing of other obligations that existed prior to January 1, 2011 and solely for the purpose of securing or repaying the refunded or refinance indebtedness.
- Agreement prior to June 28, 2011 relating to state highway infrastructure improvements to which the RDA committed funds pursuant to Section 33445
- Agreement to repay or fulfill an outstanding loan or development obligation imposed by a federal grant or loan (including HUD) to city or county or city and county which subsequently loaned or provided those funds to the former RDA.<sup>13</sup>

3. Re-entered Agreements: AB X1 26 allowed an oversight board to approve the request of a successor agency to re-enter into an agreement with the city that was made invalid by Section 34171(d). SB 107 provides that an oversight board may not approve such a request on or after June 27, 2012. This means that re-entered agreements approved by the oversight board before June 27, 2012 are valid and those agreements approved thereafter are not.<sup>14</sup>

<sup>10</sup> Section 34191.4(b)(3).

<sup>11</sup> Section 34191.4(d)

<sup>12</sup> Senator Leno’s Letter to the Journal also addresses this issue.

<sup>13</sup> Section 34171(d)(2)

<sup>14</sup> Section 34178.

4. Plan Time Limits: Former CRA time limits affecting the number of tax dollars and other statutory limitations on redevelopment plans do not apply for purposes of payment of enforceable obligations and revitalized loans.<sup>15</sup>

5. 2010 Bonds: Expenditure of excess bond proceeds in a manner consistent with the original bond covenants only requires approval of oversight board. If the excess proceeds cannot be spent, then the proceeds shall be used at the earliest date permissible under the applicable bond covenants to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.<sup>16</sup>

6. 2011 Housing Bonds: Existing law allows a housing successor to use excess indebtedness obligations that remain after the satisfaction of enforceable obligations approved on a ROPS. The existing law requires the proceeds to be derived from indebtedness issued for the purposes of affordable housing prior to January 1, 2011. SB 107 changes the date to June 28, 2011.<sup>17</sup>

7. Other 2011 Bonds: Excess bond proceeds may be used subject to the following restrictions:

- No more than 5% of the proceeds may be expended unless SA has an approved Last and Final ROPS (see page 6 of this memo).
- If SA has an approved Last and Final ROPS, then SA can access a maximum of the following percentages of bond proceeds depending upon date of issuance:
  - Bonds issued 1/1/2011 to 1/31/2011: 45%
  - Bonds issued 2/1/2011 to 2/28/2011: 40%
  - Bonds issued 3/1/2011 to 3/31/2011: 35%
  - Bonds issued 4/1/2011 to 4/30/2011: 30%
  - Bonds issued 5/1/2011 to 5/31/2011: 25%
- Remaining bond proceeds that cannot be spent shall be used at the earliest date permissible to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.
- Expenditure of bond proceeds shall only require oversight board approval.
- If SA provides the OB and the DOF with documentation that approves that bonds were approved by the former RDA prior to January 31, 2011 but the issuance was delayed by the actions of a third-party metropolitan regional transportation authority beyond January 31, 2011, then SA may spend 45% of excess proceeds.

<sup>15</sup> Section 34189.

<sup>16</sup> Section 34191.4(c).

<sup>17</sup> Section 34176(g).

- 45% of the excess proceeds of bonds issued after 12/31/2010 to refund or refinance tax-exempt bonds issued on or before 12/31/2010 and which are in excess of the amount needed to refund or refinance may be spent.<sup>18</sup>

8. Reimbursement for Parking Lots: A city, county, city and county, or parking district shall not be required to reimburse or pay a successor agency for any funds spent on or before December 31, 2010 by a former redevelopment agency to design and construct a parking facility.<sup>19</sup>

9. Limits on Loans from City to Successor Agency: Existing law allowed a city to loan or grant funds to its successor agency for administrative costs or enforceable obligations or project-related expenses.

SB 107 limits such loans as follows:

- Only available to the extent that the SA receives an insufficient distribution from the RPTTF or other approved sources of funding are insufficient.
- Interest payable shall be calculated on a fixed annual simple basis and applied to the outstanding principal amount until full paid at a rate not to exceed the most recently published interest rate earned by funds deposited into LAIF during the previous fiscal quarter. Repayment applied first to principal.
- Loans repayable to the extent that property tax revenue allocated to SA is available after fulfilling other enforceable obligations on ROPS.<sup>20</sup>

10. New Limitations on Enforceable Obligations for “Winding Down:” AB 1484 allowed a successor agency to create new enforceable obligations to conduct the work of winding down the redevelopment agency. SB 107 provides that “winding down” does not include planning, design, redesign, development, demolition, alteration, construction, construction financing, site remediation, site development or improvement, land clearance, seismic retrofits and other similar work. Section is retroactive to 06/27/2012.<sup>21</sup>

11. Administrative Cost Allowance: Possible Reduction: The administrative cost allowance for the 2015-16 fiscal year is 3% of the property tax allocated to the Redevelopment Obligation Retirement Fund with a minimum amount of \$250,000.

Commencing with July 1, 2016, the administrative cost allowance is up to 3% of the *actual* property tax distributed to the successor agency in the preceding fiscal year reduced by the successor agency’s administrative cost allowance and revitalized

<sup>18</sup> Section 34191.4(c)(2).

<sup>19</sup> Section 34191.3(c)(ii).

<sup>20</sup> Section 34173(h) – not retroactive

<sup>21</sup> Section 34177.3(b).

loan repayments to the city, county, or city and county. However, if 3% of the *actual* property tax distributed in the preceding fiscal year exceeds *50% of the total* Redevelopment Property Tax Trust Fund distributed to pay enforceable obligations in the preceding fiscal year reduced by administrative costs and revitalized loan repayments, the latter amount is the administrative cost allowance. The minimum amount of \$250,000 remains.<sup>22</sup>

12. Audits: Existing law allows the State Controller to audit the differences between actual payments and past estimated obligations on the ROPS. SB 107 requires the State Controller to complete any such audit no later than June 30, 2016 and leaves the auditing function to the county auditor-controller. The State Controller may conduct an audit pursuant to the authority of the general laws.<sup>23</sup>

### **Recognized Obligation Payment Schedules (ROPS)**

1. Annual ROPS begins 2016-17 FY: Submit annual ROPS beginning on February 1, 2016 and each February 1 thereafter. DOF makes determinations no later than April 15, 2016 and each April 15 thereafter. Meet and confer is available with the exception of items that are the subject of litigation disputing DOF's previous or related determination.<sup>24</sup>

2. Limitation on Meet and Confer: Meet and confer no longer available for ROPS items that are the subject of litigation disputing DOF's previous or related determination.<sup>25</sup>

3. New authority for auditor-controller: County auditor-controller may require any documents associated with enforceable obligations to be provided (authority previously granted to DOF and State Controller).<sup>26</sup>

4. Petition for final and conclusive determination: DOF must respond within 100 days to petition for final and conclusive determination on an enforceable obligation. Enforceable obligation that provides for an irrevocable commitment of revenue and where allocation of such revenues is expected to occur over time is eligible for "final and conclusive" determination.<sup>27</sup>

5. Last and Final ROPS: Beginning January 1, 2016, SA may submit a Last and Final ROPS for approval by OB and DOF if (1) remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules; (2) all remaining obligations have been previously listed on ROPS; (3) SA

<sup>22</sup> Section 34171(b)(3) and (4).

<sup>23</sup> Section 34186.

<sup>24</sup> Section 34177(o)

<sup>25</sup> Section 34177(m).

<sup>26</sup> Section 34177(a)(2).

<sup>27</sup> Section 34177.5(i).

**is not a party to outstanding or unresolved litigation** (with exception for litigation involving LAUSD and County of Los Angeles; and LAUSD and City of Los Angeles). Details of the contents of the Last and Final ROPS can be found at Section 34191.6.

On effective date of the approved Last and Final ROPS, SA no longer prepares and transmits ROPS; OB resolutions no longer transmitted to DOF except for resolutions necessary for refunding bonds (Section 34177.5); long range property management plans; amendments to Last and Final ROPS and final OB resolutions.

If an SA has received approval of a Last and Final ROPS, and if the SA receives insufficient funds to pay for the enforceable obligations approved in the Last and Final ROPS, the city may loan or grant funds to the SA to pay those enforceable obligations. Such loans may not include an interest component. At the request of the DOF, the county treasurer may loan funds from the county treasury to the RPTTF of the SA for the purpose of paying enforceable obligations.

County-auditor reviews Last and Final ROPS and provides any objections to the inclusion of any items or amounts to DOF. Auditor-controller directed to allocate moneys in RPTTF in a different order.<sup>28</sup>

SA may amend or modify existing contracts, agreements or other arrangements identified on Last and Final ROPS provided the outstanding payments are not accelerated or increased in any way; an amendment to extend terms shall not include an extension beyond the last scheduled payment for the enforceable obligations listed on Last and Final ROPS.<sup>29</sup>

6. Commencing October 1, 2018 and annually thereafter, the differences between actual payments and past estimated obligations on the ROPS shall be submitted by SA to the county auditor-controller.<sup>30</sup>

## **Oversight Boards**

**1. County-wide OB commencement date changed to July 1, 2018.** Staffed by county auditor-controller, by another county entity, or by a city selected by the county auditor-controller. Staffing costs may be recovered directly from RPTTF for all costs incurred. If only one successor agency within county, then successor agency may staff OB.<sup>31</sup>

2. In each county in which there were more than 40 oversight boards, there will be 5 OB (organized by supervisorial district) beginning July 1, 2018.<sup>32</sup>

<sup>28</sup> Section 34191.6(d)(2)

<sup>29</sup> Section 34191.6(e)

<sup>30</sup> Section 34186(c).

<sup>31</sup> Section 34179(j).

<sup>32</sup> Section 34179(q).

3. DOF can continue to review all OB actions. However, OB not required to send the following for DOF approval: meeting minutes and agendas; administrative budgets; changes in OB members; transfers of governmental property pursuant to LRPMP; transfers of property to be retained by city for future development pursuant to an approved LRPMP.<sup>33</sup>
4. May appoint alternative representatives to OB.<sup>34</sup>

### **Long Range Property Management Plans**

1. If DOF approved LRPMP prior to January 1, 2016, then SA may amend LRPMP once solely to allow for retention of real properties that constitute “parking facilities and lots dedicated solely to public parking.” The amendment must occur prior to July 1, 2016. “Parking facilities and lots dedicated solely to public parking” do not include properties that generate “revenues in excess of reasonable maintenance costs of properties.”<sup>35</sup>
2. DOF or OB may require approval of a compensation agreement with taxing entities prior to any transfer of property provided that compensation agreement may be developed and executed subsequent to the approval process of LRPMP.<sup>36</sup>
3. Actions to implement the disposition of property pursuant to an approved long-range property management plan shall not require review by DOF [may conflict with Section 34179(h) which continues to require OB to submit resolutions regarding sale of property to third parties to DOF].<sup>37</sup>
4. If former RDA does not have properties, then SA shall prepare LRPMP certifying that SA does not have real properties. Document shall be submitted no later than 6 months after receipt of Finding of Completion.

### **Housing Successors**

If the housing successor is not a city or county, then it is required to provide certain information on its Internet Web site for the previous fiscal year: The amount the city, county or city and county received in revitalized loan payments pursuant to Section 34191.4(b)(3).<sup>38</sup>

### **Dissolution of Successor Agencies**

<sup>33</sup> Section 34179(h).

<sup>34</sup> Section 34179(a)(11).

<sup>35</sup> Section 34191.3 (b)

<sup>36</sup> Section 34191.5(c)(A)(iii)

<sup>37</sup> Section 34191.5(f)

<sup>38</sup> Section 34176.1 (f) (1)

1. When all enforceable obligations have been retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, an SA shall within 30 days of meeting this criteria, submit to OB a request to formally dissolve. Request requires OB and DOF approval.<sup>39</sup>
2. If CRA not allocated property tax prior to February 1, 2012, SA shall, no later than 11/1/15 submit a request to formally dissolve the agency.
3. With DOF approval of dissolution, then SA, within 100 days, must dispose of all remaining assets; any proceeds transferred to county auditor-controller. <sup>40</sup>
4. When all enforceable obligations have been retired or paid off, all statutory and contractual (prior to January 1, 1994) pass-through payment obligations shall terminate.<sup>41</sup>
5. When SA dissolved, if CFD was formed by RDA, then the legislative body of city or county becomes legislative body of CFD.<sup>42</sup>

### **Legal**

1. The Administrative Procedures Act does not apply to any action of the DOF taken after June 28, 2011 to implement the AB X1 26 and AB 1484.<sup>43</sup>
2. The administrative cost allowance is the sole funding source for a successor agency's legal expenses. A city may provide funds for legal expenses. Repayment to the city is allowed as an enforceable obligation for those causes of action in which the successor agency prevails. Otherwise, city funding becomes grant to SA.<sup>44</sup>

### **Enforcement**

1. True-up payments and DDR payments: If SA fails by 12/31/2015 to pay the true-up payments or the amounts determined by the DDR, the SA shall never receive a finding of completion. An SA may enter into an installment agreement to make the payments while seeking a judicial determination of their validity. If judicial determination reduces or eliminates the amounts, then an enforceable obligation for

<sup>39</sup> Section 34187(b).

<sup>40</sup> Section 34187(c).

<sup>41</sup> Section 34187(h).

<sup>42</sup> Section 34187(i).

<sup>43</sup> Section 34170.1.

<sup>44</sup> Section 34171(b)(5); 34171(d)(1)(F)(ii).

reimbursement of excess amounts shall be created. Penalties imposed for failing to make installment payments.<sup>45</sup>

2. A city or county or city and county must return to the SA all assets and cash transferred to the city and ordered to be returned to the SA by the State Controller or ordered returned through the DDR process.<sup>46</sup> Any amounts ordered returned that were repayments (to the city) for an advance of funds for RDA's debt service or pass-through payments may be placed on a ROPS by the SA for payment as an enforceable obligation under certain conditions.<sup>47</sup>

**Special Provisions**

1. San Francisco Housing: Approves the issuance of bonds for certain housing and capital infrastructure in the City and County of San Francisco.<sup>48</sup>
2. Pension Overrides and State Water Project: Allocates property tax override for pension programs or in support of capital projects and programs related to the State Water Project.<sup>49</sup>
3. San Benito County: Makes certain adjustments to the allocation of property tax revenues in the County of San Benito.<sup>50</sup>
4. Santa Clara County Cities: Makes certain adjustments to the allocation of property tax revenues in Santa Clara County.<sup>51</sup>
5. Recently Incorporated Cities: Appropriates \$23,750,000 from the General Fund to the Department of Forestry and Fire Protection contingent upon the County of Riverside agreeing to forgive amounts owed to it by cities of Jurupa Valley, Menifee, Wildomar and Eastvale.<sup>52</sup>

<sup>45</sup> Section 34179.7

<sup>46</sup> Section 34179.9(b)

<sup>47</sup> Section 34179.9(b)(2).

<sup>48</sup> Section 34177.7 and Section 27 of SB 107

<sup>49</sup> Revenue & Taxation Code 96.11

<sup>50</sup> Revenue & Taxation Code 96.24

<sup>51</sup> Revenue & Taxation Code 98

<sup>52</sup> Section 28 of SB 107.