

**OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

**A G E N D A**

**FEBRUARY 26, 2014**

**City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932**

**SPECIAL MEETING – 10:30 a.m.**

The Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at Oversight Board meetings, please contact the City Clerk's/Secretary's Office at (619) 423-8301, as far in advance of the meeting as possible.

**1. CALL TO ORDER**

**2. ROLL CALL BY CITY CLERK/SECRETARY**

**3. PUBLIC COMMENTS** - Each person wishing to address the Oversight Board regarding items not on the posted agenda may do so at this time. In accordance with State law, the Oversight Board may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the Successor Agency staff or placed on a future agenda.

**4. REPORTS**

**A. APPROVAL OF MINUTES.**

Recommendation: Approve the Oversight Board Regular Meeting Minutes of November 13, 2013.

**B. ADOPTION OF RESOLUTION NO. OB-14-30 APPROVING THE REALLOCATION AND USE OF FUNDS RECEIVED FROM THE REDEVELOPMENT PROPERTY TAX TRUST FUND IN THE AMOUNT OF \$756,916 TO BE EXPENDED ON ENFORCEABLE OBLIGATIONS APPROVED ON RECOGNIZED OBLIGATION PAYMENT SCHEDULES.**

Recommendation: Adopt resolution.

**C. ADOPTION OF RESOLUTION NO. OB-14-31 FINDING THAT THE LOAN TOTALING \$3,738,100 MADE BY THE CITY OF IMPERIAL BEACH TO THE FORMER IMPERIAL BEACH REDEVELOPMENT AGENCY WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND OTHER RELATED ACTIONS TAKEN IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b).**

Recommendation: Adopt resolution.

*Continued on Next Page*

<p>Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.</p>
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4. **REPORTS (*Continued*)**

D. **ADOPTION OF RESOLUTION NO. OB-14-32 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014 AND RELATED ACTIONS.**

Recommendation: Adopt resolution.

E. **ADOPTION OF RESOLUTION NO. OB-14-33 OF THE OVERSIGHT BOARD TO THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014 (ROPS 14-15A).**

Recommendation: Adopt Resolution.

5. **ADJOURNMENT**

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/s/  
Jacqueline M. Hald, MMC  
City Clerk/Secretary

For your convenience, a copy of the agenda and meeting packet may be viewed in the office of the City Clerk at City Hall or on our website at [www.ImperialBeachCA.gov](http://www.ImperialBeachCA.gov). Go to the Imperial Beach Redevelopment Agency Successor Agency page located under the Government Section.

OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

NOVEMBER 13, 2013

City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

REGULAR MEETING – 10:30 a.m.

1. **CALL TO ORDER**

CHAIR PERSON WINTER called the Regular Meeting to order at 10:32 a.m.

2. **ROLL CALL BY CITY CLERK/SECRETARY**

Oversight Board Members present: Yanda, Saadat, Foltz

Oversight Board Members absent: West, Hentschke,

Vice Chair present: Fernandez

Chair present: Winter

Staff present: Deputy Executive Director Wade, Special Counsel Berkey, City Clerk/Secretary Hald

3. **PUBLIC COMMENTS**

None.

4. **REPORTS**

A. **APPROVAL OF MINUTES.**

**MOTION BY FERNANDEZ, SECOND BY SAADAT, TO APPROVE THE OVERSIGHT BOARD SPECIAL MEETING MINUTES OF OCTOBER 9, 2013. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARDMEMBERS: YANDA, SAADAT, FERNANDEZ, WINTER, FOLTZ**

**NOES: BOARDMEMBERS: NONE**

**ABSENT: BOARDMEMBERS: WEST, HENTSCHE**

**B. ADOPTION OF RESOLUTION NO. OB-13-29 OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH KANE, BALLMER & BERKMAN FOR SPECIALIZED LEGAL SERVICES.**

CHAIR PERSON WINTER introduced the item.

DEPUTY EXECUTIVE DIRECTOR WADE reported on the item.

**MOTION BY WINTER, SECOND BY FOLTZ, TO ADOPT RESOLUTION NO. OB-13-29 OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH KANE, BALLMER & BERKMAN FOR SPECIALIZED LEGAL SERVICES. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARDMEMBERS: YANDA, SAADAT, FERNANDEZ, WINTER, FOLTZ**

**NOES: BOARDMEMBERS: NONE**

**ABSENT: BOARDMEMBERS: WEST, HENTSCHE**

DEPUTY EXECUTIVE DIRECTOR WADE gave a status update on the Department of Finance's determination on the ROPS. He noted that the repayment of the City loan and a couple of smaller items were denied. Staff will be requesting a meet and confer on these items.

**5. ADJOURNMENT**

The meeting was adjourned at 10:40 a.m.

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**MAYDA C. WINTER, CHAIR PERSON**

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**JACQUELINE M. HALD, MMC  
CITY CLERK/SECRETARY**

**STAFF REPORT  
OVERSIGHT BOARD  
TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

**TO:** CHAIR AND MEMBERS OF THE OVERSIGHT BOARD TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR  
AGENCY

**FROM:** ANDY HALL, EXECUTIVE DIRECTOR   
GREGORY WADE, DEPUTY DIRECTOR

**MEETING DATE:** FEBRUARY 26, 2014

**SUBJECT:** ADOPTION OF RESOLUTION NO. OB-14-30 APPROVING THE  
REALLOCATION AND USE OF FUNDS RECEIVED FROM THE  
REDEVELOPMENT PROPERTY TAX TRUST FUND IN THE  
AMOUNT OF \$756,916 TO BE EXPENDED ON ENFORCEABLE  
OBLIGATIONS APPROVED ON RECOGNIZED OBLIGATION  
PAYMENT SCHEDULES

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**EXECUTIVE SUMMARY:**

Successor Agency staff is seeking adoption of Resolution No. OB-14-30 which would approve a reallocation of unspent Redevelopment Property Tax Trust Fund ("RPTTF") to be held as a reserve during the current Recognized Obligation Payment Schedule ("ROPS") 13-14B period and to be used and expended toward the debt service payments to be made during the ROPS 14-15A period on the 2013 Series A Tax Allocation Refunding Bonds and on the 2010 Tax Allocation Bonds. The amount of RPTTF recommended for reallocation totals of \$756,916 and would come from a variety of previously approved enforceable obligations for which all or portions of the allocated RPTTF was unexpended in the prior and current ROPS periods and would then be reallocated to provide bond debt service payments on both the 2010 Tax Allocation Bonds and the 2013 Tax Allocations Refunding Bonds during the ROPS 14-15A period.

**BACKGROUND:**

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the state and established the procedures by which this was to be accomplished. On December 29, 2011, AB 26 was largely upheld by the California State Supreme Court with some of the dates by which certain dissolution actions were to occur pushed back by four months. As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of former redevelopment agencies.

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain

provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act").

According to the Dissolution Act, the Successor Agency shall prepare a ROPS before each six-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board.

It is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period.

The Successor Agency is required to submit the ROPS 14-15A, after its approval and adoption by the Oversight Board, to the DOF and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on June 1, 2014, which is no later than March 3, 2014. Upon approval by the DOF, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on June 1, 2014 for payments to be made toward recognized obligations listed on the ROPS 14-15A and approved by the DOF.

### **ANALYSIS:**

The ROPS 14-15A was prepared, submitted to and approved by the Successor Agency on February 19, 2014. The ROPS 14-15A includes requested RPTTF for enforceable obligations for the up-coming six-month period of July 1, 2014 through December 31, 2014 in the total amount of \$1,555,714.

### **Bond Debt Reserves' Reallocation**

In the DOF's approval of the ROPS 13-14A (July 1, 2013 through December 31, 2013 period), the DOF approved the funding of bond debt reserves for the 2003 and 2010 Tax Allocation Bonds with RPTTF distributed to the Successor Agency on June 1, 2013 for this purpose. The approved bond debt reserves included \$1,028,787 for the June 2013 payment on the 2003 Tax Allocation Bonds and \$754,003 for the June 2014 payment on the 2010 Tax Allocation Bonds, for a total bond debt reserve of \$1,782,790. Due to this approved and funded debt service reserve, the Successor Agency did not need to request RPTTF for the ROPS 13-14B period for bond debt service payments as these payments were to be paid entirely from the DOF-approved bond debt reserves funded with RPTTF during the ROPS 13-14A period.

Also during the ROPS 13-14A period, on December 4, 2013 the Successor Agency refunded the 2003 Tax Allocation Bonds with the issuance of 2013 Series A Tax Allocations Refunding Bonds. This resulted in significant debt service savings in both annual and total debt service with the newly-issued Bonds, particularly in the first four years of debt service payments. As

noted above, the June 2014 debt service payment for the 2003 Tax Allocations Bonds, for which a debt service reserve had been approved and RPTTF distributed on June 1, 2013, was expected to be \$1,028,787. The June 2014 debt service payment for the 2013 Tax Allocation Refunding Bonds, however, will now be only \$388,644, resulting in total savings of \$640,143. Pursuant to Oversight Board Resolution No. OB-14-30, therefore, Successor Agency staff is recommending that this balance of \$640,143 of RPTTF be held as a reserve during the ROPS 13-14B period and reallocated toward the entire December 2014 bond debt service payment for the 2013 Series A Tax Allocation Refunding Bonds (a total of \$395,231) with the remainder of these funds (\$244,912) allocated to the December 2014 debt service payment for the 2010 Tax Allocation Bonds and the during the ROPS 14-15A period (which will be \$520,553).

#### Additional Bond Debt Reserves Reallocation

Also approved and funded on the ROPS 13-14B were three items related to the issuance of the 2013 Tax Allocation Refunding Bonds. Those items were:

- Financial Management Non-Contingent Costs (First Southwest) – \$19,000
- Fiscal Consultant Non-Contingent Costs (Fraser & Associates) – \$25,500
- Successor Agency Costs of Issuance – \$50,000

**Total** **\$90,506**

Because the 2013 Tax Allocation Refunding Bonds were successfully issued on December 4, 2013, however, the consultant services were paid entirely from bond proceeds and, therefore, the RPTTF approved and distributed for the above-listed consultant services (a total of \$44,500) will not be needed during this current ROPS 13-14B period. Additionally, the \$50,000 of Successor Agency costs was also provided from bond proceeds; however, Successor Agency costs for issuance of the Refunding Bonds totaled \$53,994, which will leave a balance of unexpended RPTTF for this item of \$46,006 during the current ROPS 13-14B period.

Pursuant to Oversight Board Resolution No. OB-14-30, the above costs relating to the 2013 Tax Allocation Refunding Bond issuance totaling of \$90,506 of DOF-approved and distributed but unexpended RPTTF is also proposed to be held as a reserve during the ROPS 13-14B period and reallocated toward the December 2014 bond debt service payment for the 2010 Tax Allocation Bonds during the ROPS 14-15A period.

Additionally, during the ROPS 13-14A period, the Successor Agency received \$49,657 of RPTTF for litigation costs associated with a lawsuit filed by the Affordable Housing Coalition of San Diego County regarding the affordable housing obligations of the former redevelopment agency. During the ROPS 13-14A period, however, the Successor Agency incurred costs of \$23,390, leaving unexpended RPTTF during this period in the amount of \$26,267. Therefore, the Successor Agency is also recommending that this \$26,267 of unexpended RPTTF be allocated towards the December 2014 debt service payment on the 2010 Tax Allocation Bonds.

When added together, the reallocation of bond debt reserves resulting from the savings from the 2013 Tax Allocation Refunding Bonds (\$640,143) and the reallocated reserves from unexpended RPTTF from both the ROPS 13-14A period (\$26,267) and the ROPS 13-14B period (\$90,506) would total \$756,916 and would provide the full December 2014 bond debt service payment of \$395,231 for the 2013 Tax Allocation Refunding Bonds and would provide

partial payment of \$361,685 for the 2010 Tax Allocation Bonds December 2014 payment during the ROPS 14-15A period.

Successor Agency staff is seeking adoption of Resolution No. OB-14-30 which would approve the reallocation of the unexpended RPTTF balance of \$756,916 approved on the ROPS 13-14A (\$26,267 of unexpended RPTTF) and on the ROPS 13-14B (\$730,649 of unexpended RPTTF) to be held as a reserve during the ROPS 13-14B period and to be used and expended toward the debt service payments to be made during the ROPS 14-15A period on the 2013 Series A Tax Allocation Refunding Bonds and on the 2010 Tax Allocation Bonds.

**ENVIRONMENTAL DETERMINATION:**

The activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by CEQA Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

**FISCAL IMPACT:**

Adoption of Resolution No. OB-14-30 and subsequent approval by the DOF of the reallocation of the RPTTF funds as described above would allow the Successor Agency to meet the entire bond debt service obligation for the 2013 Tax Allocation Refunding Bonds and 70% of the bond debt service obligation for the 2010 Tax Allocation Bonds during the ROPS 14-15A period. This reallocation would also decrease the total amount of RPTTF requested by the Successor Agency during the ROPS 14-15A period which would benefit all affected taxing entities.

**RECOMMENDATION:**

Staff recommends that the Oversight Board to the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution Number OB-14-30 approving the reallocation of the unexpended balance of \$756,916 from the Redevelopment Property Tax Trust Fund ("RPTTF") approved on the ROPS 13-14A (\$26,267 of unspent RPTTF) and on the ROPS 13-14B (\$730,649 of unspent RPTTF) to be held as a reserve during the ROPS 13-14B period and to be used and expended toward the debt service payments to be made during the ROPS 14-15A period on the 2013 Series A Tax Allocation Refunding Bonds and on the 2010 Tax Allocation Bonds.

Attachments:

1. Resolution No. OB-14-30

## RESOLUTION NO. OB-14-30

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE SUCCESSOR AGENCY'S REALLOCATION AND USE OF FUNDS RECEIVED FROM THE REDEVELOPMENT PROPERTY TAX TRUST FUND IN THE AMOUNT OF \$756,916 TO BE EXPENDED ON ENFORCEABLE OBLIGATIONS APPROVED ON RECOGNIZED OBLIGATION PAYMENT SCHEDULES**

**WHEREAS**, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484. On October 13, 2013, the Legislature passed and the

Governor signed Senate Bill No. 341 ("SB 341"), which further amended certain provisions of AB 26 as amended by AB 1484 and AB 1585 (AB 26, AB 1484, AB 1585, and SB 341 are collectively referred to herein as the "Dissolution Act"); and

**WHEREAS**, on April 12, 2013, the State Department of Finance ("Department of Finance") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

**WHEREAS**, pursuant to H&S Code Section 34171(h) of the Dissolution Act, a "Recognized Obligation Payment Schedule" ("ROPS") means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each 6-month fiscal period as provided in H&S Code Section 34177(m) of the Dissolution Act; and

**WHEREAS**, according to H&S Code Section 34177(l)(1) of the Dissolution Act, the Successor Agency shall prepare a ROPS before each 6-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board in accordance with Part 1.85 of the Dissolution Act; and

**WHEREAS**, pursuant to H&S Code Section 34177 of the Dissolution Act, the Successor Agency adopted the First ROPS covering the period from January 1, 2012 through June 30, 2012 ("First ROPS"), the Second ROPS covering the period from July 1, 2012 through December 31, 2012 ("Second ROPS"), the Third ROPS covering the period from January 1, 2013 through June 30, 2013 ("Third ROPS"), the ROPS 13-14A covering the period from July 1, 2013 through December 31, 2013 ("ROPS 13-14A"), and the ROPS 13-14B covering the period from January 1, 2014 through June 30, 2014 ("ROPS 13-14B"); and

**WHEREAS**, in accordance with H&S Code Sections 34177(l)(2)(B) and 34180(g) of the Dissolution Act, the Oversight Board approved the First ROPS, Second ROPS, Third ROPS, ROPS 13-14A, and ROPS 13-14B as proposed by the Successor Agency. In accordance with the Dissolution Act, the Successor Agency submitted each of the Oversight Board-approved ROPS to the Department of Finance, the San Diego County Auditor-Controller ("County Auditor-Controller") and other entities as required by the Dissolution Act and by the statutory deadlines. The Department of Finance approved each ROPS, some with certain modifications; and

**WHEREAS**, pursuant to H&S Code Section 34183(a)(2) of the Dissolution Act, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on January 2 and June 1 of each year for payments to be made toward recognized obligations listed on a ROPS and approved by the Department of Finance; and

**WHEREAS**, pursuant to H&S Code Section 34177(a)(4) of the Dissolution Act, the Successor Agency, with the prior approval of the Oversight Board, may make payments on enforceable obligations from sources other than those listed in the ROPS; and

**WHEREAS**, the Successor Agency has prepared, and approved at its meeting on

February 19, 2014, the ROPS 14-15A covering the period from July 1, 2014 through December 31, 2014 ("ROPS 14-15A") for approval by the Oversight Board and the Department of Finance. In the ROPS 14-15A, the Successor Agency proposes to use excess RPTTF funds previously distributed to the Successor Agency for enforceable obligations listed on the ROPS 13-14A and the ROPS13-14B; and

**WHEREAS**, specifically, in accordance with H&S Code Section 34177(a)(4) of the Dissolution Act, the Successor Agency, at its meeting on February 19, 2014, approved, and recommended that its Oversight Board approve, a reallocation of the unspent balance of RPTTF in the total amount of \$756,916 to be held as a reserve during the ROPS 13-14B period and to be used and expended toward enforceable obligations to be made during the ROPS 14-15A period as follows:

(a) There exists \$26,267 of unexpended RPTTF from Item #18 (Litigation Costs/Fees) approved on the ROPS 13-14A. The Successor Agency desires to reallocate the \$26,267 of unspent RPTTF to be held as a reserve during the ROPS 13-14B period and to use and expend the \$26,267 as a partial payment toward the bond debt service payment on the 2010 Tax Allocation Bonds ("2010 Bonds") (Item #2 on the ROPS 14-15A) proposed during the ROPS 14-15A period; and

(b) There exists \$640,143 of unexpended RPTTF from Item #1 (2003 Series A tax Allocation Bonds Debt Service Payment) approved on the ROPS 13-14B. Specifically, a total bond debt service payment of \$1,028,787 for the 2003 Series A tax Allocation Bonds ("2003 Bonds") was approved for expenditure from prior RPTTF bond debt service reserves during the ROPS 13-14B period as Item #1 on the ROPS 13-14B. Since the 2003 Bonds were refunded in December 2013 by the issuance of the 2013 Series A Tax Allocation Refunding Bonds ("2013 Bonds") for savings pursuant to H&S Code Section 34177.5, the actual bond debt service payment for the 2013 Bonds during the ROPS 13-14B period was reduced to \$388,644, leaving a balance of unspent RPTTF of \$640,143. The Successor Agency desires to reallocate the \$640,143 of unspent RPTTF to be held as a reserve during the ROPS 13-14B period and to use and expend the \$640,143 as payments toward the debt service payments to be made during the ROPS 14-15A period on both the 2013 Bonds and the 2010 Bonds as follows: (i) \$395,231 as payment in full of the bond debt service payment on the 2013 Bonds (Item #36 on the ROPS 14-15A) proposed during the ROPS 14-15A period and (ii) \$244,912 as a partial payment toward the bond debt service payment on the 2010 Bonds (Item #2 on the ROPS 14-15A) proposed during the ROPS 14-15A period; and

(c) There exists a total balance of \$90,506 of unspent RPTTF from non-contingent costs relating to the 2003 Bonds and the 2013 Bonds refunding matter approved on the ROPS 13-14B due to these costs being paid by the 2013 Bonds refunding proceeds, or were unexpended in the case of Item #28. Specifically, \$19,000 of unspent RPTTF exists for Item #26 (Financial Advisor Costs), \$25,500 of unspent RPTTF exists for Item #27 (Fiscal Consultant Costs), and \$46,006 of unspent RPTTF exists for Item #28 (Successor Agency Fees and Costs), all as approved on the ROPS 13-14B. The Successor Agency desires to reallocate the \$90,506 of unspent RPTTF to be held as a reserve during the ROPS 13-14B period and to use and expend the \$90,506 as a partial payment toward the bond debt service payment on the 2010 Bonds (Item #2 on the ROPS 14-15A) proposed during the ROPS 14-15A period; and

**WHEREAS**, in accordance with H&S Code Section 34177(a)(4) of the Dissolution Act, the Oversight Board desires to approve the Successor Agency's reallocation of the unspent balance of RPTTF in the total amount of \$756,916 to be held as a reserve during the ROPS 13-14B period and to be used and expended toward enforceable obligations to be made during the ROPS 14-15A period, as specified in the above recitals in this Resolution; and

**WHEREAS**, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

**WHEREAS**, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The Oversight Board hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Oversight Board hereby approves the Successor Agency's reallocation of the unspent balance of \$756,916 from the Redevelopment Property Tax Trust Fund ("RPTTF") approved on the ROPS 13-14A (\$26,267 of unspent RPTTF) and on the ROPS 13-14B (\$730,649 of unspent RPTTF) to be held as a reserve during the ROPS 13-14B period and to be used and expended toward the debt service payments to be made during the ROPS 14-15A period on the 2013 Series A Tax Allocation Refunding Bonds ("2013 Bonds") and on the 2010 Tax Allocation Bonds ("2010 Bonds"), as shown on the ROPS 14-15A, in the amounts specified in the above recitals in this Resolution.
- Section 3.** The Oversight Board hereby adopts, approves, ratifies and confirms all actions taken by the Successor Agency and its staff to reallocate, use, and expend the \$756,916 toward the debt service payments on the 2013 Bonds and the 2010 Bonds payable during the ROPS 14-15A period, as shown on the ROPS 14-15A, in the amounts specified in the above recitals in this Resolution.
- Section 4.** The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to take such actions and execute such instruments and documents as are reasonable, appropriate, and necessary or desirable to effectuate the intent of this Resolution.
- Section 5.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.
- Section 6.** The Oversight Board determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined

by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

**Section 7.** This Resolution shall take effect upon the date of its adoption and is subject to review by the Department of Finance in accordance with H&S Code Section 34179(h) of the Dissolution Act.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 26<sup>th</sup> day of February 2014, by the following vote:

**AYES: BOARD MEMBERS:**  
**NOES: BOARD MEMBERS:**  
**ABSENT: BOARD MEMBERS:**

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**MAYDA WINTER**  
**CHAIRPERSON**

**ATTEST:**

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**JACQUELINE M. HALD, MMC**  
**SUCCESSOR AGENCY SECRETARY**



STAFF REPORT  
OVERSIGHT BOARD  
TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

TO: CHAIR AND MEMBERS OF THE OVERSIGHT BOARD TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR  
AGENCY

FROM: ANDY HALL, EXECUTIVE DIRECTOR  
GREGORY WADE, DEPUTY DIRECTOR

MEETING DATE: FEBRUARY 26, 2014

SUBJECT: ADOPTION OF RESOLUTION NO. OB-14-31 FINDING THAT  
THE LOAN TOTALING \$3,738,100 MADE BY THE CITY OF  
IMPERIAL BEACH TO THE FORMER IMPERIAL BEACH  
REDEVELOPMENT AGENCY WAS FOR LEGITIMATE  
REDEVELOPMENT PURPOSES, AND OTHER RELATED  
ACTIONS TAKEN IN ACCORDANCE WITH HEALTH AND  
SAFETY CODE SECTION 34191.4(b)

**EXECUTIVE SUMMARY:**

Staff is seeking adoption of Resolution No. OB-14-31 that would make findings that the loan made by the City of Imperial Beach to the former Redevelopment Agency (the "City Loan"), which currently has an outstanding principal balance of \$3,738,100, was for legitimate redevelopment purposes. If approved by the Oversight Board, repayment of the City Loan would be placed on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2014 through December 31, 2014 (the "ROPS 14-15A") to seek repayment from the Redevelopment Property Tax Trust Fund (the "RPTTF") pursuant to applicable provisions of the Dissolution Act. Since the Successor Agency received its Finding of Completion on April 12, 2013, pursuant to Section 34191.4(b) of the Dissolution Act, the State Department of Finance (the "DOF") has advised the Successor Agency that the City Loan may be repaid as an enforceable obligation provided the Oversight Board makes a finding that the loan was made for legitimate redevelopment purposes. Adoption of Resolution No. OB-14-31 would make these required findings. Additionally, the DOF has advised that repayment of the City Loan is subject to the repayment formula outlined in Section 34191.4(b)(2)(A) of the Dissolution Act. Pursuant to this formula, the maximum amount of RPTTF authorized each fiscal year to repay the City Loan is equal to fifty percent (50%) of the increase in residual distributions of RPTTF to the taxing entities from the "base year" of Fiscal Year 2012-2013 (which totaled \$0) to Fiscal Year 2013-2014 (which totaled \$2,230,430). Therefore, an initial repayment amount of is \$1,115,215 is being requested on the ROPS 14-15A.

**BACKGROUND:**

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the state and established the procedures by which this was to be accomplished. On December 29, 2011, AB

26 was largely upheld by the California State Supreme Court with some of the dates by which certain dissolution actions were to occur pushed back by four months. As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of former redevelopment agencies.

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act").

According to the Dissolution Act, the Successor Agency shall prepare a ROPS before each six-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board.

It is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period.

The Successor Agency is required to submit the ROPS 14-15A, after its approval and adoption by the Oversight Board, to the DOF and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on June 1, 2014, which is no later than March 3, 2014. Upon approval by the DOF, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on June 1, 2014 for payments to be made toward recognized obligations listed on the ROPS 14-15A and approved by the DOF.

On April 12, 2013, the Successor Agency received its Finding of Completion from the State Department of Finance (the "DOF"). Pursuant to Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City of Imperial Beach (the "City") shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board's approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment and repaid by the Successor Agency from RPTTF or other available funds subject to the repayment terms and conditions specified in Section 34191.4(b)(2) of the Dissolution Act.

The City made a loan of funds to the former Redevelopment Agency totaling \$3,738,100 (the "City Loan") pursuant to a Cooperation Agreement between the Redevelopment Agency and the City dated June 7, 1995, immediately subsequent to the activation of the former Redevelopment Agency on May 3, 1995. The City Loan was made pursuant to City Council/Redevelopment Agency Resolution No. R-03-40 dated June 4, 2003, as well as an Agreement between the Redevelopment Agency and the City dated May 17, 2006, and was made for the former Redevelopment Agency's use for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project adopted on February 7, 1996 and the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Amendment No. 1 adopted on July 18, 2001 (collectively, the "Redevelopment Plans") and the implementation of, among other projects, capital improvement program projects.

Additionally, pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, the City Loan was not invalidated by the Dissolution Act because the Cooperation Agreement between the Redevelopment Agency and the City dated June 7, 1995 providing loans/start-up funds to the former Redevelopment Agency was entered into within two years of formation of the Redevelopment Agency. Pursuant to Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2) of the Dissolution Act, the City Loan would, therefore, constitute an enforceable obligation of the Successor Agency repayable from the RPTTF. However, the DOF, in its letter dated December 17, 2013, required that the Successor Agency's repayment of the City Loan be subject to the loan repayment terms, conditions and calculations of Section 34191.4(b) of the Dissolution Act.

On September 25, 2013, the Oversight Board adopted Resolution No. OB-13-26 which, among other actions, specifically made findings that (i) the City Loan was made to the Redevelopment Agency for legitimate redevelopment purposes, (ii) determined that the City Loan constitutes an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the RPTTF, (iii) acknowledged and agreed that the City Loan is now immediately due and payable in full in the principal amount of \$3,738,100 to the City by the Successor Agency from the Successor Agency's RPTTF, and (iv) approved the Successor Agency's immediate repayment of the City Loan on the ROPS 13-14B in the total principal amount of \$3,738,100. However, in its letter dated December 17, 2013, the DOF determined that the Successor Agency must wait until ROPS 14-15A to seek repayment of the City Loan from RPTTF on a ROPS so that the Fiscal Year 2013-2014 residual distributions to taxing entities would be known in order to calculate the maximum repayment amount for the applicable six-month period. As such, on February 19, 2014, the Successor Agency adopted Resolution No. SA-14-39 finding and recommending that the Oversight Board finds that the City Loan was made for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans and the implementation of, among other projects, capital improvement program projects in the City of Imperial Beach.

#### **ANALYSIS:**

As noted above, the Successor Agency received its Finding of Completion from the DOF on April 12, 2013 which, among other things, allows the Successor Agency to seek repayment of the City Loan to the former Redevelopment Agency on the ROPS 14-15A as an enforceable obligation, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Although the Oversight Board already made such a finding with the adoption of Resolution No. OB-13-26 approving the ROPS 13-14B, the DOF has requested that a separate such finding be made by all successor agencies seeking repayment of these loans.

Therefore, staff recommends that the Oversight Board adopt a separate, stand-alone resolution (Resolution No. OB-14-31) that would make these required findings.

Under Section 34191.4(b) of the Dissolution Act, and according to the determination of the DOF, the City Loan is subject to the repayment formula of Section 34191.4(b)(2)(A) which provides that the maximum repayment amount for each fiscal year shall be equal to one-half of the increase between the amount of residual RPTTF distributed to the taxing entities in Fiscal Year 2012-13 (the "base year") and amount of residual RPTTF distributions to the taxing entities in Fiscal Year 2013-14. In the case of Imperial Beach, the amount of residual RPTTF in the base year was \$0 and the amount distributed in Fiscal Year 2013-14 was \$2,230,240. Fifty percent of that increase is equal to \$1,115,215 and, therefore, that amount is being requested as the first loan repayment to the City on ROPS 14-15A. As such, staff recommends that the Oversight Board approve the City Loan as an enforceable obligation of the Successor Agency and also approves the schedule for repayment of the City Loan from RPTTF as an enforceable obligation. Staff further recommends that Oversight Board approve repayment of the City Loan beginning with the first payment of \$1,115,215 to be listed on the ROPS 14-15A consistent with the maximum repayment amounts specified in Section 34191.4(b)(2)(A) of the Dissolution Act, with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with applicable provisions of the Dissolution Act.

**ENVIRONMENTAL DETERMINATION:**

The activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

**FISCAL IMPACT:**

Adoption of Resolution No. OB-14-31, and subsequent approval by the Oversight Board of a similar resolution, would make the necessary findings that the City Loan to the former Redevelopment Agency of was for legitimate redevelopment purposes. If approved by the DOF, this would allow repayment of the City Loan to begin with ROPS 14-15A and would seek an initial repayment amount of \$1,115,215 funded from RPTTF, pursuant to the repayment formula of Section 34191.4(b)(2)(A) of the Dissolution Act. If approved by the DOF, the repayment of the City Loan would reduce outstanding obligations of the Successor Agency and the City's General Fund would be repaid up to \$1,115,215 during the ROPS 14-15A period towards the total outstanding loan balance of \$3,738,100, with the remaining outstanding balance to be paid during subsequent ROPS periods.

**RECOMMENDATION:**

Staff recommends that the Oversight Board to the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution Number OB-14-31 making findings that the City Loan totaling \$3,738,100 made by the City of Imperial Beach to the former Imperial Beach Redevelopment Agency was for legitimate redevelopment purposes, and other related actions taken in accordance with Health and Safety Code Section 34191.4(b).

Attachments:

1. Resolution No. OB-14-31

## RESOLUTION NO. OB-14-31

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY FINDING THAT THE LOAN TOTALING \$3,738,100 MADE BY THE CITY OF IMPERIAL BEACH TO THE FORMER IMPERIAL BEACH REDEVELOPMENT AGENCY WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF IMPERIAL BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b)**

**WHEREAS**, the Imperial Beach Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency in the City of Imperial Beach (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code (“H&S Code”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the H&S Code; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the “Imperial Beach Redevelopment Agency Successor Agency,” the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the “oversight board.” The oversight board has been established for the Successor Agency (hereinafter referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the

Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484. On October 13, 2013, the Legislature passed and the Governor signed Senate Bill No. 341 ("SB 341"), which further amended certain provisions of AB 26 as amended by AB 1484 and AB 1585 (AB 26, AB 1484, AB 1585, and SB 341 are collectively referred to herein as the "Dissolution Act"); and

**WHEREAS**, on April 12, 2013, the State Department of Finance ("Department of Finance") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

**WHEREAS**, pursuant to H&S Code Section 34171(h) of the Dissolution Act, a "Recognized Obligation Payment Schedule" ("ROPS") means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each 6-month fiscal period as provided in H&S Code Section 34177(m) of the Dissolution Act; and

**WHEREAS**, according to H&S Code Section 34177(l)(1) of the Dissolution Act, the Successor Agency shall prepare a ROPS before each 6-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board in accordance with Part 1.85 of the Dissolution Act; and

**WHEREAS**, pursuant to H&S Code Section 34191.4(b)(1) of the Dissolution Act, after the Successor Agency receives its Finding of Completion and upon application by the Successor Agency and approval of the Oversight Board, loan agreements entered into between the former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Upon the Oversight Board's approval and making of the required finding, the loan is deemed an enforceable obligation and may be listed on a ROPS for repayment and repaid by the Successor Agency from RPTTF or other available funds subject to the repayment terms and conditions specified in H&S Code Section 34191.4(b)(2); and

**WHEREAS**, the City made a loan of funds to the former Redevelopment Agency totaling \$3,738,100 ("City Loan") pursuant to that certain Cooperation Agreement between the Redevelopment Agency and the City dated June 7, 1995, which date is immediately subsequent to the activation of the former Redevelopment Agency on May 3, 1995. The City Loan was also made pursuant to City Council/Redevelopment Agency Resolution No. R-03-40 dated June 4, 2003, the Redevelopment Agency's year-end financial statements beginning June 30, 1996 through June 30, 2004, and the Agreement between the Redevelopment Agency and the City dated May 17, 2006. The City Loan was made by the City to the former Redevelopment Agency for the Redevelopment Agency's use for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project adopted on February 7, 1996 and the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Amendment No. 1 adopted on July 18, 2001 (collectively, the "Redevelopment Plans") and the implementation of, among other projects, capital improvement program projects; and

**WHEREAS**, pursuant to H&S Code Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, the City Loan was not invalidated by the Dissolution Act because the Cooperation Agreement between the Redevelopment Agency and the City dated June 7, 1995 providing loans/start-up funds to the former Redevelopment Agency was entered into within two years of formation of the Redevelopment Agency. Pursuant to H&S Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2) of the Dissolution Act, the City Loan would, therefore, constitute an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the RPTTF. However, the Department of Finance, in its letter dated December 17, 2013, required that the Successor Agency's repayment of the City Loan be subject to the loan repayment terms and conditions of H&S Code Section 34191.4(b) of the Dissolution Act; and

**WHEREAS**, on September 25, 2013, the Oversight Board adopted Resolution No. OB-13-26, wherein the Oversight Board, among other actions, specifically (i) made a finding that the City Loan was made to the Redevelopment Agency for legitimate redevelopment purposes, (ii) determined that the City Loan constitutes an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the RPTTF, (iii) acknowledged and agreed that the City Loan is now immediately due and payable in full in the principal amount of \$3,738,100 to the City by the Successor Agency from the Successor Agency's RPTTF, and (iv) approved the Successor Agency's immediate repayment of the City Loan on the ROPS 13-14B in the total principal amount of \$3,738,100. The Department of Finance, in its letter dated December 17, 2013, determined that the Successor Agency must wait until ROPS 14-15A to seek repayment of the City Loan on a ROPS from RPTTF so that the Fiscal Year 2013-2014 residual distributions to taxing entities would be known in order to calculate the maximum repayment amount for the applicable 6-month period; and

**WHEREAS**, at its meeting on February 19, 2014, the Successor Agency made a finding, and recommended to its Oversight Board that the Oversight Board make such finding, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans and the implementation of, among other projects, capital improvement program projects; and

**WHEREAS**, at its meeting on February 19, 2014, the Successor Agency further approved the City Loan as an enforceable obligation of the Successor Agency and approved the schedule for repayment of the City Loan from RPTTF as an enforceable obligation listed on a ROPS beginning with the first payment of \$1,115,215 listed on the proposed ROPS for the 6-month period from July 1, 2014 through December 31, 2014 ("ROPS 14-15A") consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b)(2)(A), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b)(2)(A) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b)(2); and

**WHEREAS**, the Oversight Board desires to find, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans and the implementation of, among other projects, capital improvement program projects; and

**WHEREAS**, the Oversight Board further desires to approve the City Loan as an enforceable obligation of the Successor Agency and to approve the schedule for repayment of the City Loan from RPTTF as an enforceable obligation listed on a ROPS beginning with the

first payment of \$1,115,215 listed on the proposed ROPS for the 6-month period from July 1, 2014 through December 31, 2014 ("ROPS 14-15A") consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b)(2)(A), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b)(2)(A) until the City Loan is repaid in full, subject to other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b)(2); and

**WHEREAS**, pursuant to H&S Code Section 34183(a)(2) of the Dissolution Act, the San Diego County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on June 1, 2014 for payments to be made toward recognized obligations listed on the ROPS 14-15A as approved by the Department of Finance, and on January 2 and June 1 annually for payments to be made toward recognized obligations listed on successive ROPS as approved by the Department of Finance; and

**WHEREAS**, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

**WHEREAS**, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The Oversight Board hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Oversight Board hereby finds, pursuant to H&S Code Section 34191.4(b)(1), that the City Loan described in the recitals above was made by the City to the former Redevelopment Agency for legitimate redevelopment purposes in connection with the preparation and implementation of the Redevelopment Plans and the implementation of, among other projects, capital improvement program projects.
- Section 3.** The Oversight Board hereby approves the City Loan as an enforceable obligation of the Successor Agency and approves the repayment of the City Loan from the Redevelopment Property Tax Trust Fund ("RPTTF") as an enforceable obligation listed on a ROPS beginning with the first payment of \$1,115,215 listed on the proposed ROPS for the 6-month period from July 1, 2014 through December 31, 2014 ("ROPS 14-15A") consistent and in accordance with the maximum repayment amounts specified in H&S Code Section 34191.4(b)(2)(A), with the remaining balance of the City Loan to be paid on successive ROPS in the maximum repayment amounts consistent and in accordance with H&S Code Section 34191.4(b)(2)(A) until the City Loan is repaid in full, subject to

other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b)(2).

**Section 4.** The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to: (i) include the repayment of the City Loan on the ROPS 14-15A and on successive ROPS until repaid in full consistent and in accordance with H&S Code Section 34191.4(b)(2)(A), and to comply with all other applicable loan repayment terms and conditions set forth in H&S Code Section 34191.4(b)(2); (ii) provide such notifications as required by the Dissolution Act; and (iii) take such other actions and execute such other documents as are necessary or desirable to effectuate the intent of this Resolution on behalf of the Oversight Board.

**Section 5.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 6.** The Oversight Board determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

**Section 7.** This Resolution shall take effect upon the date of its adoption and is subject to review by the Department of Finance in accordance with H&S Code Section 34179(h) of the Dissolution Act.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 26<sup>th</sup> day of February 2014, by the following vote:

**AYES: BOARD MEMBERS:**  
**NOES: BOARD MEMBERS:**  
**ABSENT: BOARD MEMBERS:**

\_\_\_\_\_  
**MAYDA WINTER**  
**CHAIRPERSON**

**ATTEST:**

\_\_\_\_\_  
**JACQUELINE M. HALD, MMC**  
**SUCCESSOR AGENCY SECRETARY**



STAFF REPORT  
OVERSIGHT BOARD  
TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

TO: CHAIR AND MEMBERS OF THE OVERSIGHT BOARD TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR  
AGENCY

FROM: ANDY HALL, EXECUTIVE DIRECTOR   
GREGORY WADE, DEPUTY DIRECTOR 

MEETING DATE: FEBRUARY 26, 2014

SUBJECT: ADOPTION OF RESOLUTION NO. OB-14-32 OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR  
AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR  
THE PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31,  
2014 AND RELATED ACTIONS

**EXECUTIVE SUMMARY:**

Successor Agency staff is seeking adoption by the Oversight Board of Resolution No. OB-14-32 approving the Successor Agency's Administrative Budget for the period of July 1, 2014 through December 31, 2014. Pursuant to Section 34177(j) of the Dissolution Act, the Successor Agency is required to prepare an administrative budget for each six-month fiscal period and submit the administrative budget to the Oversight Board for approval. For Imperial Beach, the amount of administrative cost allowance available from the Redevelopment Property Tax Trust Fund (RPTTF) is capped at \$250,000 per fiscal year. Therefore, the proposed Administrative Budget for July to December 2014 totals \$125,000.

**BACKGROUND:**

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the state and established the procedures by which this was to be accomplished. On December 29, 2011, AB 26 was largely upheld by the California State Supreme Court with some of the dates by which certain dissolution actions were to occur pushed back by four months. As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies to the former redevelopment agencies were established and were tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of the former redevelopment agencies.

As part of the wind-down process enacted by AB 26, the City Council adopted Resolution No. 2012-7136 on January 5, 2012, electing for the City to serve as the successor agency to the Redevelopment Agency ("Successor Agency") upon the dissolution of the Redevelopment Agency under AB 26.

On June 27, 2012, the State Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”, Chapter 26, Statutes 2012) as a trailer bill for the Fiscal Year 2012-2013 State budget package. Although the primary purpose of AB 1484 is to make technical and substantive amendments to AB 26 based on issues that have arisen in the implementation of AB 26, AB 1484 also imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind-down process of former redevelopment agencies.

### **ANALYSIS:**

Pursuant to Section 34177(j) of AB 26, as amended by AB 1484, the Successor Agency is required to prepare an administrative budget for each six-month fiscal period and submit the administrative budget to the Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming six-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity. Section 34177(k) of AB 26 as amended by AB 1484 requires the Successor Agency to provide to the San Diego County Auditor-Controller for each six-month fiscal period the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County’s Redevelopment Property Tax Trust Fund established for the Successor Agency.

Pursuant to AB 26 as amended by AB 1484, an “Administrative Cost Allowance” is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the total amount of property tax allocated to the Successor Agency’s Redevelopment Obligation Retirement Fund to pay for enforceable obligations for each fiscal year, subject to a minimum amount of \$250,000 unless the Oversight Board reduces this amount.

Successor Agency staff is now seeking the Successor Agency’s approval of the administrative budget for the period of July 1, 2014 through December 31, 2014 (“Administrative Budget”), in the form attached to Resolution Number OB-14-32 as Exhibit “A”. On February 19, 2014, the Successor Agency adopted Resolution No. SA-14-40 approving the Administrative Budget and authorizing its submittal to the Oversight Board for consideration at the meeting of February 26, 2014. If approved by the Oversight Board, the resolutions also authorize the Administrative Budget to be forwarded to the San Diego County Auditor-Controller as required by Section 34177(k) of the Dissolution Act. As noted in the Executive Summary, the amount of administrative cost allowance available to the Successor Agency from the Redevelopment Property Tax Trust Fund (RPTTF) is capped at \$250,000 per fiscal year. Therefore, the proposed Administrative Budget for July to December 2014 totals \$125,000.

### **ENVIRONMENTAL DETERMINATION:**

The activity proposed for approval by this Resolution is not a “project” for purposes of CEQA, as that term is defined by CEQA Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

**FISCAL IMPACT:**

As noted above, the Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the total amount of property tax allocated to the Successor Agency's Redevelopment Obligation Retirement Fund to pay for enforceable obligations for each fiscal year, or a minimum of \$250,000 unless the Oversight Board reduces this amount. The Successor Agency is entitled to receive a maximum of \$250,000 per fiscal year. For the six-month period of July 1, 2014 through December 31, 2014, therefore, staff has proposed an Administrative Budget totaling \$125,000 as this is half the amount of the Administrative Cost Allowance we expect to be approved by the DOF on the Recognized Obligation Payment Scheduled for July to December 2014 (the "ROPS 14-15A").

**RECOMMENDATION:**

Staff recommends that the Oversight Board to the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution Number OB-14-32 approving the Administrative Budget for the period of July 1, 2014 through December 31, 2014 and other related actions.

Attachments:

1. Resolution No. OB-14-32

## RESOLUTION NO. OB-14-32

**RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE SIX-MONTH PERIOD FROM JULY 1, 2014 THROUGH DECEMBER 31, 2014 AND APPROVING RELATED ACTIONS**

**WHEREAS**, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484. On October 13, 2013, the Legislature passed and the Governor signed Senate Bill No. 341 ("SB 341"), which further amended certain provisions of AB 26 as amended by AB 1484 and AB 1585 (AB 26, AB 1484, AB 1585, and SB 341 are collectively referred to herein as the "Dissolution Act"); and

**WHEREAS**, on April 12, 2013, the State Department of Finance (“Department of Finance”) issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

**WHEREAS**, H&S Code Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare an administrative budget for each 6-month fiscal period and submit the administrative budget to the Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming 6-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity; and

**WHEREAS**, H&S Code Section 34177(k) of the Dissolution Act requires the Successor Agency to provide to the San Diego County Auditor-Controller (“County Auditor-Controller”) for each 6-month fiscal period the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County’s Redevelopment Property Tax Trust Fund (“RPTTF”) established for the Successor Agency; and

**WHEREAS**, the administrative budget covering the 6-month period from July 1, 2014 through December 31, 2014 (“Administrative Budget”) was approved by the Successor Agency at its meeting conducted on February 19, 2014; and

**WHEREAS**, the Administrative Budget is attached to this Resolution as Exhibit “A” and is presented to the Oversight Board at this meeting for review and approval; and

**WHEREAS**, the Administrative Budget has been prepared in accordance with H&S Code Section 34177(j) of the Dissolution Act and is consistent with the requirements of the H&S Code and other applicable law. As indicated in the Administrative Budget, the Successor Agency does not directly employ its own staff but relies on the employees and staff members of the City to perform its functions and operations required by the Dissolution Act; and

**WHEREAS**, the proposed source of payment of the costs set forth in the Administrative Budget in the amount of \$125,000 is property taxes from the County’s RPTTF established for the Successor Agency. These costs in the amount of \$125,000 are listed as Item #11 on the proposed Recognized Obligation Payment Schedule for the 6-month period from July 1, 2014 through December 31, 2014 (“ROPS 14-15A”) for funding from RPTTF, which ROPS 14-15A is proposed to be considered by the Oversight Board at this same meeting of the Oversight Board; and

**WHEREAS**, in accordance with H&S Code Section 34180(j) of the Dissolution Act, the Successor Agency submitted a copy of the Administrative Budget to the San Diego County Administrative Officer, the County Auditor-Controller, and the Department of Finance at the same time that the Successor Agency submitted the Administrative Budget to the Oversight Board for review and approval; and

**WHEREAS**, pursuant to H&S Code Section 34179(h) of the Dissolution Act, the Successor Agency is required to provide written notice and information about all actions taken by the Oversight Board to the Department of Finance by electronic means and in the manner of the Department of Finance’s choosing; and

**WHEREAS**, in furtherance of Part 1.85 of the Dissolution Act, a copy of the

Administrative Budget as approved by the Oversight Board will be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and will be posted on the Successor Agency's internet website; and

**WHEREAS**, pursuant to H&S Code Section 34183(a)(2) of the Dissolution Act, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on June 1, 2014 for payments to be made toward recognized obligations listed on the approved ROPS 14-15A and for the administrative cost estimates from its approved Administrative Budget; and

**WHEREAS**, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

**WHEREAS**, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The Oversight Board hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Oversight Board hereby approves the Administrative Budget for the 6-month period from July 1, 2014 through December 31, 2014, in substantially the form attached to this Resolution as Exhibit "A".
- Section 3.** The Oversight Board hereby approves property taxes from the County's Redevelopment Property Tax Trust Fund ("RPTTF") established for the Successor Agency as the source of payment of the costs set forth in the Administrative Budget in the amount of \$125,000, to be incurred and paid during the 6-month period from July 1, 2014 through December 31, 2014.
- Section 4.** The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to: (i) submit the Administrative Budget, as approved by the Oversight Board, and written notice of the Oversight Board's approval of the Administrative Budget, to the Department of Finance electronically pursuant to H&S Code Section 34179(h) of the Dissolution Act; (ii) submit a copy of the Administrative Budget, as approved by the Oversight Board, to the County Auditor-Controller and the State Controller's Office; (iii) post the Administrative Budget, as approved by the Oversight Board, on the Successor Agency's internet website; (iv) submit to the County Auditor-Controller the administrative cost estimates from the Administrative Budget in the amount of \$125,000 that are to be paid from property tax revenues deposited in the County's RPTTF established for the Successor Agency; and (v) take

such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Oversight Board.

**Section 5.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 6.** The Oversight Board determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

**Section 7.** This Resolution shall take effect upon the date of its adoption and is subject to review by the Department of Finance in accordance with H&S Code Section 34179(h) of the Dissolution Act.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 26<sup>th</sup> day of February 2014, by the following vote:

<b>AYES:</b>	<b>BOARD MEMBERS:</b>
<b>NOES:</b>	<b>BOARD MEMBERS:</b>
<b>ABSENT:</b>	<b>BOARD MEMBERS:</b>

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**MAYDA WINTER**  
**CHAIRPERSON**

**ATTEST:**

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**JACQUELINE M. HALD, MMC**  
**SUCCESSOR AGENCY SECRETARY**

EXHIBIT "A"

IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY  
ADMINISTRATIVE BUDGET  
July 1, 2014 THROUGH DECEMBER 31, 2014

Approved by the Oversight Board on February 26, 2014

JULY 1, 2014 THROUGH DECEMBER 31, 2014

LABOR COSTS

Position Title	SA Admin Labor Cost
Assistant City Manager/Comm Dev Director	\$ 35,749.01
Administrative Secretary II	\$ 1,090.00
City Manager	\$ 16,954.14
Clerk Typist	\$ 1,180.82
City Clerk	\$ 8,291.30
Administrative Services Director	\$ 20,499.38
Financial Services Assistant	\$ 1,994.75
Senior Account Technician	\$ 1,740.83
<b>Labor Cost SA Calculation Totals</b>	<b>\$ 87,500</b>

OTHER OPERATING EXPENSES

Legal Costs (6-months)	37,500
<b>Other Operating Expenses Totals:</b>	<b>\$ 37,500</b>
<b>Successor Agency Administrative Cost Total:</b>	<b>\$ 125,000</b>

STAFF REPORT  
OVERSIGHT BOARD  
TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

TO: CHAIR AND MEMBERS OF THE OVERSIGHT BOARD TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR  
AGENCY

FROM: ANDY HALL, EXECUTIVE DIRECTOR  
GREGORY WADE, DEPUTY DIRECTOR 

MEETING DATE: FEBRUARY 26, 2014

SUBJECT: ADOPTION OF RESOLUTION NO. OB-14-33 OF THE  
OVERSIGHT BOARD TO THE IMPERIAL BEACH  
REDEVELOPMENT AGENCY SUCCESSOR AGENCY  
APPROVING AND ADOPTING THE RECOGNIZED  
OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF  
JULY 1, 2014 THROUGH DECEMBER 31, 2014 (ROPS 14-15A)

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**EXECUTIVE SUMMARY:**

Staff is seeking adoption of Resolution No. OB-14-33 that would approve and adopt the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2014 through December 31, 2014 (the "ROPS 14-15A"). A total of \$1,705,714 of Redevelopment Property Tax Trust Fund (RPTTF) monies are being requested for the upcoming six-month period. Among the items included on the ROPS 14-15A for which RPTTF is being requested is repayment of the City Loan made by the City of Imperial Beach to the former Redevelopment Agency which currently has an outstanding principal balance of \$3,738,100. Since the Successor Agency received its Finding of Completion on April 12, 2013, pursuant to Section 34191.4(b) of the Dissolution Act, the State Department of Finance (the "DOF") has advised the Successor Agency that this loan may be repaid as an enforceable obligation provided the Oversight Board makes a finding that the loan was made for legitimate redevelopment purposes. Additionally, repayment of the loan is subject to the repayment formula outlined in Section 34191.4(b)(2)(A) of the Dissolution Act. Pursuant to this formula, the maximum amount of RPTTF authorized each fiscal year to repay the loan is equal to fifty percent (50%) of the increase in residual distributions of RPTTF to the taxing entities from Fiscal Year 2012-2013 (which totaled \$0) to Fiscal Year 2013-2014 (which totaled \$2,230,430). Therefore, an initial repayment amount of is \$1,115,215 is being requested in the ROPS 14-15A period.

**BACKGROUND:**

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the state and established the procedures by which this was to be accomplished. On December 29, 2011, AB 26 was largely upheld by the California State Supreme Court with some of the dates by which certain dissolution actions were to occur pushed back by four months. As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former

redevelopment agencies, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of the former redevelopment agencies.

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act").

According to the Dissolution Act, the Successor Agency shall prepare a ROPS before each six-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board.

It is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period.

The Successor Agency is required to submit the ROPS 14-15A, after its approval and adoption by the Oversight Board, to the State Department of Finance (the "DOF") and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on June 1, 2014, which is no later than March 3, 2014. Upon approval by the DOF, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on June 1, 2014 for payments to be made toward recognized obligations listed on the ROPS 14-15A and approved by the DOF.

#### **ANALYSIS:**

As noted above, the ROPS 14-15A must be approved by the Oversight Board and submitted to the DOF by March 3, 2014. The ROPS 14-15A, a copy of which is attached to this staff report, includes requested RPTTF for enforceable obligations for the up-coming six-month period of July 1, 2014 through December 31, 2014. In the DOF's approval of the ROPS 13-14A (July 1, 2013 through December 31, 2013 period), the DOF approved the funding of bond debt reserves for the 2003 and 2010 Tax Allocation Bonds with RPTTF distributed to the Successor Agency on June 1, 2013. Therefore, for the ROPS 13-14B period, the Successor Agency did not request RPTTF for bond debt service payments due in June 2014 as such payments were to be paid entirely from bond debt reserves funded by RPTTF approved by the DOF and received by the Successor Agency during the ROPS 13-14A period. Additionally, during the ROPS 13-14A period, the Successor Agency refunded the 2003 Series A Tax Allocation Bonds with the issuance of 2013 Series A Tax Allocations Refunding Bonds on December 4, 2013, resulting in significant savings in both annual and total debt service, particularly in the first four years of debt service payments over the life of the newly issued Tax Allocation Refunding Bonds. The June

2014 debt service payment for the 2003 Tax Allocations Bonds, for which a debt service reserve had been approved and distributed on June 1, 2013, was to be \$1,028,787. The June 2014 debt service payment for the 2013 Tax Allocation Refunding Bonds, however, will only be \$388,644, resulting in total savings in debt reserve of \$640,143. Pursuant to Oversight Board Resolution No. OB-14-30, which is also being considered for adoption on February 26, 2014, this balance of \$640,143 of RPTTF is proposed to be held as a reserve during the ROPS 13-14B period and reallocated toward the entire \$395,231 December 2014 bond debt service payment for the 2013 Series A Tax Allocation Refunding Bonds and the remainder allocated to the December 2014 debt service payment for the 2010 Tax Allocation Bonds and the during the ROPS 14-15A period.

#### Additional Bond Debt Reserves

Also approved and funded on the ROPS 13-14B were three items related to the issuance of the 2013 Tax Allocation Refunding Bonds. Those items were Financial Management services (First Southwest) and Fiscal Consultant services (Fraser & Associates) in the amounts of \$19,000 and \$25,500, respectively, as well as \$50,000 for Successor Agency costs also related to issuance of the bonds. Because the 2013 Tax Allocation Refunding Bonds were successfully issued on December 4, 2013, the consultant services were paid entirely from bond proceeds and, therefore, the RPTTF approved and distributed for these services, totaling \$44,500, will not be needed during this current ROPS 13-14B period. Additionally, \$50,000 of Successor Agency costs were also provided from bond proceeds. The costs borne by the Successor Agency for issuance of the Refunding Bonds, however, totaled \$53,994, leaving a balance of unused RPTTF for this item of \$46,006. Pursuant to Successor Agency Resolution No. OB-14-30 being considered for adoption on February 26, 2014, this balance of \$46,006 of RPTTF, along with the \$44,500 of unexpended RPTTF for consultant services, is also proposed to be held as a reserve during the ROPS 13-14B period and reallocated toward the December 2014 bond debt service payment for the 2010 Tax Allocation Bonds during the ROPS 14-15A period.

Additionally, during the ROPS 13-14A period, the Successor Agency received \$49,657 of RPTTF for litigation costs associated with a lawsuit filed by the Affordable Housing Coalition of San Diego County regarding the affordable housing obligations of the former redevelopment agency. During that period, however, the Successor Agency incurred costs of \$23,390, leaving unexpended RPTTF during this period in the amount of \$26,267. Therefore, the Successor Agency is recommending that this \$26,267 of unexpended RPTTF also be allocated towards the December 2014 debt service payment on the 2010 Tax Allocation Bonds. This proposal is also included in Resolution No. OB-14-30 being considered by the Successor Agency on February 19, 2014.

When added together, the reallocation of bond debt reserves resulting from the savings from the 2013 Tax Allocation Refunding Bonds (\$640,143) and the reallocated reserves from unexpended RPTTF from both the ROPS 13-14A period (\$26,267) and the ROPS 13-14B period (\$90,506) would provide full payment of December 2014 bond debt service for the 2013 Tax Allocation Refunding Bonds in the amount of \$395,231 and would provide partial payment of the 2010 Tax Allocation Bonds in the amount of \$361,865 during the ROPS 14-15A period.

#### City Loan Repayment

On April 12, 2013, the Successor Agency received its Finding of Completion from the DOF. Among other things, this allows the Successor Agency to place loan agreements entered into between the former Redevelopment Agency and the City on the ROPS 14-15A as an

enforceable obligation provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. Although the Oversight Board already made such a finding with the adoption of Resolution No. OB-13-26 approving the ROPS 13-14B, the DOF has requested that a separate such finding be made by all successor agencies seeking repayment of these loans. Therefore, the Oversight Board is also considering adoption of a separate, stand-alone resolution (Resolution No. OB-14-31) on February 26, 2014, that would make these required findings. Such loan repayments are also subject to the repayment formula of Section 34191.4(b)(2)(A) of the Dissolution Act which provides that the maximum repayment amount for each fiscal year shall be equal to one-half of the increase between the amount of residual RPTTF distributed to the taxing entities in Fiscal Year 2012-13 (the "base year") and amount of residual RPTTF distributions to the taxing entities in Fiscal Year 2013-14. In the case of Imperial Beach, the amount of residual RPTTF in the base year was \$0 and the amount distributed in Fiscal Year 2013-14 was \$2,230,240. Fifty percent of that increase is equal to \$1,115,215 and, therefore, that amount of RPTTF is being requested as the first loan repayment to the City on ROPS 14-15A.

The total amount of RPTTF requested for enforceable obligations during the ROPS 14-15A period, including the requested initial loan repayment to the City of \$1,115,215, totals \$1,555,714. This also includes the annual Administrative Cost Allowance of \$125,000 which is half of the annual total maximum (\$250,000) allowed for distribution to the Successor Agency pursuant to the Administrative Cost Allowance provisions of the Dissolution Act.

#### Successor Housing Entity (Housing Authority) Administrative Costs

Recently, the State Legislature passed Assembly Bill (AB) 471 as emergency legislation to take effect immediately and sent to Governor Brown. Among other things, this bill allocates to housing authorities that are acting as housing successors a "housing entity administrative cost allowance" in an amount up to 1% of the amount allocated to the Successor Agency's Redevelopment Obligation Retirement Fund (the "RORF") "for the applicable fiscal year" but not less than \$150,000 per fiscal year. The maximum administrative allowance would presumably be based upon the prior fiscal year's approved RPTTF to be distributed to the RORF, however, that is not expressly stated in the bill. The housing authority will be eligible to receive this allowance for a five-year period and if there is insufficient money in the RORF in a particular ROPS period, the shortfall would carry over to future ROPS periods.

The vote on AB 471 was 35-0 in the Senate and 75-0 in the Assembly. The Governor has until February 24, 2014, to either sign the bill or veto it, or it will become law without his signature. If the bill is vetoed, the Legislature will have 60 days to override the veto with a 2/3 vote of each chamber.

In Imperial Beach, the housing successor is the Housing Authority. Therefore, it qualifies for the "housing entity administrative cost allowance" in the amount up to 1% of the RPTTF allocated to the SA's RORF or at least \$150,000 per fiscal year. In the case of Imperial Beach, since 1% of the amount of RPTTF distributed to the RORF is less than \$150,000, the attached ROPS 14-15A has included as line item 38 this new "housing successor" administrative fee of \$150,000 in the event AB 471 becomes law, which may happen during this ROPS period.

Governor Brown indicated that he viewed such an allowance favorably when it was included in last year's AB 662 (which was vetoed for other reasons that will not be at issue with this current legislation). Successor Agency staff should know whether or not the bill was signed (or otherwise became law) before the ROPS is presented to the Oversight Board on February 26,

2014. The legislation would also authorize the Successor Agency to list on the ROPS payments that are not yet due if a lender requires cash on hand beyond the current ROPS cycle. It also clarifies that, if a payment is due during the current ROPS cycle but a bill or invoice has not been received, the payment can be supported by reasonable estimates and projections.

**ENVIRONMENTAL DETERMINATION:**

The activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by CEQA Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

**FISCAL IMPACT:**

Approval of the obligations listed on the ROPS 14-15A and their funding from RPTTF will allow the Successor Agency to make required and timely payments for those obligations during the period from July 1, 2014 through December 31, 2014. The amount of RPTTF requested to fund enforceable obligations, including the initial requested repayment of the City Loan, totals \$1,705,714. If approved by the DOF as an enforceable obligation, the repayment of the City Loan would reduce outstanding obligations of the Successor Agency and the City's General Fund would be repaid from RPTTF up to \$1,115,215 during the ROPS 14-15 A period towards the total outstanding loan balance of \$3,738,100 with the remaining loan balance repaid during subsequent ROPS periods.

**RECOMMENDATION:**

Staff recommends that the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution Number OB-14-33 approving the Recognized Obligation Payment Schedule for the period of July 1, 2014 through December 31, 2014 (referred to as the "ROPS 14-15A").

Attachments:

1. Resolution No. OB-14-33
2. ROPS 14-15A

## RESOLUTION NO. OB-14-33

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE 6-MONTH PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014 AND APPROVING RELATED ACTIONS**

**WHEREAS**, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484. On October 13, 2013, the Legislature passed and the Governor signed Senate Bill No. 341 ("SB 341"), which further amended certain provisions of AB 26 as amended by AB 1484 and AB 1585 (AB 26, AB 1484, AB 1585, and SB 341 are

collectively referred to herein as the "Dissolution Act"); and

**WHEREAS**, on April 12, 2013, the State Department of Finance ("Department of Finance") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

**WHEREAS**, pursuant to H&S Code Section 34171(h) of the Dissolution Act, a "Recognized Obligation Payment Schedule" ("ROPS") means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each 6-month fiscal period as provided in H&S Code Section 34177(m) of the Dissolution Act; and

**WHEREAS**, pursuant to H&S Code Section 34177(l)(3) of the Dissolution Act, the ROPS shall be forward looking to the next six (6) months; and

**WHEREAS**, according to H&S Code Section 34177(l)(1) of the Dissolution Act, the Successor Agency shall prepare a ROPS before each 6-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board in accordance with Part 1.85 of the Dissolution Act; and

**WHEREAS**, it is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

**WHEREAS**, pursuant to H&S Code Section 34177(m) of the Dissolution Act, the Successor Agency is required to submit the ROPS for the period of July 1, 2014 through December 31, 2014, after its approval and adoption by the Oversight Board, to the Department of Finance and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on June 1, 2014, which is no later than March 3, 2014; and

**WHEREAS**, the ROPS covering the 6-month period from July 1, 2014 through December 31, 2014 (the "ROPS 14-15A") was approved and adopted by the Successor Agency at its meeting conducted on February 19, 2014; and

**WHEREAS**, the ROPS 14-15A is attached to this Resolution as Exhibit "A" and is presented to the Oversight Board at this meeting for review, approval, and adoption; and

**WHEREAS**, in accordance with H&S Code Section 34177(l)(2)(B) of the Dissolution Act, the Successor Agency submitted a copy of the ROPS 14-15A to the San Diego County Administrative Officer, the County Auditor-Controller, and the Department of Finance at the same time that the Successor Agency submitted the ROPS 14-15A to the Oversight Board for review, approval and adoption; and

**WHEREAS**, pursuant to H&S Code Section 34177(l)(2)(C) of the Dissolution Act, a copy

of the Oversight Board-approved ROPS 14-15A shall be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and shall be posted on the Successor Agency's internet website; and

**WHEREAS**, pursuant to H&S Code Section 34177(m)(1) of the Dissolution Act, the Successor Agency shall submit a copy of the Oversight Board-approved ROPS 14-15A to the Department of Finance electronically and the Successor Agency shall have completed the ROPS 14-15A in the manner provided by the Department of Finance; and

**WHEREAS**, pursuant to H&S Code Section 34183(a)(2) of the Dissolution Act, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on June 1, 2014 for payments to be made toward recognized obligations listed on the ROPS 14-15A and approved by the Department of Finance; and

**WHEREAS**, the proposed ROPS 14-15A attached to this Resolution as Exhibit "A" is consistent with the requirements of the H&S Code and other applicable law; and

**WHEREAS**, the proposed ROPS 14-15A contains the schedules for payments on enforceable obligations required for the applicable 6-month period and sources of funds for payments as required pursuant to H&S Code Section 34177(l) of the Dissolution Act; and

**WHEREAS**, pursuant to H&S Code Section 34177(m) of the Dissolution Act, the ROPS 14-15A as approved and adopted by the Oversight Board shall be submitted to the Department of Finance and the County Auditor-Controller by March 3, 2014. Section 34177(m) further provides that the Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of enforceable obligations no later than forty-five (45) days after the ROPS is submitted and that the Successor Agency may, within five (5) business days of the Department of Finance's determination, request an additional review by the Department of Finance and an opportunity to meet and confer on disputed items. In the event of a meet and confer and request for additional review, the meet and confer period may vary but the Department of Finance shall notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least fifteen (15) days before the date of property tax distribution on June 1, 2014; and

**WHEREAS**, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

**WHEREAS**, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

**Section 1.** The Oversight Board hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.

**Section 2.** The Oversight Board hereby approves and adopts the ROPS 14-15A for the 6-month period from July 1, 2014 through December 31, 2014, in substantially the form attached to this Resolution as Exhibit "A", and hereby determines that all obligations listed on the ROPS 14-15A constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act.

**Section 3.** The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to: (i) submit the ROPS 14-15A, as approved and adopted by the Oversight Board, to the Department of Finance electronically and to the County Auditor-Controller no later than March 3, 2014; (ii) submit a copy of the ROPS 14-15A, as approved and adopted by the Oversight Board, to the State Controller's Office and post the ROPS 14-15A on the Successor Agency's internet website; (iii) revise the ROPS 14-15A, and make such changes and amendments as necessary, before official submittal of the ROPS 14-15A to the Department of Finance in order to complete the ROPS 14-15A in the manner provided by the Department of Finance and to conform the ROPS 14-15A to the form or format as may be prescribed by the Department of Finance; (iv) make other non-substantive changes and amendments to the ROPS 14-15A as may be approved by the Executive Director of the Successor Agency and its legal counsel; and (v) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Oversight Board.

**Section 4.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 5.** The Oversight Board determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

**Section 6.** This Resolution shall take effect upon the date of its adoption and is subject to review by the Department of Finance in accordance with H&S Code Section 34177(m) of the Dissolution Act.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 26<sup>th</sup> day of February 2014, by the following vote:

<b>AYES:</b>	<b>BOARD MEMBERS:</b>
<b>NOES:</b>	<b>BOARD MEMBERS:</b>
<b>ABSENT:</b>	<b>BOARD MEMBERS:</b>

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**MAYDA WINTER  
CHAIRPERSON**

**ATTEST:**

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**JACQUELINE M. HALD, MMC  
SUCCESSOR AGENCY SECRETARY**

**EXHIBIT "A"**

**IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
July 1, 2014 through December 31, 2014  
("ROPS 14-15A")**

**(attached)**

**Approved and Adopted by the Oversight Board on February 26, 2014**

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

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

Name of Successor Agency: Imperial Beach  
 Name of County: San Diego

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>	
<b>A Sources (B+C+D):</b>	<b>\$ 756,916</b>
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	756,916
D Other Funding (ROPS Detail)	-
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 1,705,714</b>
F Non-Administrative Costs (ROPS Detail)	1,430,714
G Administrative Costs (ROPS Detail)	275,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 2,462,630</b>

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	1,705,714
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(151,267)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 1,554,447</b>

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	1,705,714
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>1,705,714</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify based on my information and belief that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P				
										L						M	N	O	
										Funding Source									Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			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					
								\$ 73,824,131		\$ -	\$ 756,916	\$ -	\$ 1,430,714	\$ 275,000	\$ 2,462,630				
1	2003 TAB Series A (Refunded by 2010 Tax Allocation Bonds Series)	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2036	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)( E ). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	Y	-	-	-	-	-	\$ -				
2	2003 Tax Allocation Bonds Series A Reserve	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2036	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)( E ). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	41,955,238	N	-	361,685	-	158,868	-	\$ 520,553				
3	2010 Tax Allocation Bonds Series Reserve	Bonds Issued On or Before 12/31/10	11/1/2010	11/1/2041	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)( E ). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	N	-	-	-	-	-	\$ -				
4	Housing Loan/Advance to make Bond Payment	Miscellaneous	5/1/2012	6/30/2015	Housing Authority	Advance/loaned Housing Deficiency Low Mod Tax Increment Funds loaned/advanced to pay May 2012 Bond Payments. Section 34171 (d) (1) (G). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	N	-	-	-	-	-	-				
5	Housing Loan/Advance to pay Enforceable Obligations	Miscellaneous	6/1/2012	7/1/2015	Housing Authority	Advance/loaned Housing Deficiency Low Mod Tax Increment Funds loaned/advanced to pay ROPS 1 & 2 enforceable obligations. Section 34171 (d) (1) (G). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	N	-	-	-	-	-	-				
6	Housing (HA) Loan/Advance to pay Enforceable Obligations	Miscellaneous	6/1/2012	7/2/2015	Housing Authority	Advance/loaned Housing Deficiency Low Mod Tax Increment Funds (HA) loaned/advanced to pay ROPS 1 & 2 enforceable obligations. Section 34171 (d) (1) (G). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	N	-	-	-	-	-	-				
7	Housing Agreement	Miscellaneous	1/1/2011	7/3/2015	Imperial Beach	For provisions of housing costs under CRL pursuant to Health and Safety Code 34171 (d) (3), 34176. See Notes Page	Palm Ave Commercial Corridor PA1, PA2	-	N	-	-	-	-	-	-				
8	Clean & Green Program	Improvement/Infrastructure	4/17/2013	6/30/2014	Various Contractors/Project Management	Tax Exempt Housing Bond Indenture Project pursuant to and consistent with 2003 Tax Allocation Bonds Series A issued December 2003.	Palm Ave Commercial Corridor PA1, PA2	-	Y	-	-	-	-	-	\$ -				
9	Habitat Project	Improvement/Infrastructure	6/28/2013	6/30/2014	Habitat P.M. /Project Management	Tax Exempt Housing Bond Indenture Project pursuant to and consistent with 2003 Tax Allocation Bonds Series A issued December 2003.	Palm Ave Commercial Corridor PA1, PA2	-	Y	-	-	-	-	-	\$ -				
10	Admin Budget	Admin Costs	7/1/2014	12/31/2014	Successor Agency & City of Imperial Beach	Per Sections 34177(j) and 34177(k) of the Dissolution Act, the Administrative Budget and estimated payment with RPTTF was approved by Successor Agency on February 19, 2014 by Resolution and presented to the Oversight Board for approval by Resolution on February 26, 2014. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	125,000	N	-	-	-	-	125,000	\$ 125,000				
11	City Service Agreement	Miscellaneous	7/1/2007	12/31/2014	City of Imperial Beach	Per AB 26/AB 1484 - Section 34171 (d) (1) (F), 34178 (a), 34180 (h). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	N	-	-	-	-	-	-				
12	Legal	Legal	11/13/2013	2/1/2016	McDougal Love/Kane Ballmer	Legal Services provided to Successor Agency per enforceable obligations.	Palm Ave Commercial Corridor PA1, PA2	200,000	N	-	-	-	-	-	\$ -				
13	Pier South Hotel Project Requirements	OPA/DDA/Construction	12/1/2010	3/15/2066	Successor Agency & City of Imperial Beach	Fulfillment of Project requirements per Developer/Former RDA DDA and Ground Lease, per H&S Code Section 34171(d)(1)(E). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	180,000	N	-	-	-	30,000	-	\$ 30,000				

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										Funding Source						Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			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		
18	Litigation - Defense Costs/Fees	Litigation	4/25/2012	2/1/2016	Successor Agency, City of Imperial Beach, McDougal Love, and Kane Ballmer	Lawsuit filed by Affordable Housing Coalition of San Diego County re obligations of Former RDA. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	100,000	N				60,000		\$ 60,000	
19	Oversight Board Costs Required by State Law	Admin Costs	7/1/2014	12/31/2014	Successor Agency & City of Imperial Beach	Costs incurred by Successor Agency as requested and required by the Oversight Board per State law. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	20,000	N						\$ -	
22	9th & Palm Avenue Real Estate Management	Property Maintenance	7/1/2014	12/31/2014	Successor Agency & City of Imperial Beach	Costs relating to Successor Agency owned asset per LRPMP and PSA. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	100,000	N				50,000		\$ 50,000	
23	Tax Allocation Bonds Required Annual Continuing Disclosure	Professional Services	11/17/2010	1/1/2041	NBS	Costs relating to required annual continuing disclosure obligations of the Successor Agency on the 2013 Series A TABs and 2010 TABs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	7,900	N				2,125		\$ 2,125	
24	Tax Allocation Bonds Property Tax Data Collection/Monitoring	Professional Services	1/14/2004	1/1/2041	HdL	Data used by NBS for preparation of the required annual continuing disclosure obligations of the Successor Agency on the 2013 Series A TABs and 2010 TABs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	4,050	N				2,025		\$ 2,025	
25	Successor Agency Annual Financial Audit and Financial Statements Required by State Law	Professional Services	9/4/2013	12/31/2014	Lance, Soll Lundgard, CPA Firm	Costs relating to the Successor Agency's preparation of Annual Audit and Financial Statements required by State law. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	6,007	N				6,007		\$ 6,007	
26	2003 Series A Tax Allocation Bonds Refunding Financial Advisor/Non-Contingent Portion	Professional Services	12/1/2013	2/1/2014	First Southwest	2003 Series A TABs Refunding Financial Advisor - non-contingent portion of costs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	
27	2003 Series A Tax Allocation Bonds Fiscal Consultant/Non-Contingent Portion	Professional Services	7/17/2013	2/1/2014	Fraser & Associates	2003 Series A TABs Refunding Fiscal Consultant - non-contingent portion of costs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	
28	2003 Series A Tax Allocation Bonds Refunding Successor Agency Non-Contingent Fees & Costs	Professional Services	12/1/2013	2/1/2014	Successor Agency, City of Imperial Beach, McDougal, Love and Kane, Ballmer	2003 Series A TABs Refunding and 2013 Series A Refunding TABs Issuance - Successor Agency non-contingent fees and costs (including legal fees and reimbursement costs).	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	
29	City Loan Repayment Indebtedness - Loan from City to Former RDA within 2 years of Redevelopment Plan Adoption and Expansion/Amendment - H&S Code Section 34191.4(b)	City/County Loans On or Before 6/27/11	6/7/1995	12/21/2023	City of Imperial Beach	City loan to Former RDA executed within 2 years of Redevelopment Agency formation and repaid per H&S Code Section 34191.4(b). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	3,738,100	N				1,115,215		1,115,215	
30	Prior Period Litigation RPTTF Distribution	Litigation	1/1/2014	6/30/2014	Successor Agency & City of Imperial Beach	Litigation action relating to RPTTF distribution on June 1, 2012 and payment of enforceable obligations. Litigation was filed to protect enforceable obligations and prevent default as a result of County notice not to distribute June 1, 2012 RPTTF without DOF approval letter. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	
33	Bond Services 2003 TABs	Professional Services	12/11/2003	6/1/2033	Wells Fargo	Trustee Services for 2013 Series A Refunding TABs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	
34	Bond Services 2010 TABs and 2013 Series A Tax Allocation Refunding Bonds	Professional Services	11/18/2010	11/1/2041	Wells Fargo	Trustee Services for 2010 TABs and the 2013 Series A Tax Allocation Refunding Bonds. See Notes Page.	Palm Ave Commercial Corridor PA1, PA3	36,000	N				5,500		\$ 5,500	



**Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I				
									Fund Sources			
									Bond Proceeds		Reserve Balance	
Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments						
<b>Cash Balance Information by ROPS Period</b>												
<b>ROPS 13-14A Actuals (07/01/13 - 12/31/13)</b>												
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)				267,146							
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013						3,265,673	Column 2-H includes all \$250,000 of the Admin C				
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs				267,146		1,331,616	Column H-3 includes only half of the \$250,000 AC				
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A						1,809,057	Column 4-H includes DOF-approved bond debt re				
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						151,267	\$250,000 of distributed ACA and \$26,267 of unexpended RPTTF approved for litigation costs in the ROPS 13-14A period which the SA and OB			
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,267)	\$26,267 of RPTTF is proposed by the SA and C			
<b>ROPS 13-14B Estimate (01/01/14 - 06/30/14)</b>												
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ 1,809,057	\$ -	\$ 125,000	ed with the SA's June 1, 2013 RPTTF distribution.				
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014						243,645					
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)				1,142,647		283,144	Column 9-H includes RPTTF received on 1-2-14 p				
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B			26,267	640,143		90,506	Column 10-H includes unexpended and retained F				
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ (26,267)	\$ 26,267	\$ -	\$ (5,005)					



## Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
1	The 2003 Series A Tax Allocation Bonds were refunded with the issuance of 2013 Series A Tax Allocation Refunding Bonds on December 4, 2013. Therefore, this item (Item 1) has been retired and a new item (Item 36) has been added for the 2013 Series A Tax Allocation Refunding Bonds.
2	Due to a reduction in bond debt service payments for the 2013 Series A Tax Allocation Refunding Bonds during the ROPS 13-14B period as a result of the refunding of the 2003 Series A Tax Allocation Bonds in December 2013, there is a balance of \$640,143 of unexpended RPTTF originally held as a reserve for bond debt service payments on the 2003 Series A TABS during the ROPS 13-14B period. The Successor Agency proposes to the Oversight Board for adoption on February 26, 2014 per Oversight Board Resolution No. OB-14-30 the holding of \$640,143 as a reserve during the ROPS 13-14B period and the reallocation and use of said funds toward the bond debt service payments on the 2013 Series A TABS during the ROPS 14-15A period as payment in full of bond debt service in the amount of \$395,231 and on the 2010 TABs during the ROPS 14-15A period as partial payment of bond debt service in the amount of \$244,912. In addition, obligations approved on the ROPS 13-14B pertaining to non-contingent costs for the bond refunding process (Item #26 for \$19,000, Item #27 for \$25,500, Item #28 for a remaining balance of \$46,006 - totaling \$90,506) were in fact paid by the bond refunding proceeds, or in the case of Item #28 has a remaining unexpended balance. Additionally, there is a \$26,267 unexpended RPTTF balance from Item #18 on ROPS 13-14A. Therefore, per Oversight Board Resolution No. OB-14-30 proposed to be adopted on February 26, 2014, the balance of \$90,506 of RPTTF from ROPS 13-14B and the balance of \$26,267 of RPTTF from ROPS 13-14A was approved to be held as a reserve during the ROPS 13-14B period and reallocated toward the bond debt service payment on the 2010 TABs during the ROPS 14-15A period as partial payment of bond debt service in the amount of \$116,773. As such, the total bond debt service payment for the 2010 TABs during the ROPS 14-15A period is \$522,278 and is proposed to be funded with the reserve RPTTF amount of \$361,685 (\$244,912 plus \$90,506 plus \$26,267) from the OB's reallocation of RPTTF funds from the ROPS 13-14A period and the ROPS 13-14B period, plus a total new RPTTF requested amount of \$158,868 for the ROPS 14-15A period.
3	The 2003 Series A Tax Allocation Bonds were refunded with the issuance of 2013 Series A Tax Allocation Refunding Bonds on December 4, 2013. Therefore, this item (Item 3), establishing a bond debt service reserve funded with RPTTF and previously approved by the DOF, has been retired and a new item (Item 37) has been added to establish a bond debt reserve funded with RPTTF for the 2013 Series A Tax Allocation Refunding Bonds.
11	The amount of the Administrative Cost Allowance is not intended to limit the use and amount of other funds available to the Successor Agency, if any is available, to be used to pay for additional administrative costs included in the Administrative Budget for the period July 1, 2014 through December 31, 2014.
14	These costs are associated with a DDA entered into by the Former RDA on December 16, 2010 and the Ground Lease, as required by the DDA, on March 15, 2011. Pursuant to H&S Code Section 34171(d)(1)(E), this item constitutes an enforceable obligation. This item is specifically excluded from the definition of and payment by the administrative cost allowance and does not constitute an administrative cost as a project-related cost pursuant to H&S Code Section 34171(b). Payment of this obligation is required by the underlying Former RDA DDA and Ground Lease and therefore constitutes an enforceable obligation of the Successor Agency pursuant to H&S Code Section 34171(d)(1)(E) and shall be payable from RPTTF monies.
18	Litigation costs due to the filing of a lawsuit by the Affordable Housing Coalition of San Diego County alleging that unmet obligations of the Former RDA pursuant to the California Community Redevelopment Law constitute an enforceable obligation of the Successor Agency payable from RPTTF. Costs relating to potential and pending litigation in connection with assets or obligations constitute an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies, not as an administrative cost, pursuant to H&S Code Section 34171(b).
19	Costs incurred by the Successor Agency in connection with performing statutorily required services for the Oversight Board are not administrative costs and are not paid using the Administrative Cost Allowance because they are costs incurred by the Successor Agency due to the Successor Agency being required to perform services for the Oversight Board pursuant to State law set forth at H&S Code Section 34179(c). As such, payment of this obligation is required by State law at H&S Code Section 34179(c) and therefore constitutes an enforceable obligation of the Successor Agency pursuant to H&S Code Section 34171(d)(1)(C) and shall be payable from RPTTF monies, not as an administrative cost.

## Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
22	These costs are associated with managing this real estate asset owned by the Successor Agency per the LRPMP and Purchase and Sale Agreement approved by the DOF. Further, these costs are specifically excluded from the definition of and payment by the administrative cost allowance and does not constitute an administrative cost as a cost for maintaining assets pursuant to H&S Code Section 34171(b) and constitutes an enforceable obligation pursuant to H&S Code Section 34171(d)(1)(E). Payment of these obligations constitute an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies.
23	Costs relating to annual continuing disclosure obligations of the Successor Agency on the 2013 Series A Tax Allocation Refunding Bonds and the 2010 TABs are required by the Indentures governing the issuance of the TABs and constitute enforceable obligations of the Successor Agency pursuant to H&S Code Sections 34171(d)(1)(A) and 34171(d)(1)( E ), and shall be payable from RPTTF monies, not as an administrative cost.
24	Costs relating to data collection and monitoring for the annual continuing disclosure obligations of the Successor Agency on the 2013 Series A Tax Allocation Refunding Bonds and the 2010 TABs are required by the Indentures governing the issuance of the TABs and constitute enforceable obligations of the Successor Agency pursuant to H&S Code Sections 34171(d)(1)(A) and 34171(d)(1)( E ), and shall be payable from RPTTF monies, not as an administrative cost.
25	Pursuant to State law at H&S Code Section 34177(n), the Successor Agency is required to cause a post audit of the financial transactions and records of the successor agency to be made at least annually by a certified public accountant. As such, payment of this obligation is required by State law at H&S Code Section 34177(n) and therefore constitutes an enforceable obligation of the Successor Agency pursuant to H&S Code Section 34171(d)(1)(C) and shall be payable from RPTTF monies, not as an administrative cost.
29	On May 3, 1995, the Former RDA was created. On June 7, 1995, and within 45 days of creation of the Former RDA, the City of Imperial Beach and the Former RDA entered into a Cooperation Agreement for the City's loan/advance of funds to the Former RDA for startup monies to jump start redevelopment, which loan/advances would be repaid by the Former RDA from tax increment funds. City loan/advances were provided to the Former RDA upon the adoption of the Redevelopment Plan for the original Project Area and upon the adoption of the Redevelopment Plan for Amendment No. 1 Area. Repayment of the City loan is due and payable now as the City has called repayment of the principal of the loan. However, per the DOF on the meet and confer determination on the ROPS 13-14B dated December 17, 2013, the DOF states this City loan is subject to the provisions and repayment formula outlined in H&S Code Section 34191.4(b). Therefore, per Oversight Board Resolution No. OB-14-31, the Oversight Board approved the City Loan as an enforceable obligation and made a finding that the City loan was made for legitimate redevelopment purposes and approved the repayment schedule for the principal balance of the City loan in the amount of \$3,738,100. Additionally, the requested RPTTF amount for this ROPS 14-15A period of \$1,115,215 is equal to 50% of the increase in residual distributions from FY 2012-2013 (\$0) to FY 2013-2014 (\$2,230,430).
33	The 2003 Series A Tax Allocation Bonds were refunded with the issuance of 2013 Series A Tax Allocation Refunding Bonds on December 4, 2013. Therefore, this item (Item 33) has been retired and the Trustee Services required for the 2013 Series A Tax Allocation Refunding Bonds have been combined with the Trustee Services for the 2010 Tax Allocation Bonds under Item 34.
34	Costs relating to Trustee services provided to the Successor Agency for both the 2010 Series A Tax Allocation Bonds and the 2013 Series A Tax Allocation Refunding Bonds are required by the Indenture governing the issuance of these TABs and constitute enforceable obligations of the Successor Agency pursuant to H&S Code Sections 34171(d)(1)(A) and 34171(d)(1)( E ), and shall be payable from RPTTF monies, not as an administrative cost.
35	This requested payment from RPTTF in the amount of \$974 relates to actual costs exceeding allocated RPTTF on the ROPS 3 for unfunded ROPS 2 DOF-approved obligations. This payment relates to the following obligations: Wells Fargo Bank Continuing Bond Disclosure (\$3,200 estimated versus \$4,000 actual incurred) and RDA Statute of Compliance (\$2,611 estimated versus \$2,785 actual incurred).

