



*Chair Antonio Lopez • Vice Chair Sylvia Ballin
Board Member Jesse H. Avila • Board Member Joel Fajardo • Board Member Robert C. Gonzales
Interim Executive Director Fred Ramirez*

SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY

REGULAR MEETING NOTICE & AGENDA

FEBRUARY 3, 2014 – 6:00 PM

**COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CA 91340**

CALL TO ORDER/ROLL CALL

APPROVAL OF AGENDA

PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the Agency Board.

CONSENT CALENDAR

Items on the Consent Calendar are considered routine and may be disposed of by a single motion to adopt staff recommendation. If the Agency Board wishes to discuss any item, it should first be removed from the Consent Calendar.

1) REQUEST TO APPROVE MINUTES OF:

- a) NOVEMBER 19, 2012 – REGULAR MEETING**
- b) JANUARY 21, 2014 – REGULAR MEETING**
- c) JANUARY 27, 2014 – SPECIAL (JOINT) MEETING**

NEW BUSINESS

- 2) CONSIDERATION OF ADOPTION OF RESOLUTION NO. 60 APPROVING AN INTERIM LOAN AGREEMENT (CONTRACT NO. 1733) BETWEEN THE CITY AND THE SUCCESSOR AGENCY**



SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY REGULAR MEETING NOTICE & AGENDA – FEBRUARY 3, 2014 PAGE 2

Recommend that the Successor Agency adopt Resolution No. 60 approving an Interim Loan Agreement (Successor Agency Loan Agreement No. 14-15A:1) City Contract No. 1733 between the City and the Successor Agency.

3) **CONSIDERATION OF APPROVAL OF RECOGNIZED PAYMENT OBLIGATION SCHEDULE (ROPS) NO. 14-15A**

Recommend that the Successor Agency adopt Resolution No. 58 approving the ROPS No. 14-15A for the six-month fiscal period from July 1, 2014 through December 31, 2014, and taking certain related actions.

4) **CONSIDERATION OF APPROVAL OF ADMINISTRATIVE BUDGET NO. 14-15A**

Recommend that the Successor Agency adopt Resolution No. 59 approving Administrative Budget No. 14-15A for the six-month fiscal period from July 1, 2014 through December 31, 2014.

AGENCY DISCUSSION

STAFF COMMUNICATION

ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.

Elena G. Chávez, City Clerk

Signed and Posted: January 30, 2014 (5:00 p.m.)

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web site (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk's Office. Any public writings distributed by the Successor Agency to at least a majority of the Board Members regarding any item on this regular meeting agenda will also be made available at the City Clerk's Office at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at www.sfcity.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk's Office at (818) 898-1204 at least 48 hours prior to the meeting.

Successor Agency to the San Fernando Redevelopment Agency

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**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY
MINUTES**

**NOVEMBER 19, 2012 – 6:00 PM
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Chair Brenda Esqueda called the meeting to order at 6:13 p.m.

Present:

Agency: Chair Brenda Esqueda, Vice-Chair Antonio Lopez, and Board Members
Maribel De La Torre and Sylvia Ballin

Staff: Executive Director Al Hernández, General Counsel Maribel S. Medina,
and Secretary Elena G. Chávez

APPROVAL OF AGENDA

Motion by Board Member De La Torre, seconded by Vice-Chair Lopez, to approve the agenda.
By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

None

CONSENT CALENDAR

Motion by Board Member De La Torre, seconded by Vice-Chair Lopez, to approve the following
Consent Calendar item:

- 1) ADOPTION OF RESOLUTION NO'S 23 AND 24 - APPROVAL OF WARRANT
REGISTERS

By consensus, the motion carried.

**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY
MINUTES – November 19, 2012
Page 2**

AGENCY DISCUSSION

None

STAFF COMMUNICATION

Executive Director Hernández reported that there would be a meeting with the Department of Finance (DOF) regarding items on the Recognized Obligation Payment Schedule (ROPS 3) that were disapproved by the DOF. Those items include approximately \$400,000 in pension monies that were incorrectly accounted for between 2004-2010 and about \$700,000 which should have been pension money and not taxable income.

ADJOURNMENT (6:18 P.M.)

By consensus, the meeting was adjourned.

I do hereby certify that the foregoing is a true and correct copy of the minutes of November 19, 2012, meeting as approved by the Successor Agency to the San Fernando Redevelopment Agency.

*Elena G. Chávez
Secretary*

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**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY
MINUTES**

**JANUARY 21, 2014 – 6:00 PM
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Chair Antonio Lopez called the meeting to order at 6:01 p.m.

Present:

Agency: Chair Antonio Lopez, Vice-Chair Sylvia Ballin, and Board Members Jesse H. Avila, Robert C. Gonzales, and Joel Fajardo

Staff: Interim Executive Director Fred Ramirez, General Counsel Rick R. Olivarez, and Secretary Elena G. Chávez

APPROVAL OF AGENDA

Motion by Board Member Fajardo, seconded by Vice-Chair Ballin, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

None

CONSENT CALENDAR

Motion by Vice-Chair Ballin, seconded by Board Member Avila, to approve the following Consent Calendar items:

- 1) APPROVAL OF MINUTES OF JANUARY 6, 2014 – REGULAR MEETING
- 2) REQUEST TO ADOPT RESOLUTION NO. 57 – APPROVAL OF WARRANT REGISTER

By consensus, the motion carried.

**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY
MINUTES – January 21, 2014
Page 2**

AGENCY DISCUSSION

None

STAFF COMMUNICATION

None

ADJOURNMENT (6:03 P.M.)

By consensus, the meeting was adjourned.

I do hereby certify that the foregoing is a true and correct copy of the minutes of January 21, 2014, meeting as approved by the Successor Agency to the San Fernando Redevelopment Agency.

*Elena G. Chávez
Secretary*

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**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY
AND THE SAN FERNANDO CITY COUNCIL
MINUTES**

**JANUARY 27, 2014 – 4:30 P.M.
SPECIAL JOINT MEETING**

City Hall Community Room
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Chair/Mayor Antonio Lopez called the meeting to order at 4:37 p.m.

Present:

Agency/Council: Chair/Mayor Antonio Lopez, Vice-Chair/Mayor Pro Tem Sylvia Ballin, and Members/Councilmembers Jesse H. Avila, Joel Fajardo, and Robert C. Gonzales

Staff: Interim Executive Director/City Manager Fred Ramirez, Assistant City Attorney Dave Gondek (via teleconference), and Secretary/City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Chair/Mayor Antonio Lopez

APPROVAL OF AGENDA

Motion by Vice-Chair/Mayor Pro Tem Ballin, seconded by Member/Councilmember Avila, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

None

**SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY
AND SAN FERNANDO CITY COUNCIL
SPECIAL JOINT MEETING MINUTES – January 27, 2014
Page 2**

STUDY SESSION

- 1) JOINT SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY (SUCCESSOR AGENCY)/CITY COUNCIL DISCUSSION REGARDING POSSIBLE DESIGNATION OF FORMER AGENCY-OWNED PROPERTIES WITHIN UPCOMING LONG-RANGE PROPERTY MANAGEMENT PLAN

Interim Executive Director/City Manager Fred Ramirez presented the staff report.

Discussion ensued and both he and Assistant City Attorney Dave Gondek replied to questions from Member/Councilmembers

Motion by Vice-Chair/Mayor Pro Tem Ballin, seconded by Member/Councilmember Gonzales, to:

- a) Designate all the City Parking Lots (noted in Exhibit “A” of report and attached to these minutes) as property to be retained by the City for governmental use pursuant to subdivision (a) of Health and Safety Code Section 34181 within the Long Range Property Management Plan while also determining the feasibility of designating one or more of these City Parking Lot Nos. 3, 5, 6N, 8 and 10 for future mixed-use and/or affordable housing project sites; and
- b) Designate former agency-parcel at 1320 San Fernando Road within the Long Range Property Management Plan as a property to be held for future development.

By consensus, the motion carried.

ADJOURNMENT (5:19 P.M.)

Motion by Vice-Chair/Mayor Pro Tem Ballin, seconded by Member/Councilmember Gonzales, to adjourn. By consensus, the motion carried.

I do hereby certify that the foregoing is a true and correct copy of the minutes of January 27, 2014 meeting as approved by the Successor Agency to the San Fernando Redevelopment Agency and the San Fernando City Council.

*Elena G. Chávez
Secretary/City Clerk*

EXHIBIT "A"

to the January 27, 2014 Joint Meeting Minutes of the Successor Agency to the San Fernando Redevelopment Agency and the City Council

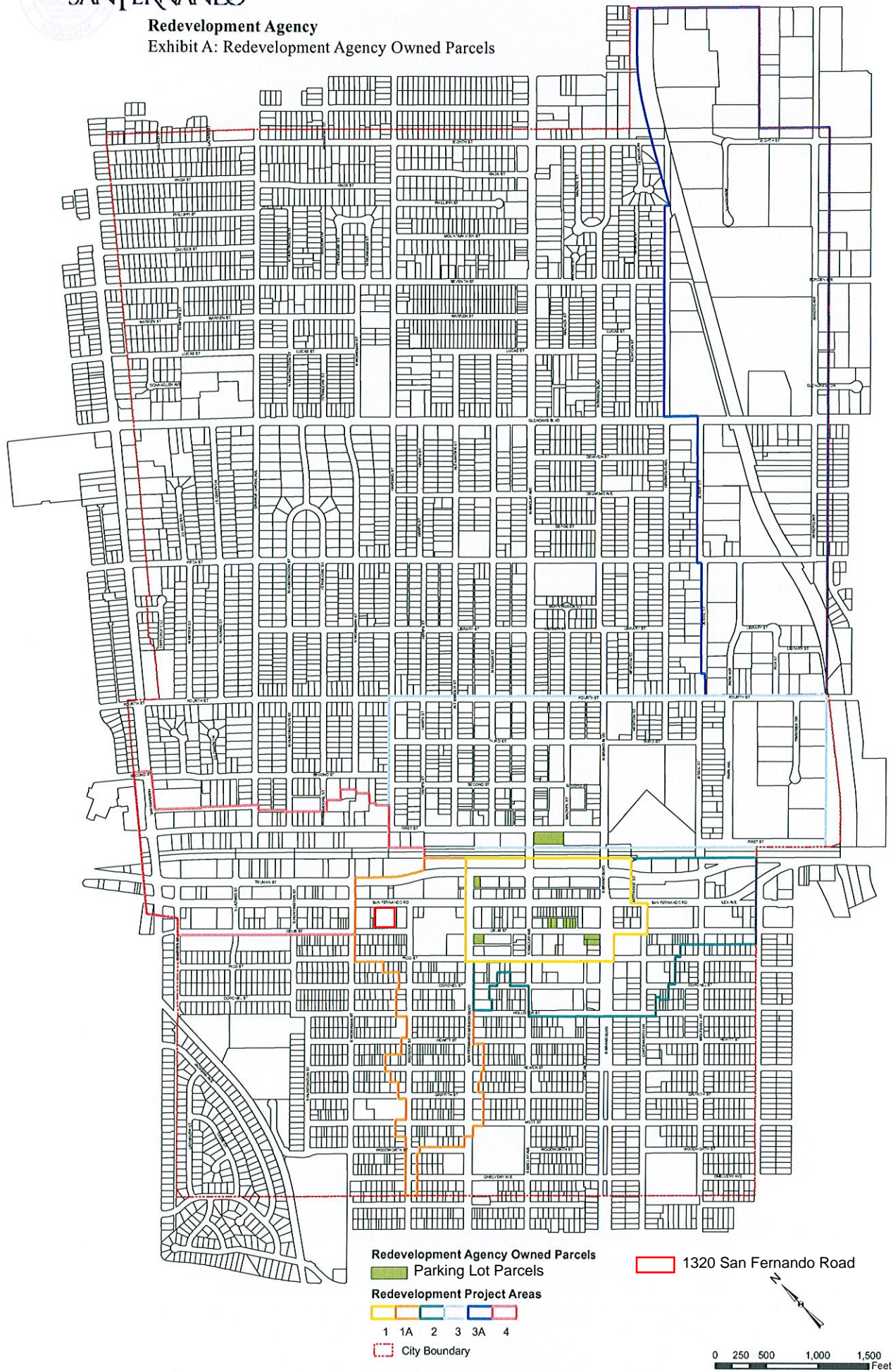
Redevelopment Agency Owned Parcels

Legend	APN	Address	Suffix	City	State	Zip	Zoning	Ownership	Use
1	2522004905	CITY PARKING LOT NO. 10		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
2	2522014901	CITY PARKING LOT NO. 10		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
3	2522014900	CITY PARKING LOT NO. 8		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
4	2521034905	CITY PARKING LOT NO. 5		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
5	2519001903	CITY PARKING LOT NO. 6N	ST	SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
6	2521031903	CITY PARKING LOT NO. 3		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
7	2522003900	CITY PARKING LOT NO. 11		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
8	2522003901	CITY PARKING LOT NO. 11		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
9	2522003902	CITY PARKING LOT NO. 11		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
10	2522003903	CITY PARKING LOT NO. 11		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
11	2522003904	CITY PARKING LOT NO. 12		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot
12	2522003905	CITY PARKING LOT NO. 12		SAN FERNANDO	CA	91340	SP-1 - SP-4	RDA	Parking Lot



Redevelopment Agency

Exhibit A: Redevelopment Agency Owned Parcels



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OFFICE OF THE CITY ATTORNEY

MEMORANDUM

TO: Chair Antonio Lopez and Agency Board Members
Mayor Antonio Lopez and Councilmembers

FROM: Fred Ramirez, Interim Executive Director/Interim City Manager
By: Rick R. Olivarez, City Attorney

DATE: February 3, 2014

SUBJECT: Consideration of Adoption of Resolutions Approving an Interim Loan Agreement Between the City and the Successor Agency

RECOMMENDATION:

It is recommended that the Successor Agency adopt Resolution No. 60 (Attachment “A”) approving an Interim Loan Agreement (Successor Agency Loan Agreement No. 14-15A:1) City Contract No. 1733 between the City and the Successor Agency.

It is recommended that the City Council adopt Resolution No. 7587 (Attachment “B”) approving an Interim Loan Agreement (Successor Agency Loan Agreement No. 14-15A:1) City Contract No. 1733 between the City and the Successor Agency.

BACKGROUND:

The Redevelopment Dissolution process has produced a number of surprises, and cities and their successor agencies have been confronted with a number of challenges with respect to the maintenance of payments of various obligations incurred by the former redevelopment agencies, in face of decisions by the State Department of Finance (DOF), which reduce the amount of Redevelopment Property Tax Trust Funds (RPTTF) that are allocated to successor agencies to pay these obligations.

The State Legislature has provided a mechanism to address some of these surprises, at least in a limited fashion. Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City. These types of loans shall be reflected on the obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency. Such loans are referred to as “emergency loans” and sometimes referred to as “interim loans.” In either case, the loan proceeds are used to meet short-term cash flow needs of the Successor Agency.

Consideration of Adoption of Resolutions Approving an Interim Loan Agreement Between the City and the Successor Agency

Page 2

In the case of the City of San Fernando Successor Agency, a cash flow problem has been created because DOF has insisted that the City of San Fernando Retirement Tax Override amount for Project Area No. 4 needs to be allocated to the RPTTF fund, and not distributed directly to the City of San Fernando Retirement Tax Override Fund as approved by the voters. The Successor Agency believes that it is illegal for the Successor Agency to use City of San Fernando Retirement Tax Override Funds for Project Area No. 4 to pay for any obligation of the Successor Agency. This matter is subject to litigation as offered under the Redevelopment Dissolution process. However, until such time as the matter is resolved in the pending litigation process, the illegal application of City of San Fernando Retirement Tax Override Funds continues, and the Successor Agency and the City still need to account for and preserve the rights and claims of each of them with respect to these special tax funds (namely the San Fernando Retirement Tax Override).

Accordingly, an interim loan agreement has been prepared for the City and the Successor Agency whereby the City will acknowledge a temporary loan in the amount of \$82,058, which is equal to the amount of the San Fernando Retirement Tax Override that has been illegally diverted to Redevelopment Project Area No. 4 as RPTTF funds for the July 1, 2014-December 31, 2014 period.

The proposed interim loan will be a book entry type loan, in other words, funds will be advanced by the City to the Successor Agency, which the Successor Agency will, in turn, use to reimburse the City for the precise amount of the tax override that has been illegally diverted to Redevelopment Project Area No. 4.

Subject to approval by the Oversight Board, this interim loan will be repaid by the allocation of RPTTF funds in the future or from other funds available to the Successor Agency, including, but not limited to, land sale proceeds.

It is requested that the interim loan be approved by the Successor Agency and the City Council under separate resolutions (included herein as Attachments "A" and "B") so that it may be added as an enforceable obligation to ROPS-14-15A. Subject to the approval of the interim loan by the Oversight Board, the interim loan will also be subject to review and approval by DOF. If DOF rejects the interim loan as an enforceable obligation, a "meet and confer" process may be initiated by the Successor Agency with DOF.

It is important to emphasize that the obligation of the Successor Agency to properly account for any retirement funds of the City of San Fernando Retirement Tax Override funds it receives cannot simply be waived or discharged by DOF. Furthermore, the rejection by DOF of retirement fund tax amounts as enforceable obligations for Redevelopment Project Area No. 4, in prior ROPS cycles, does not include retirement tax override funds for the period July 1, 2014-December 31, 2014. The obligation of the Successor Agency to return the Redevelopment Project Area No. 4 retirement tax override funds to the City employee retirement pension fund for the period covered by ROPS-14-15A is a new obligation of the Successor Agency, which has not previously considered by DOF.

Consideration of Adoption of Resolutions Approving an Interim Loan Agreement Between the City and the Successor Agency

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Therefore, it is recommended that the Successor Agency and the City Council each approve the interim loan agreement pursuant to the attached Resolutions (Attachments “A” and “B”) between the City of San Fernando and the Successor Agency to the former San Fernando Redevelopment Agency (Retirement Fund of the City of San Fernando Retirement Tax Override).

ATTACHMENTS:

- A. Successor Agency Resolution No. 60
- B. City Council Resolution No. 7587
- C. City Contract No. 1733

ATTACHMENT "A"**RESOLUTION NO. 60****A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY APPROVING AN INTERIM LOAN AGREEMENT BETWEEN THE CITY OF SAN FERNANDO AND THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY**

WHEREAS, the City of San Fernando (the "City") has exercised its election to serve as the successor agency (the "Successor Agency") to the former San Fernando Redevelopment Agency as set forth under ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended (the "State Redevelopment Dissolution Law"); and

WHEREAS, the City of San Fernando (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law; and

WHEREAS, the former San Fernando Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former San Fernando Redevelopment Agency, including, without limitation, Redevelopment Project Area No. 4, as approved by City Council Ordinance No. 1447, dated July 18, 1994 and the former San Fernando Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City of San Fernando; and

WHEREAS, the State of California (the "State") has ordered the former San Fernando Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law"; and

WHEREAS, the City as Successor Agency to the former San Fernando Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "Land Held for Resale") of the former San Fernando Redevelopment Agency subject to the payment of enforceable obligations of the former San Fernando Redevelopment Agency under applicable State and federal law, and such implementation of the State Redevelopment Dissolution Law has included, the preparation and submission to the State by the Successor Agency of a recognized obligation payment schedule for the period of July 1, 2014 to December 31, 2014, (San Fernando ROPS-14-15A) as provided under Health and Safety Code Section 34177; and

WHEREAS, the Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former San Fernando Redevelopment Agency, for the period of time corresponding with ROPS-14-15A, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency as of July 1, 2014, after deducting all previous payments of principal and interest on the bonded indebtedness identified in San Fernando ROPS-14-15A for the period of time preceding San Fernando ROPS-14-15A, is not presently estimated to be sufficient to pay the enforceable obligations of the former San Fernando Redevelopment Agency to third parties, corresponding to Redevelopment Project Area No. 4, which are otherwise due and payable during the period of time covered by San Fernando ROPS-14-15A.

WHEREAS, as used herein, the term “San Fernando ROPS-14-15A” means and refers to the draft document entitled “San Fernando ROPS-14-15A”, as presented to the governing body of the Successor Agency and the City Council, at the joint public meeting of the Successor Agency and the City Council at which this Loan Agreement has been approved by the Successor Agency and the City. The final form of San Fernando ROPS-14-15A is subject to such changes and edits as may be recommended by the staff of the Successor Agency and approved by the Oversight Board for the former San Fernando Redevelopment Agency as set forth under the State Redevelopment Dissolution Law; and

WHEREAS, Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution Law and fund the enforceable obligation, with respect to Redevelopment Project Area No. 4 as required hereunder.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE FORMER SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

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

SECTION 2. Approval of Loan Agreement. The governing board of the Successor Agency hereby approves the Loan Agreement (NO. 14-15A:1: ROPS-14-15A) between the City of San Fernando and the Successor Agency to the former San Fernando Redevelopment Agency, attached to this Resolution as Exhibit A. The City Manager is hereby authorized and directed to cause Loan Agreement No. 14-15A:1 to be included on the recognized payment obligation

schedule of the Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3. Execution of Loan Agreement. The Executive Director is hereby authorized and directed to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the City.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of February, 2014.

Antonio Lopez, Chair

ATTEST:

Elena G. Chávez, Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 3rd day of February, 2014, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elena G. Chávez, Secretary

EXHIBIT A

(Refer to Attachment “C” of this report)

ATTACHMENT “B”**RESOLUTION NO. 7587****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA APPROVING AN INTERIM LOAN AGREEMENT BETWEEN THE CITY OF SAN FERNANDO AND THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY**

WHEREAS, the City of San Fernando (the “City”) authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law; and

WHEREAS, the former San Fernando Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former San Fernando Redevelopment Agency, including, without limitation, Redevelopment Project Area No. 4, as approved by City Council Ordinance No. 1447, dated July 18, 1994 and the former San Fernando Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City of San Fernando; and

WHEREAS, the State of California (the “State”) has ordered the former San Fernando Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the “State Redevelopment Dissolution Law”; and

WHEREAS, the City as Successor Agency to the former San Fernando Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call “Land Held for Resale”) of the former San Fernando Redevelopment Agency subject to the payment of enforceable obligations of the former San Fernando Redevelopment Agency under applicable State and federal law, and such implementation of the State Redevelopment Dissolution Law has included, the preparation and submission to the State by the Successor Agency of a recognized obligation payment schedule for the period of July 1, 2014 to December 31, 2014, (San Fernando ROPS-14-15A) as provided under Health and Safety Code Section 34177; and

WHEREAS, the Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former San Fernando Redevelopment Agency, for the period of time corresponding with ROPS-14-15A,

together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency as of July 1, 2014, after deducting all previous payments of principal and interest on the bonded indebtedness identified in San Fernando ROPS-14-15A for the period of time preceding San Fernando ROPS-14-15A, is not presently estimated to be sufficient to pay the enforceable obligations of the former San Fernando Redevelopment Agency to third parties, corresponding to Redevelopment Project Area No. 4, which are otherwise due and payable during the period of time covered by San Fernando ROPS-14-15A.

WHEREAS, as used herein, the term “San Fernando ROPS-14-15A” means and refers to the draft document entitled “San Fernando ROPS-14-15A”, as presented to the governing body of the Successor Agency and the City Council, at the joint public meeting of the Successor Agency and the City Council at which this Loan Agreement has been approved by the Successor Agency and the City. The final form of San Fernando ROPS-14-15A is subject to such changes and edits as may be recommended by the staff of the Successor Agency and approved by the Oversight Board for the former San Fernando Redevelopment Agency as set forth under the State Redevelopment Dissolution Law; and

WHEREAS, Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution Law and fund the enforceable obligation, with respect to Redevelopment Project Area No. 4 as required hereunder.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

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

SECTION 2. Approval of Loan Agreement. The City Council hereby approves the Loan Agreement (NO. 14-15A:1: ROPS-14-15A) between the City of San Fernando and the Successor Agency to the former San Fernando Redevelopment Agency, attached to this Resolution as Exhibit A. The City Manager is hereby authorized and directed to cause Loan Agreement No. 14-15A:1 to be included on the recognized payment obligation schedule of the Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3. Execution of Loan Agreement. The City Manager is hereby authorized and directed to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the City.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of February, 2014.

Antonio Lopez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 3rd day of February, 2014, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elena G. Chávez, City Clerk

EXHIBIT A

(Refer to Attachment “C” of this report)

**ATTACHMENT “C”
CONTRACT NO. 1733**

2014

CITY OF SAN FERNANDO

-and-

CITY OF SAN FERNANDO AS
SUCCESSOR AGENCY TO THE
FORMER SAN FERNANDO
REDEVELOPMENT AGENCYSUCCESSOR AGENCY LOAN AGREEMENT
NO. 14-15A:1

(NOT TO EXCEED: \$82,058)

THIS SUCCESSOR AGENCY LOAN AGREEMENT NO. 14-15A:1): ROPS-14-15A (the “Loan Agreement”) is dated as of February 3, 2014 by and between the City of San Fernando, a municipal corporation (the “City”) and the City of San Fernando, as successor agency to the former San Fernando Redevelopment Agency, a public body corporate and politic (the “Successor Agency”) and is entered into in light of the following facts:

-RECITALS-

1. The City authorized the formation and operation of a redevelopment agency within the territorial jurisdiction of the City pursuant to state law.
2. The former San Fernando Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former San Fernando Redevelopment Agency, including, without limitation, Redevelopment Project Area No. 4, as approved by City Council Ordinance No. 1447, dated July 18, 1994 and the former San Fernando Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City of San Fernando.
3. The State of California (the “State”) has ordered the former San Fernando Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the “State Redevelopment Dissolution Law.”
4. The City as Successor Agency to the former San Fernando Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-

- cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call “Land Held for Resale”) of the former San Fernando Redevelopment Agency subject to the payment of enforceable obligations of the former San Fernando Redevelopment Agency under applicable State and federal law, and such implementation of the State Redevelopment Dissolution Law has included, the preparation and submission to the State by the Successor Agency of a recognized obligation payment schedule for the period of July 1, 2014 to December 31, 2015, (San Fernando ROPS-14-15A) as provided under Health and Safety Code Section 34177.
5. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former San Fernando Redevelopment Agency, for the period of time corresponding with ROPS-14-15A, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency as of July 1, 2014, after deducting all previous payments of principal and interest on the bonded indebtedness identified in San Fernando ROPS-14-15A for the period of time preceding San Fernando ROPS-14-15A, is not presently estimated to be sufficient to pay the enforceable obligations of the former San Fernando Redevelopment Agency to third parties, corresponding to Redevelopment Project Area No. 4, which are otherwise due and payable during the period of time covered by San Fernando ROPS-14-15A.
 6. As used herein, the term “San Fernando ROPS-14-15A” means and refers to the draft document entitled “San Fernando ROPS-14-15A”, as presented to the governing body of the Successor Agency and the City Council, at the joint public meeting of the Successor Agency and the City Council at which this Loan Agreement has been approved by the Successor Agency and the City. The final form of San Fernando ROPS-14-15A is subject to such changes and edits as may be recommended by the staff of the Successor Agency and approved by the Oversight Board for the former San Fernando Redevelopment Agency as set forth under the State Redevelopment Dissolution Law.
 7. Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
 8. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution Law and fund the enforceable obligation, with respect to Redevelopment Project Area No. 4 as required hereunder.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. Recitals. The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The City and the Successor Agency each acknowledge receipt from the staff of the Successor Agency a draft document entitled "ROPS-14-15A." The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the State Law to (i) use and apply the proceeds of the Retirement Fund of the City of San Fernando Retirement Tax Override as remitted to the Successor Agency by the Los Angeles County Auditor-Controller in a lawful manner and (ii) comply with the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. Loan. The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan") a sum not-to-exceed \$82,058 to be used by the Successor Agency solely as set forth in Section 3. Subject to the approval of this Loan Agreement by the Oversight Board, the City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4 of this Resolution, in light of the fact that the tax revenues allocated to the Redevelopment Project Area No. 4 expressly excludes any sums derived from the Retirement Fund of the City of San Fernando Retirement Tax Override.

SECTION 3. Use of the Loan. The Successor Agency shall utilize the proceeds of the Loan as follows:

To reimburse the Retirement Fund of the City of San Fernando Retirement Tax Override amount as unlawfully allocated to the Successor Agency by the Los Angeles County Auditor Controller between January 2, 2014 and June 30, 2014 for Redevelopment Property Area No. 4.

SECTION 4. Source of Repayment of the Loan: Limited Subordination.

- (A) Except as provided in paragraph (B), the Loan shall be repaid by the Successor Agency to the City on par with any other enforceable obligation of the Successor Agency falling within Health and Safety Code Section 34183(a)(2)(C) (indebtedness not qualifying as tax allocation bonds and certain revenue bonds).
- (B) The City hereby agrees to defer repayment on the Loan during a six (6) month period covered by one or more recognized obligation payment schedules as may be approved by the Oversight Board any time after the date of approval of this Loan Agreement by the City, to the extent that repayment of the outstanding

principal balance of the Loan, in whole or in part, in that period would leave insufficient funds available to the Successor Agency to satisfy other enforceable obligations covered by Health and Safety Code Section 34183(a)(2)(C) which: (1) are due in that six (6) month period; and (2) were in existence prior to the date of this Loan Agreement.

- (C) Unless legally prohibited by law or waived by the City, any portion of the unpaid principal balance of the Loan shall also be repaid by the Successor Agency from other revenues available to the Successor Agency, such as from the cash proceeds of the disposition of land held for resale to third persons, net of the actual and reasonable expenses of such disposition of land held for resale to third persons. Payments of the Loan, if any, under this paragraph (C) shall augment and supplement the required payments described in paragraph (A), subject to the payment deferral and subordination provisions of paragraph (B).

SECTION 5. Placement of Loan Obligation on the Successor Agency's ROPS-14-15A (July 1, 2014 – December 31, 2014). Provided that this Loan Agreement is approved, the Successor Agency shall prepare and approve ROPS-14-15A which includes the Loan Agreement as a listed enforceable obligation on the ROPS-14-15A. The amount of that listed obligation shall be the not-to-exceed Loan Amount as set forth in Section 2. This Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former San Fernando Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency as evidenced by the written Loan Draw Requests as set forth in Section 2. The City Manager of the City shall establish a loan repayment ledger for the Loan and shall cause the outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. Term. This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. Entire Agreement. This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. Notice of Default and Remedies. In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of February 3, 2014.

[City of San Fernando and Successor Agency Loan Agreement No. 14-15A:1): Not-to-Exceed \$82,058 (ROPS-14-15A: July 1, 2014 – December 31, 2014)]

CITY:

City of San Fernando, a municipal corporation

By: _____
Interim City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

SUCCESSOR AGENCY:

City of San Fernando As Successor Agency to the former San Fernando Redevelopment Agency, a public body corporate and politic

By: _____
Interim City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

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FINANCE DEPARTMENT

MEMORANDUM

TO: Chairperson Antonio Lopez and Agency Members

FROM: Fred Ramirez, Interim Executive Director
By: Rafaela T. King, Interim Finance Director

DATE: February 3, 2014

SUBJECT: Consideration of Approval of Recognized Payment Obligation Schedule (ROPS) No. 14-15A

RECOMMENDATION:

It is recommended that the Successor Agency adopt Resolution No. 58 (Attachment "A") approving the ROPS No. 14-15A for the six-month fiscal period from July 1, 2014 through December 31, 2014, and taking certain related actions.

BACKGROUND:

Pursuant to AB X 1 26, the Successor Agency must prepare a Recognized Obligation Payment Schedule (ROPS) for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for final review and approval.

On June 27, 2012, the Governor signed the State budget trailer bill AB 1484, which became effective immediately. AB 1484 imposes new requirements and deadlines, beginning with the ROPS covering the period from January 1, 2013 through June 30, 2013 (ROPS No. 3).

ANALYSIS:

Deadlines for ROPS Submission and Review

AB 1484 does not specify a deadline for the Successor Agency to submit ROPS No. 14-15A to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS No. 14-15A to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than March 1, 2014. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

Consideration of Approval of Recognized Payment Obligation Schedule (ROPS) No. 14-15A
Page 2

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency, and the Oversight Board prior to the conclusion of the DOF's 45 day review period.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by March 1, 2014, the City of San Fernando will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the Successor Agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of March 1st, the Successor Agency's Administrative Cost Allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations", the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS.

Environment Assessment

It is staff's assessment that the administrative actions undertaken by the Oversight Board for the Successor Agency as it relates to the adoption of the attached Resolution and approval of the ROPS No. 14-15A for submittal to DOF, the Office of the State Controller, and the County Auditor-Controller no later than March 1, 2014, is not a project under California Environmental Quality Act and will not have any significant environmental impact environmental impact therefore no additional action is required.

CONCLUSION:

Adoption of the attached Resolution will allow the San Fernando Successor Agency to submit ROPS No. 14-15A to the DOF by the required March 1, 2014 deadline. Subsequent DOF approval of the ROPS No. 14-15A will allow the Successor Agency to pay its enforceable obligations for the period from July 1, 2014 through December 31, 2014. Furthermore, approval

Consideration of Approval of Recognized Payment Obligation Schedule (ROPS) No. 14-15A
Page 3

of ROPS No. 14-15A will allow the Successor Agency to continue its work to wind down the affairs of the dissolved redevelopment agencies pursuant to applicable state regulations.

ATTACHMENT:

A. Resolution No. 58

ATTACHMENT "A"**RESOLUTION NO. 58****A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JULY 1, 2014 AND ENDING DECEMBER 31, 2014, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH****RECITALS:**

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the San Fernando Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the oversight board for the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(B), at the same time that the Successor Agency submits a ROPS to the Oversight Board for approval, the Successor Agency must submit a copy of such ROPS to the State Department of Finance (the "DOF"), the County administrative officer, and the County Auditor-Controller.

C. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from July 1, 2014 through December 31, 2014 ("ROPS No. 14-15A"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than March 1, 2014; and (2) post a copy of the Oversight Board-approved ROPS No. 14-15A on the Successor Agency's website.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to the provisions of Health and Safety Code Section 34177.

Section 3. The Successor Agency hereby approves proposed ROPS No. 14-15A, substantially in the form attached hereto as Exhibit "A" as will be submitted for approval to the Oversight Board on February 13, 2014. The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify ROPS No. 14-15A as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable to comply with applicable state law.

Section 4. Staff is hereby authorized and directed to submit a copy of ROPS No. 14-15A to the DOF, the County Auditor-Controller and the County administrative officer as designated by the County.

Section 5. Staff is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS No. 14-15A to the DOF, the Office of the State Controller, and the County Auditor-Controller.

Section 6. Staff is hereby authorized and directed to post a copy of the Oversight Board-approved ROPS No. 14-15A on the Successor Agency's Internet website (being a page on the Internet website of the City of San Fernando).

Section 7. The officers and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED, APPROVED, AND ADOPTED this 3rd day of February, 2014.

Antonio Lopez, Chair

ATTEST:

Elena G. Chávez, Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 3rd day of February, 2014, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, Secretary

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EXHIBIT "A"

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

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

Name of Successor Agency: San Fernando City

Name of County: Los Angeles

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
A	Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	\$ -
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 2,977,807
F	Non-Administrative Costs (ROPS Detail)	2,852,807
G	Administrative Costs (ROPS Detail)	125,000
H	Current Period Enforceable Obligations (A+E):	\$ 2,977,807

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

I	Enforceable Obligations funded with RPTTF (E):	2,977,807
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 2,977,807

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

L	Enforceable Obligations funded with RPTTF (E):	2,977,807
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	2,977,807

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

Name	Title
/s/	
Signature	Date

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	L	M	N	O	P
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Funding Source					Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
								\$ 36,800,454		\$ -	\$ -	\$ -	\$ 2,852,807	\$ 125,000	\$ 2,977,807
1	1998 Tax Allocation Bond Series	Bonds Issued On or Before 12/31/10	4/6/1998	9/15/2014	US Bank	Bonds issued for the purpose of refinancing prior bonds from 1987 & 1991 ("prior bonds") and refinancing additional RDA activities. Council Resolution #6088.	#1 & 3	677,325	N				677,325		\$ 677,325
2	2006 Tax Allocation Bond Series	Bonds Issued On or Before 12/31/10	12/21/2006	9/15/2020	US Bank	Bonds issued for the purpose of City Yard relocation, North Maclay Streetscape, and the Regional Aquatics Facility. Council Resolution #7158, RDA Resolution #952.	#3	8,096,014	N				868,351		\$ 868,351
3	1998 & 2006 Tax Allocation Bonds	Fees	4/6/1998	9/15/2020	US Bank	Fiscal agent fees & continuing disclosure fees charged by the Trustee (U.S. Bank) to administer the 1998 & 2006 bonds.	#1 & 3	4,965	N				4,965		\$ 4,965
4	Retirement Override Assessment	Miscellaneous	7/1/2004	12/31/2014	City of San Fernando Retirement Fund	Accounting entry adjustment for the period from FY 2004-05 through FY 2009-10. Per Redevelopment Plan for project area #4 Tax Increment allocation requirements taxes levy known as the "Retirement Fund of the City of San Fernando", tax rate levied for said tax fund where deposited into Project Area 4 and should have been recorded separately into the Retirement Fund per the Redevelopment Plan adopted July 18, 1994 Ord. #1447. (Refer to line item NO. 20 below.)	#4	492,348	N						
7	Administrative Cost (Personnel Cost)	Admin Costs	1/1/2014	6/30/2014	Employees of RDA/Successor Agency	Salaries and medical benefits for employees undertaking the activities of the Successor Agency (January 1, 2014 through June 30, 2014), including general legal services and indirect cost.	#1, 2, 3, 3A & 4	76,309	N					73,309	\$ 73,309
9	Administrative Cost (Annual Audit)	Admin Costs	7/1/2013	6/30/2014	Van Lant & Fankhanel, LLP	Annual Financial Audit Reports required per Health & Safety code section 33080.1 (a) (1).	#1, 2, 3, 3A, 4	5,000	N					5,000	\$ 5,000
10	Administrative Cost (Property Tax analysis)	Fees	7/1/2013	6/30/2014	HDL, Coren & Cone	RDA/Successor Agency property tax analysis and audit services. Note: Approved by Oversight Board as professional services contract under ROPS No. 1 that are separate from the Administrative Costs for Agency staff and legal Counsel.	#1, 2, 3, 3A & 4	1,888	N					1,888	\$ 1,888
11	Legal Services	Admin Costs	2/19/2013	6/30/2014	Olivarez Madruga P.C.	General Legal Services provided to the Successor Agency	#1, 2, 3, 3A, 4	30,000	N					30,000	\$ 30,000
12	Wilshire Ventures - Attorney Fees (Project Specific)	Legal	2/9/2009	6/30/2014	Aleshire Wynder, LLP	Ongoing Agency litigation regarding expired Exclusive Negotiation Agreement with Wilshire Ventures.	#1		N						\$ -
13	LAUSD Litigation (Project Specific)	Legal	5/17/1999	6/30/2014	Richards, Watson & Gershon	Ongoing attorney fees associated with defense of the Agency/Successor Agency regarding LAUSD lawsuit challenging prior fiscal years pass through payments.	#1, 2, 3, 3A & 4	11,803	N					11,803	\$ 11,803
14	Project #1/89 Annex Loan Agreement	Third-Party Loans	11/9/1988	6/30/2018	County of Los Angeles	Repayment of Agency loan agreement #60882 with Los Angeles County for deferral of pass through payments to meet Agency's debt service obligations	#1A	3,093,188	N				104,393		\$ 104,393

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	L	M	N	O	P
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Funding Source					Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
15	DDA with Haagen/Tiangus	OPA/DDA/Construction	10/16/1989	6/27/2018	San Fernando Mission Partnership	Payment of Developer loan per Disposition and Development Agreement (DDA) between the Agency and the Developer (San Fernando Mission Partnership/Tiangus) to facilitate redevelopment project at San Fernando Mission Blvd.	#1A	19,371,600	N				212,609		\$ 212,609
16	SERAF Loan Payments	SERAF/ERAF	1/19/2010	6/30/2015	Low Moderate Income Housing Fund	Housing Fund Loan to the Redevelopment Project Areas to make the FY 2009-2010 Supplemental Educational Revenue Augmentation Fund (SERAF) payment per Health and Safety Code Section 33690 (a)(1).	#1, 1A, 2, 3, 3A, & 4	1,798,811	N				899,406		899,406
17	Retirement Tax Override	Miscellaneous	11/1/2011	12/31/2014	City of San Fernando Retirement Fund	Property Tax Increment from the Project area attributable to the City's Levy of its Retirement Tax Override. The Gross Tax Increment revenue collected in November 2011 through January 2012 was \$3,382,517.43, which included the City's Levy of its Retirement Tax Override of \$746,194. The County included the retirement tax override amount when calculating the residual amount due. (Refer to line item NO. 21 below).	#1, 1A, 2, 3, 3A, & 4	746,194	N						
19	Bond Arbitrage Report	Fees	4/6/1998	9/15/2014	US Bank	Bond arbitrage report for 1998 TAB.	#1 & 3	3,700	N				3,700		\$ 3,700
20	Outstanding obligation to City Related to Adjustment for Historical Retirement Tax Override Levies	Miscellaneous	7/1/2004	12/31/2014	City of San Fernando Retirement Obligation	Accounting entry adjustment for the period from FY 2004-05 through FY 2009/10. Property taxes levied through the Retirement Tax Override were attributed to Project Area 4 as tax increment, when they should have been deposited directly into the City's Retirement Fund. The retirement tax override is excluded from tax increment as set forth in the Project Area #4 Redevelopment Plan. However, the override was erroneously considered for purposes of calculating tax increment, when it should have been allocated to the City for its PERS obligation.	#4	492,348	N						
21	Retirement Tax Override	Miscellaneous	11/1/2011	12/31/2014	City of San Fernando Retirement Obligation	The FY 2011/12 Retirement Tax Override of \$0.2842 due and payable to the City of San Fernando was \$746,194. However, this amount was considered tax increment for purposes of the \$34183.5 calculation (July 2012 true-up), when it should have been considered as the retirement property tax override, and thus, allocated to the City for its PERS obligation. This amount is inclusive of \$45,709 from Redevelopment Project area 4, which is noted as a separate item on Line 28.	#1, 1A, 2, 3, 3A	746,194	N						
22	Repayment of City advancement to meet ROPS I Passthrough Payment Obligations paid by City	City/County Loans After 6/27/11	6/11/2012	6/11/2012	City of San Fernando Successor Agency	Pass Through County Adjustment relates to amounts reported on ROPS 1 for pass through owed to LA County that was already deducted.	#1, 1A, 2, 3, 3A, & 4		Y						\$ -
23	Redevelopment Dissolution Advisory Services	Admin Costs	2/1/2013	6/30/2014	Seifel Consulting Inc.	Redevelopment dissolution advisory services provided to the Successor Agency.	#1, 1A, 2, 3, 3A, & 4		N					3,000	\$ 3,000

[illegible]

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
	Cash Balance Information by ROPS Period	Fund Sources						Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF	
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	
ROPS 13-14A Actuals (07/01/13 - 12/31/13)								
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)	19,520				259,919		The computation of the beginning fund balance is as follow: 1) the loan proceeds left from the 2006 Bond (\$19,520), and 2) the revenue received from the sale of the City Yard \$250k (125k+125k) and a DDA loan \$54,036 (\$27,018+27,018) minus legal fees paid of \$44,117 from ROPS 3 & not recovered with RPTTF.
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	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						2,523,302	Amount received on June 3, 2013 from RPTTF for ROPS 13-14A covering period July 2013 through December 2013
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							
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					-	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 19,520	\$ -	\$ -	\$ -	\$ 259,919	\$ (2,523,302)	
ROPS 13-14B Estimate (01/01/14 - 06/30/14)								
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 19,520	\$ -	\$ -	\$ -	\$ 259,919	\$ (2,523,302)	
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						905,527	Actual distribution amount received on January 2, 2014 for ROPS 13-14B covering period January 2014 to June 2014 was \$905,527 total amount approved by DOF was \$2,212,93. County applied credit from prior period adjustment of \$1,307,403.
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)						2,212,930	
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							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ 19,520	\$ -	\$ -	\$ -	\$ 259,919	\$ (3,830,705)	

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Prior Period Adjustments

Reported for the ROPS 13-14A (July 1, 2013 through December 31, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)

(Report Amounts in Whole Dollars)

ROPS 13-14A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA):Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14A (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 14-15A (July through December 2014) period will be offset by the SA's self-reported ROPS 13-14A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures						RPTTF Expenditures												SA Comments
																		Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 14-15A Requested RPTTF)		
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin							
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)		
-		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,560,913	\$ -	\$ -	\$ 2,398,302	\$ -	\$ 125,000		\$ 125,000	\$ 125,000	\$ -	\$ -		
1	1998 Tax Allocation Bond Series	-		-		-		697,726		\$ -	697,726	\$ -						\$ -		
2	2006 Tax Allocation Bond Series	-		-		-		1,005,496		\$ -	1,005,388	\$ -						\$ -		
3	1998 & 2006 Tax Allocation Bonds	-		-		-		5,329		\$ -	4,965	\$ -						\$ -		
4	Retirement Override Assessment	-		-		-		-		\$ -		\$ -						\$ -		
5	RETIRED	-		-		-		-		\$ -		\$ -						\$ -		
6	Agency repayment of Sewer Fund loan	-		-		-		460,194		\$ -	454,788	\$ -						\$ -		
7	Administrative Cost (Personnel Cost)	-		-		-		-		\$ -		\$ -				92,045		\$ -	The estimated amount for this line item was \$93,850 but only paid \$92,045 difference of \$1,805 to pay other vendors in the administrative line that had a shortfall (line item no. 10 & 23).	
8	State Controllers Transaction Report	-		-		-		-		\$ -		\$ -						\$ -		
9	Administrative Cost (Annual Audit)	-		-		-		-		\$ -		\$ -				5,400		\$ -		
10	Administrative Cost (Property Tax analysis)	-		-		-		-		\$ -		\$ -				3,513		\$ -	The estimated amount for this administrative line item was \$2,250 and actual paid amount was \$3,513. The shortfall amount of \$1,263 was taken from administrative line item no. 7.	

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Prior Period Adjustments
Reported for the ROPS 13-14A (July 1, 2013 through December 31, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

ROPS 13-14A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA):Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14A (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 14-15A (July through December 2014) period will be offset by the SA's self-reported ROPS 13-14A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures						RPTTF Expenditures												SA Comments
																		Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 14-15A Requested RPTTF)		
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin							
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)		
.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,560,913	\$ -	\$ -	\$ 2,398,302	\$ -	\$ 125,000		\$ 125,000	\$ 125,000	\$ -	\$ -		
11	Legal Services	-		-		-		-		\$ -		\$ -				4,188		\$ -	The estimated amount for this administrative line item was \$7,500 and actual paid amount was \$4,188. The excess amount of \$3,312 was put into administrative line item no. 7.	
12	Wilshire Ventures - Attorney Fees (Project Specific)	-		-		-		5,000		\$ -		\$ -						\$ -		
13	LAUSD Litigation (Project Specific)	-		-		-		12,576		\$ -	5,661	\$ -						\$ -		
14	Project #1/89 Annex Loan Agreement	-		-		-		111,929		\$ -	111,929	\$ -						\$ -		
15	DDA with Haagen/Tiangus	-		-		-		60,000		\$ -	60,000	\$ -						\$ -		
16	SERAF Loan Payments	-		-		-		-		\$ -		\$ -						\$ -		
17	Retirement Tax Override	-		-		-		-		\$ -		\$ -						\$ -		
18	Due Diligence Review as required by AB 1484	-		-		-		16,700		\$ -	16,700	\$ -						\$ -		
19	Bond Arbitrage Report	-		-		-		3,675		\$ -	3,675	\$ -						\$ -		
20	Outstanding obligation to City Related to Adjustment for Historical Retirement Tax Override Levies	-		-		-		-		\$ -		\$ -						\$ -		
21	Retirement Tax Override	-		-		-		-		\$ -		\$ -						\$ -		
22	Repayment of City advancement to meet ROPS I Passthrough Payment Obligations paid by City	-		-		-		182,288		\$ -	37,470	\$ -						\$ -		
23	Redevelopment Dissolution Advisory Services	-		-		-		-		\$ -		\$ -				19,854		\$ -	The estimated amount for this administrative line item was \$16,000 and actual paid amount was \$19,854. Shortfall of \$3,854 was taken from administrative line item no.7.	

Recognized Obligation Payment Schedule 14-15A - Notes	
July 1, 2014 through December 31, 2014	
Item #	Notes/Comments
15	The obligation amount is estimated based on the terms of the Disposition and Development Agreement (DDA) between the former redevelopment agency and San Fernando Mission Partnership dated February 20, 1990. According to the DDA, the former redevelopment agency shall pay the Developer Loan, plus interest on the unpaid principal amount accruing at the rate of 10% per annum commencing from the date that funds were advanced by Developer under the Developer Loan, and continuing thereafter until accrued interest and principal are paid in full or any unpaid balance is forgiven and discharged. If any principal or interest on the Developer Loan has not been paid in full by June 27, 2018, any remaining balance shall be deemed forgiven and discharged at that time.
16	HSC section 34176 (e) (6) (B) states that loan or deferral repayments can be requested in 2013-14 fiscal year.
20	This obligation is subject to court ruling (Sacramento County Superior Court Case No. 34-2013-80001550)
26	The State California Housing Finance Agency (CALHFA) issued a HELP Loan on August 5, 2002. It was a \$1m loan with a 3% simple per annum interest and maturity date of August 5, 2012. The loan proceeds were to finance a 98-unit affordable senior housing development in the City. The loan proceeds were deposited into the Low Moderate Income Housing Fund in order to fund this local housing program (the, Project) as described in the loan agreement. The loan was to be repaid by the Low and Moderate Income Housing Fund prior to the dissolution of the Redevelopment Agency. Department of Finance disallowed this enforceable obligation due to the loan agreement being entered with the City of San Fernando and not the Redevelopment Agency. The City requested and was granted an extension by CALHFA. The new maturity date of the loan is December 31, 2014. The Loan Agreement entered with the Redevelopment Project Areas and Housing Fund along with Resolution no. 872 dated June 28, 2004show that this loan should be an enforceable obligation of the Successor Agency of the former Redevelopment Agency. The City has paid \$350k towards this HELP Loan and the next payment of \$300k is due on June 30, 2014 (total of \$650k).
27	The State California Housing Finance Agency (CALHFA) issued a HELP Loan on August 5, 2002. It was a \$1m loan with a 3% simple per annum interest and maturity date of August 5, 2012. The loan proceeds were to finance a 98-unit affordable senior housing development in the City. The loan proceeds were deposited into the Low Moderate Income Housing Fund in order to fund this local housing program (the, Project) as described in the loan agreement. The loan was to be repaid by the Low and Moderate Income Housing Fund prior to the dissolution of the Redevelopment Agency. Department of Finance disallowed this enforceable obligation due to the loan agreement being entered with the City of San Fernando and not the Redevelopment Agency. The City requested and was granted an extension by CALHFA. The new maturity date of the loan is December 31, 2014. The Loan Agreement entered with the Redevelopment Project Areas and Housing Fund along with Resolution no. 872 dated June 28, 2004 show that this loan should be an enforceable obligation of the Successor Agency of the former Redevelopment Agency. This payment and remainder payment will be paid by Successor Agency.
28	The FY Project Area #4 2011/12 Retirement Tax Override of \$0.2842 due and payable to the City of San Fernando. The retirement tax override is excluded from tax increment as set forth in the Project Area #4 Redevelopment Plan. However, this amount was erroneously considered tax increment for purposes of the §34183.5 calculation (July 2012 true-up), when it should have been considered as the retirement property tax override, and thus, allocated to the City for its PERS obligation. Subject to court ruling (Sacramento County Superior Court Case No. 34-2013-80001550).
30	An interim loan agreement (City Contract No. 1733/Successor Agency Loan Agreement No. 14-15A:1) between City and the Successor Agency whereby the City will acknowledge a temporary loan in the amount of \$82,058, which is equal to the amount of the San Fernando Retirement Tax Override that has been illegally diverted to Redevelopment Project Area No. 4 as RPTTF funds for the January July 1, 2014-June 13December 31, 2014 period.

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FINANCE DEPARTMENT

MEMORANDUM

TO: Chairperson Antonio Lopez and Agency Members

FROM: Fred Ramirez, Interim Executive Director
By: Rafaela T. King, Interim Finance Director

DATE: February 3, 2014

SUBJECT: Consideration of Approval of Administrative Budget No. 14-15A

RECOMMENDATION:

It is recommended that the Successor Agency adopt Resolution No. 59 (Attachment "A") approving Administrative Budget No. 14-15A for the six-month fiscal period from July 1, 2014 through December 31, 2014.

BACKGROUND:

1. Pursuant to AB X1 26 and AB 1484, the Successor Agency must prepare a proposed administrative budget and a Recognized Obligation Payment Schedule (ROPS) for each six-month fiscal period, both of which must be submitted to the Oversight Board for approval. Each proposed administrative budget must include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City or other entity.

AB X1 26 and AB 1484 are unclear regarding the required timing for the submission of the proposed administrative budget for the period from July 1, 2014 through December 31, 2014 (i.e., the first half of fiscal year 2014-15) (Administrative Budget No. 14-15A) to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget No.14-15A and the ROPS for the same period (ROPS No. 14-15A) should be consistent.

The Successor Agency is required to submit the ROPS No. 14-15A to the Oversight Board for approval and then submit the Oversight Board-approved ROPS No. 14-15A to the State Department of Finance (DOF), State Controller, and the County Auditor-Controller no later than March 1, 2014.

Under AB 1484, the Oversight Board must take actions by resolution and must provide DOF, by electronic means, written notice and information about the Oversight Board's action.

Consideration of Approval of Administrative Budget No. 14-15A

Page 2

2. On February 13, 2014, staff will present ROPS No. 14-15A and the Administrative Budget No. 14-15A to the Oversight Board for their approval.

Upon approval from the Oversight Board, both the ROPS No. 14-15A and the Administrative Budget No.14-15A will be subsequently transmitted to the State Department of Finance (DOF), the State Controller, and the County Auditor-Controller.

ANALYSIS:Administrative Cost Assessment

Under AB X1 26 and AB 1484, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount requested shall not be less than the maximum allowed of \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The Administrative Cost Allowance to be received by the Successor Agency on January 2, 2015 for the second half of fiscal year 2014-15 will take into account the amount of Administrative Cost Allowance the Successor Agency received on June 1, 2014. It is estimated that the Successor Agency to the San Fernando Redevelopment Agency administrative expenses will be \$125,000 for the reported six-month period. It is also important to note that the Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS for the same six-month fiscal period.

Environment Assessment

It is staff's assessment that the administrative actions undertaken by the Successor Agency and the Oversight Board, as it relates to the approval of the attached Resolution and implementation of the Administrative Budget No. 14-15A, is not a project under California Environmental Quality Act and will not have any significant environmental impact environmental impact therefore no additional action is required.

CONCLUSION:

The deadline to submit the ROPS No. 14-15A and the Administrative Budget No.14-15A is March 1, 2014. Both documents will be presented to the Oversight Board on February 13, 2014 for approval. City staff recommends that the Successor Agency receive and file Administrative Budget No. 14-15A that will provide the reimbursement of administrative costs to the maximum allowable under applicable State law and therefore ensuring that a portion of the administrative expenses to undertake the Successor Agency's work to wind down the affairs of the dissolved redevelopment agencies pursuant to applicable State regulations.

ATTACHMENT:

- A. Resolution No. 59

ATTACHMENT "A"**RESOLUTION NO. 59****A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY APPROVING PROPOSED ADMINISTRATIVE BUDGETS PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH****RECITALS:**

A. Pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) ("Part 1.85"), the Successor Agency to the San Fernando Redevelopment Agency ("Successor Agency") is required to undertake a number of actions related to winding down the affairs of the former Redevelopment Agency pursuant to Health and Safety Code Section 34177(h).

B. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City. The City Manager of the City serves as Executive Director of the Successor Agency, the Finance Director serves as Finance Officer of the Successor Agency, and the City Clerk serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote and are expected to devote substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Redevelopment Agency's enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with administration and operations of the Successor Agency.

C. Pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations and pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Successor Agency may enter into agreements with the City with the approval of the oversight board for the Successor Agency (the "Oversight Board").

D. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency is required to prepare a proposed administrative budget for each six month fiscal period and submit each proposed administrative budget to the Oversight Board for its approval. Each proposed administrative budget shall include all of the following: (1) Estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) Proposed sources of payment for the costs identified in (1); and (3) Proposals for arrangements for administrative and operations services provided by the City or another entity.

E. Pursuant to Health and Safety Code Section 34177(k), the Successor Agency is required to provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County Auditor-Controller for each applicable six-month fiscal period.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to the provisions of Part 1.85.

Section 3. The Successor Agency hereby approves the proposed administrative budget for the six-month fiscal period commencing July 1, 2014 and ending December 31, 2014 attached hereto as Exhibit "A" and incorporated herein by reference.

Section 4. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED AND ADOPTED this 3rd day of February, 2014.

Antonio Lopez, Chair

ATTEST:

Elena G. Chávez, Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 3rd day of February, 2014, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, Secretary

EXHIBIT "A"

**Administrative Cost Allowance Budget 14-15A
July 1, 2014 Through December 31, 2014**

ROPS Item #	Project Name / Debt Obligation	Payee	ROPS 14-15A Requested Amounts
7	Administrative Cost (Salaries, Benefits, and Overhead)	Employees of Successor Agency	76,309.00
9	Administrative Cost (FY 13-14 Annual Audit)	Van Lant & Fankhanel, LLP	5,000.00
10	Administrative Cost (Property Tax Analysis)	HDL, Coren & Cone	1,888.00
11	Administrative Cost (Legal Services)	Richards, Watson & Gershon; Olivarez Madruga, P.C.	30,000.00
13	Administrative Cost (Project Specific)	LAUSD Litigation	11,803.00
Total			\$ 125,000.00