



Chair Antonio Lopez
Vice Chair Sylvia Ballin
Board Member Jesse H. Avila
Board Member Joel Fajardo
Board Member Robert C. Gonzales
Interim Executive Director
Don Penman

SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY

AGENDA

MARCH 4, 2013 – 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 a member of the Agency Board wishes to discuss any item, it should first be removed from the Consent Calendar.

1) ADOPTION OF RESOLUTION NO. 32 – APPROVAL OF WARRANT REGISTER

SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY
AGENDA – MARCH 4, 2013
PAGE 2

NEW BUSINESS

2) **APPROVAL OF A LOAN BETWEEN THE CITY OF SAN FERNANDO AND THE SAN FERNANDO SUCCESSOR AGENCY**

Recommend that the Successor Agency to the San Fernando Redevelopment Agency enter into a loan agreement with the City of San Fernando totaling \$184,060.46 in order to make interest payments on two bonds issues of the San Fernando Redevelopment Agency due March 14, 2013, and direct the Chair to sign on behalf of the Agency.

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, Secretary

Signed and Posted: March 1, 2013 (4:00 p.m.)



Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Website (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 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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FINANCE DEPARTMENT

MEMORANDUM

TO: Chair Antonio Lopez and Board Members

FROM: Rafaela T. King, Executive Director/Deputy Finance Director

DATE: March 4, 2013

SUBJECT: Warrant Register

RECOMMENDATION:

It is recommended that the Successor Agency Adopt a Resolution (Attachment "A") approving the Warrant Register.

BACKGROUND:

1. On December 29, 2011, the California Supreme Court issued an opinion in California Redevelopment Association v. Matosantos, upholding Assembly Bill x1 26 (legislation dissolving redevelopment agencies) and invalidating Assembly Bill x1 27 (legislation permitting redevelopment agencies to continue operation if they made certain payments to the State).
2. On August 15, 2011, the City of San Fernando City Council adopted Resolution No. 7452 electing for the City to serve as the Successor Agency for the City's Redevelopment Agency upon the Agency's dissolution.
3. On February 1, 2012, as a result of the Supreme Court's decision, all redevelopment agencies in the State, including the San Fernando Redevelopment Agency, were dissolved. In addition, successor agencies were designated as successor entities to the former redevelopment agencies.
4. On February 6, 2012, the City Council, acting as the governing body of the Successor Agency to the San Fernando Redevelopment Agency, adopted Resolution No. 1 establishing rules and regulations for the operations of the Successor Agency as a new legal entity separate from the City, pursuant to Part 1.85 of Division 24 of the Health and Safety Code.
5. On April 16, 2012, the Successor Agency approved the draft ROPS 2 for the period July 1, 2012 through December 31, 2012 (Resolution No. 11) for subsequent presentation and approval of the Oversight Board.

Warrant Register
Page 2

6. On May 10, 2012, the Oversight Board approved ROPS 2 for subsequent submittal and approval of the California Department of Finance (DOF) and the Los Angeles County Auditor-Controller.

ATTACHMENT:

- A. Warrant Register Resolution

ATTACHMENT "A"**RESOLUTION NO. 32**

**RESOLUTION OF THE SUCCESSOR AGENCY OF THE
SAN FERNANDO REDEVELOPMENT AGENCY
ALLOWING AND APPROVING FOR PAYMENT
DEMANDS PRESENTED ON DEMAND/ WARRANT
REGISTER NO. 32**

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

1. That the demands (EXHIBIT "A") as presented, having been duly audited, for completeness, are hereby allowed and approved for payment in the amounts as shown to designated payees and charged to the appropriate funds as indicated.

2. That the Secretary shall certify to the adoption of this Resolution and deliver it to the City Treasurer.

PASSED, APPROVED, AND ADOPTED this 4th day of March, 2013.

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 4th day of March 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, Secretary

EXHIBIT "A"

vchlist

02/28/2013 4:03:00PM

**Voucher List
CITY OF SAN FERNANDO**

Page: 1

Bank code : bank2

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
10025	3/4/2013	101512 HDL, COREN & CONE	0018911-IN		CONTRACT SERVICE PROPERTY TAX , 98-190-0000-4270	625.00
					Total :	625.00
10026	3/4/2013	889069 U.S. BANK	108144000		2006 BOND - INTEREST PAYMENT - 09/ 98-191-0088-4417	150,247.51
					98-191-0088-4265	-49.55
			98508230		1998 BOND INTEREST PAYMENT 09/15/ 98-190-0081-4413	33,862.50
					Total :	184,060.46
		2 Vouchers for bank code :	bank2		Bank total :	184,685.46
		2 Vouchers in this report			Total vouchers :	184,685.46

Voucher Registers are not final until approved by Council.

Page: 1

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ADMINISTRATION DEPARTMENT

MEMORANDUM

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

FROM: Don Penman, Interim Executive Director & Interim City Administrator

DATE: March 4, 2013

SUBJECT: Approval of a Loan Between the City of San Fernando and the San Fernando Successor Agency

RECOMMENDATION:

It is recommended that the Successor Agency of the San Fernando Redevelopment Agency:

- a. Enter into a loan agreement with the City of San Fernando totaling \$184,060.46 in order to make interest payments on two bonds issues of the San Fernando Redevelopment Agency due March 15, 2013, and direct the Chair to sign on behalf of the Agency.

It is recommended that the City Council:

- a. Approve a loan to the San Fernando Successor Agency totaling \$184,060.46 to make interest payments on the 1998 and 2006 redevelopment bond issues due March 15, 2013 and direct the Mayor to sign a loan agreement on behalf of the City.

BACKGROUND:

The San Fernando Redevelopment Agency issued bonds in 1998 and 2006 to meet various redevelopment goals and objectives. The Redevelopment Agency was responsible to make debt service payments on these bonds until the debt is retired. However, the dissolution of redevelopment agencies statewide as a result of the passage of AB1X 26 by the State Legislature created successor agencies responsible for winding down the affairs of redevelopment agencies including disposing of their assets and meeting recognized obligations of the former agency. That process in part involves preparing a Recognized Obligation Payment Schedule (ROPS), getting approval from an Oversight Committee of the ROPS and submitting it to the County Auditor Controller and the State Department of Finance (DOF).

Approval of Loan Between the City of San Fernando and the San Fernando Successor Agency

Page 2

ANALYSIS:

The Successor Agency of the San Fernando Redevelopment has submitted its ROPS pursuant to law to the County of Los Angeles Auditor Controller and the DOF. However the DOF has not approved all the items on the ROPS thus creating a shortfall for the Successor Agency in meeting its obligations. The Successor Agency disagrees with the DOF findings and is exploring all avenues to reverse this decision and receive the needed funds to meet its obligations.

However, the Successor Agency has two bond interest payments due on March 15, 2013; a \$33,863 interest payment for the 1998 bonds and a \$150,248 payment for the 2006 bonds. The effect of not making the bond interest payments and asking the trustee to make the payments out of the reserve fund could have significant implications on the City's credit, so staff is recommending that the City Council loan the Successor Agency a total of \$184,064.86 to meet these obligations. Since the City General Fund has no reserve, staff is recommending that the funds for the loan be drawn from the Retirement Fund.

The reasoning behind borrowing from the Retirement Fund is that in a previous ROPS, the County mistakenly included the City's retirement tax revenue as part of the tax increment to the Successor Agency. Staff contends this was in error and forwarded these funds to the Retirement Fund. However the DOF denied the Successor Agency's appeal of the misallocation, so these funds are a significant part of the Agency's dispute with the DOF. As noted earlier in this report, the Successor Agency (and City) are exploring all avenues, including legal, to remedy this situation. If the City is successful the Successor Agency should receive additional tax increment and this loan can be paid back. Otherwise a long term repayment schedule may be required.

CONCLUSION:

Two redevelopment bond interest payments totaling \$184,060.46 are due March 15, 2013. The Successor Agency has no available tax increment due to the DOF denying an appeal regarding distribution of funds that the Successor Agency believes it is due. While the Agency is exploring all avenues to reverse this decision, it is imperative that the interest payments be made. Staff is recommending that the City Council approve a loan from the Retirement Fund to the Successor Agency to meet this obligation and direct the City Attorney to prepare a loan agreement for the Mayor and Chair to sign approving this loan.