



*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
REGULAR MEETING NOTICE & AGENDA
SEPTEMBER 3, 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 the Agency Board wishes to discuss any item, it should first be removed from the Consent Calendar.

- 1) REQUEST TO APPROVE MINUTES OF AUGUST 19, 2013 – REGULAR MEETING
- 2) CONSIDERATION TO ADOPT RESOLUTION NO. 48 – APPROVAL OF WARRANT REGISTER

NEW BUSINESS

- 3) CONSIDERATION TO ADOPT RESOLUTION NO. 45 APPROVING RECOGNIZED PAYMENT OBLIGATION SCHEDULE (ROPS) NO. 13-14B

Recommend that the Successor Agency adopt Resolution No. 45 approving ROPS No. 13-14B for the six-month fiscal period from January 1, 2013 through June 30, 2014, and taking certain actions.



SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY REGULAR MEETING NOTICE & AGENDA – SEPTEMBER 3, 2013 PAGE 2

4) CONSIDERATION TO ADOPT RESOLUTION NO. 46 APPROVING ADMINISTRATIVE BUDGET NO. 5

Recommend that the Successor Agency adopt Resolution No. 46 approving Administrative Budget No. 5 for the Successor Agency for the six-month fiscal period from January 1, 2013 through June 30, 2014.

5) CONSIDERATION TO ADOPT RESOLUTION NO. 47 APPROVING THE COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES (CONTRACT NO. 1723) BETWEEN THE CITY AND THE SUCCESSOR AGENCY

Recommend that the Successor Agency adopt Resolution No. 47 approving the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses (Contract No. 1723) between the City and the Successor Agency and take certain other related actions.

6) CONSIDERATION TO APPROVE SUBORDINATION AGREEMENT FOR LIBRARY PLAZA

Recommend that the Successor Agency approve a Subordination Agreement with Library Plaza Partners for the Library Plaza development.

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: August 29, 2013 (1:00 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**

**AUGUST 19, 2013 – 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 6:02 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 Don Penman, Assistant General Counsel Richard Padilla, and Secretary Elena G. Chávez

APPROVAL OF AGENDA

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

PUBLIC STATEMENTS – WRITTEN/ORAL

None

CONSENT CALENDAR

Motion by Board Member Fajardo, seconded by Board Member Avila, to approve the following Consent Calendar items:

- 1) APPROVAL OF MINUTES OF AUGUST 5, 2013 – REGULAR MEETING
- 2) ADOPTION OF RESOLUTION NO. 43 – APPROVAL OF WARRANT REGISTER

**SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY
MINUTES – August 19, 2013
Page 2**

- 3) ADOPTION OF RESOLUTION NO. 44 – REIMBURSE THE CITY FOR EXPENSES MADE ON BEHALF OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY

By consensus, the motion carried.

AGENCY DISCUSSION

None

STAFF COMMUNICATION

None

ADJOURNMENT (6:03 P.M.)

Motion by Vice-Chair Ballin, seconded by Board Member 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 August 19, 2013, meeting as approved by the Successor Agency to the San Fernando Redevelopment Agency.

*Elena G. Chávez
Secretary*

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FINANCE DEPARTMENT

MEMORANDUM

TO: Chair Antonio Lopez and Board Members

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

DATE: September 3, 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

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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. 48**

**RESOLUTION OF THE SUCCESSOR AGENCY OF THE
SAN FERNANDO REDEVELOPMENT AGENCY
ALLOWING AND APPROVING FOR PAYMENT
DEMANDS PRESENTED ON DEMAND/ WARRANT
REGISTER NO. 48**

**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 3rd day of September, 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 3rd day of September, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, Secretary

EXHIBIT "A"

vchlist

Voucher List

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08/29/2013 12:56:44PM

CITY OF SAN FERNANDO

Bank code : bank2

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
10043	9/3/2013	101512 HDL, COREN & CONE	0019432-IN		CONTRACT SERVICE PROPERTY TAX - 098-190-0000-4270	625.00
					Total :	625.00
10044	9/3/2013	889069 U.S. BANK	108144000		2006 BOND PRINCIPAL PAYMENT 098-191-0088-4427	705,000.00
					098-191-0088-4417	150,247.51
					098-191-0088-4265	-57.10
			98508230		1998 BOND PRINCIPAL PAYMENT - 098-190-0081-4423	630,000.00
					098-190-0081-4413	33,862.50
					Total :	1,519,052.91
2 Vouchers for bank code : bank2						Bank total : 1,519,677.91
2 Vouchers in this report						Total vouchers : 1,519,677.91

Voucher Registers are not final until approved by Council.

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FINANCE DEPARTMENT

MEMORANDUM

TO: Chair Antonio Lopez and Agency Members

FROM: Don Penman, Interim Executive Director
By: Rafaela King, Interim Finance Director

DATE: September 3, 2013

SUBJECT: Discussion, Consideration and Possible Adoption of Resolution No. 45
Approving Recognized Payment Obligation Schedule (ROPS) No. 13-14B

RECOMMENDATION:

It is recommended that the Successor Agency adopt Resolution No. 45 (Attachment "A") approving Recognized Obligation Payment Schedule (ROPS) No. 13-14B for the six-month fiscal period from January 1, 2013 through June 30, 2014, and taking certain related actions.

BACKGROUND:

Pursuant to AB X 1 26, the Successor Agency must prepare a 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. 13-14B to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS No. 13-14B to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than October 1, 2013. The Successor Agency must submit

Discussion, Consideration and Possible Adoption of Resolution No. 45 Approving Recognized Payment Obligation Schedule (ROPS) No. 13-14B

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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.

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 October 1, 2013, the City 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 October 1, 2013, 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 Resolution No. 45 and approval of the ROPS No. 13-14B for submittal to DOF, the Office of the State Controller, and the County Auditor-Controller no later than October 1, 2013, is not a project under California Environmental Quality Act and will not have any significant environmental impact therefore no additional action is required.

Discussion, Consideration and Possible Adoption of Resolution No. 45 Approving Recognized Payment Obligation Schedule (ROPS) No. 13-14B
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CONCLUSION:

Adoption of Resolution No. 45 will allow the Successor Agency to submit ROPS No. 13-14B to the DOF by the required October 1, 2013 deadline. Subsequent DOF approval of the ROPS No. 13-14B will allow the Successor Agency to pay its enforceable obligations for the period from January 1, 2014 to June 30, 2014. Furthermore, approval of ROPS No. 13-14B will allow the Successor Agency to continue its work to wind down the affairs of the dissolved Redevelopment Agency, pursuant to applicable state regulations.

ATTACHMENT:

A. Resolution No. 45

ATTACHMENT "A"**RESOLUTION NO. 45****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 JANUARY 1, 2014 AND ENDING JUNE 30, 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 January 1, 2014 through June 30, 2014 ("ROPS No. 13-14B"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than October 1, 2013; and (2) post a copy of the Oversight Board-approved ROPS No. 13-14B 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. 13-14B, substantially in the form attached hereto as Exhibit "A" as will be submitted for approval to the Oversight Board on September 12, 2013. The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify ROPS No. 13-14B 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. 13-14B 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. 13-14B 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. 13-14B 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 September, 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 3rd day of September 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT "A"**Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary**

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: San Fernando CityName of County: Los Angeles

Current Period Requested Funding for Outstanding Debt or Obligation			Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding			
A	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):		\$ 2,750,987
F	Non-Administrative Costs (ROPS Detail)		2,625,987
G	Administrative Costs (ROPS Detail)		125,000
H	Current Period Enforceable Obligations (A+E):		\$ 2,750,987

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

I	Enforceable Obligations funded with RPTTF (E):	2,750,987
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	-
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 2,750,987

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

L	Enforceable Obligations funded with RPTTF (E):	2,750,987
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	2,750,987

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) 13-14B - Report of Fund 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	J	K
Fund 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	Due Diligence Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin		
ROPS III Actuals (01/01/13 - 6/30/13)										
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	19,520	-	-	-	152,018	-	-	\$ 171,538	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 \$125k and a DDA loan \$27,018.
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller					116,150			\$ 116,150	Other includes June 3, 2013 RPPTF payment for ROPS IV
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs					268,168			\$ 268,168	Total expenditures incurred during the ROPS III period (January 2013 through June 2013). Refer to prior period tab for detail of expenditures.
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III								\$ -	
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required					-	-	\$ -	The Succssor Agency did not received RPTTF funds for ROPS III period.
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ 19,520	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 19,520	
ROPS 13-14A Estimate (07/01/13 - 12/31/13)										
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ 19,520	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 19,520	Balance carried forward from line item 6.
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller						2,398,302	125,000	\$ 2,523,302	RPTTF funds received on June 3, 2013 to cover ROPS 13-14A period (July 2013 thorough December 2013) expenditures.
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)						2,398,302	125,000	\$ 2,523,302	Estimated expenditures to be incurred by the Succssor Agency during the ROPS 13-14 A period.
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A								\$ -	
11	Ending Estimated Available Fund Balance (7 + 8 - 9 -10)	\$ 19,520	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 19,520	

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Prior Period Adjustments																				
Reported for the ROPS III (January 1, 2013 through June 30, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)																				
(Report Amounts in Whole Dollars)																				
ROPS III 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 III (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14B (January through June 2014) period will be offset by the SA's self-reported ROPS III 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	U
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures								RPTTF Expenditures										
		LMIHF (Includes LMIHF Due Diligence Review (DDR) retained balances)		Bond Proceeds		Reserve Balance (Includes Other Funds and Assets DDR retained balances)		Other Funds		Non-Admin					Admin					Net SA Non-Admin and Admin PPA
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized/ Available	Actual	Difference (If M is less than N, the difference is zero)	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If R is less than S, the difference is zero)	Net Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (O + T))
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 268,168	\$ 647,304	\$ -	\$ -	\$ -	\$ -	\$ 237,161	\$ -	\$ -	\$ -	\$ -	\$ -
1	1998 Tax Allocation Bond Series								33,863	33,863	-	\$ -		\$ -			\$ -	-	\$ -	\$ -
2	2006 Tax Allocation Bond Series								150,198	150,248	-	\$ -		\$ -			\$ -		\$ -	\$ -
3	1998 & 2006 Tax Allocation Bonds								1,500	1,829	-	\$ -		\$ -			\$ -		\$ -	\$ -
4	Retirement Override Assessment											\$ -		\$ -			\$ -		\$ -	\$ -
5	n/a											\$ -		\$ -			\$ -		\$ -	\$ -
6	Agency repayment of Sewer Fund loan								-	320,434	-	\$ -		\$ -			\$ -		\$ -	\$ -
7	Administrative Cost (Personnel Cost)											\$ -		\$ -	195,261	-	\$ -	-	\$ -	\$ -
8	State Controllers Transaction Report											\$ -		\$ -	2,000	-	\$ -	-	\$ -	\$ -
9	Administrative Cost (Annual Audit)											\$ -		\$ -	5,400	-	\$ -	-	\$ -	\$ -
10	Administrative Cost (Property Tax analysis)								2,128			\$ -		\$ -	4,500	-	\$ -	-	\$ -	\$ -
11	Legal Services								44,139			\$ -		\$ -	30,000	-	\$ -	-	\$ -	\$ -
12	Wilshire Ventures - Attorney Fees (Project Specific)									5,000	-	\$ -		\$ -			\$ -		\$ -	\$ -
13	LAUSD Litigation (Project Specific)								3,356	9,000	-	\$ -		\$ -			\$ -		\$ -	\$ -
14	Project #1/89 Annex									111,930	-	\$ -		\$ -			\$ -		\$ -	\$ -
15	DDA with Haagen/Tiangus											\$ -		\$ -			\$ -		\$ -	\$ -
16	SERAF Loan Payments								-			\$ -		\$ -			\$ -		\$ -	\$ -
17	Retirement Tax Override								-			\$ -		\$ -			\$ -		\$ -	\$ -
18	Due Diligence Review as required by AB 1484								16,700	15,000	-	\$ -		\$ -			\$ -		\$ -	\$ -
19	Bond Arbitrage Report								3,675			\$ -		\$ -			\$ -		\$ -	\$ -
20	Outstanding obligation to City Related to Adjustment for Historical Retirement Tax Override Levies											\$ -		\$ -			\$ -		\$ -	\$ -
21	Retirement Tax Override											\$ -		\$ -			\$ -		\$ -	\$ -
22	Credit for ROPS I Passthrough Payment Obligations paid by Successor Agency (obligations were also paid by LA County)											\$ -		\$ -			\$ -		\$ -	\$ -
23	Redevelopment Dissolution Advisory Services								12,609			\$ -		\$ -			\$ -		\$ -	\$ -

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail January 1, 2014 through June 30, 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	
								\$ 38,795,655		\$ -	\$ -	\$ -	\$ 2,625,987	\$ 125,000	\$ 2,750,987
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	694,650	N				17,325		\$ 17,325
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	8,234,364	N				138,351		\$ 138,351
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	1,500	N				1,500		\$ 1,500
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						\$ -
6	Agency repayment of Sewer Fund loan	Third-Party Loans	2/17/2010	5/14/2014	San Fernando Public Finance Authority - Sewer Fund	Per Council Resolution #7362 dated 2/16/2010, the utility sewer fund invested monies into Project Area #2 & 4.	#2 & 4	\$0	Y						\$ -
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 <i>legal services</i> and indirect cost.	#1, 2, 3, 3A & 4	64,600	N					64,600	\$ 64,600
8	State Controllers Transaction Report	Admin Costs	7/1/2010	6/30/2011	Thales Consulting	Preparation of the State Controllers Financial Transaction Report for FY 2011-12 per Health and Safety Code Section 33080, this report is due within six months after the end of the fiscal year. 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 & LMIHF	\$0	Y						\$ -
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	5,400	N						\$ -

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail January 1, 2014 through June 30, 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	
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	3,000	N				1,376		\$ 1,376
11	Legal Services	Admin Costs	2/19/2013	6/30/2014	Richards, Watson & Gershon / Olivarez Madruga P.C.	General Legal Services provided to the Successor Agency	#1, 2, 3, 3A, 4	45,000	N					45,000	\$ 45,000
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	5,000	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	4,000	N				4,000		\$ 4,000
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	3,172,016	N				96,857		\$ 96,857
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	19,431,600	N						\$ -
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						\$ -
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						\$ -

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail January 1, 2014 through June 30, 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	
18	Due Diligence Review as required by AB 1484	Dissolution Audits	8/28/2012	12/31/2012	Eadie and Payne, LLP	As part of AB 1484, California Health and Safety Code Section #34179.5(a) requires each successor agency to select and employ a licensed accountant to complete a "due diligence" review.	LMIHF	\$0	Y						\$ -
19	Bond Arbitrage Report	Fees	4/6/1998	9/15/2014	US Bank	Bond arbitrage report for 1998 TAB.	#1 & 3	3,675	N				3,675		\$ 3,675
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.	#4	492,348	N				492,348		\$ 492,348
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.	#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	162,611	N				162,611		\$ 162,611
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	15,400	N					15,400	\$ 15,400
24	1998 Tax Allocation Bond Series.	Bonds Issued On or Before 12/31/10	4/6/1998	9/15/2014	City of San Fernando	Repayment to the City of San Fernando for advancing funds to the RDA for the September 2011 Bond payments (principal & interest).	#1 & 3	634,575	N				634,575		\$ 634,575
25	2006 Tax Allocation Bond Series.	Bonds Issued On or Before 12/31/10	12/21/2006	9/15/2020	City of San Fernando	Repayment to the City of San Fernando for advancing funds to the RDA for the September 2011 Bond payments (principal & interest).	#1 & 3	832,399	N				832,399		\$ 832,399
26	State CalHFA Loan	City/County Loans On or Before 6/27/11	8/5/2002	12/31/2014	City of San Fernando	CHAFA Loan was issued to finance a 98 unit affordable senior housing development in the City. The City of San Fernando has been making the loan payments.	#1, 1A, 2, 3, 3A, & 4	300,000	N				-		\$ -
27	State CalHFA Loan	Third-Party Loans	8/5/2002	12/31/2014	California Housing Finance Agency	CHFA Loan was issued to finance a 98 unit affordable senior housing development in the City.	#1, 1A, 2, 3, 3A, & 4	669,000	N				-		\$ -

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail January 1, 2014 through June 30, 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	
28	Retirement Tax Override	Miscellaneous	11/1/2011	12/31/2014	City of San Fernando Retirement Obligation	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	# 4	45,709	N				45,709		\$ 45,709
29	Prior Successor Agency administrative costs ROPS 2 and 3	Prior Period RPTTF Shortfall	4/16/2012	6/30/2014	City of San Fernando	Administrative costs for FY 2012/13.	#1, 1A, 2, 3, 3A, & 4	195,261	N				195,261		\$ 195,261

<p style="text-align: center;">Recognized Obligation Payment Schedule 13-14B - Notes January 1, 2014 through June 30, 2014</p>	
Item #	Notes/Comments
	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.
15	
16	CRL originally set SERAF loan repayment deadline as 6/30/2015. AB 1484 sets forth payment requirements.
20	This obligation is subject to court ruling (Sacramento County Superior Court Case No. 34-2013-80001550)
22	The amount of \$162,611 is equal to the unpaid balance for this line item from ROPS 13-14A. RPTTF approved amount was \$182,288, however, actual amount received was \$19,677.
24	Repayment to the City of San Fernando for advancing funds to the RDA for the September 2011 Bond payments (principal & interest) for 1998 TAB
25	Repayment to the City of San Fernando for advancing funds to the RDA for the September 2011 Bond payments (principal & interest) for 2006 TAB
	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. The City made payments (total of \$300k) towards this HELP Loan.
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, 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.
27	
	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.
28	Subject to court ruling (Sacramento County Superior Court Case No. 34-2013-80001550).
29	Administrative costs for FY 2012/13 were not covered due to RPTTF shortfalls for prior periods: ROPS II and III.

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FINANCE DEPARTMENT

MEMORANDUM

TO: Chair Antonio Lopez and Agency Members

FROM: Don Penman, Interim Executive Director
By: Rafaela King, Interim Finance Director

DATE: September 3, 2013

SUBJECT: Discussion, Consideration, and Possible Adoption of Resolution No. 46
Approving Administrative Budget No. 5

RECOMMENDATION:

It is recommended that the Successor Agency adopt Resolution No. 46 (Attachment “A”) approving Administrative Budget No. 5 for the Successor Agency for the six-month fiscal period from January 1, 2014 through June 30, 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 January 1, 2014 through June 30, 2014 (i.e., the second half of fiscal year 2013-14) (Administrative Budget No. 5) to the Oversight Board. However, because the Successor’s Agency’s administrative expenditures also have to be reflected on the ROPS, Administrative Budget No. 5 and the ROPS for the same period (ROPS No. 13-14B) should be consistent.

The Successor Agency is required to submit the ROPS No. 13-14B to the Oversight Board for approval and then submit the Oversight Board-approved ROPS No. 13-14B to the State Department of Finance (DOF), State Controller, and the County Auditor-Controller no later than October 1, 2013.

Discussion, Consideration, and Possible Adoption of Resolution No. 46 Approving Administrative Budget No. 5

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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.

2. On September 12, 2013, staff will present Administrative Budget No. 5 and ROPS NO. 13-14B to the Oversight Board for their approval.

Upon approval from the Oversight Board, both the Administrative Budget No. 5 and ROPS No. 13-14, staff will subsequently transmit both 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 requested amount 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, 2014 for the second half of fiscal year 2013-14 will take into account the amount of Administrative Cost Allowance the Successor Agency received on June 1, 2013. It is estimated that Successor 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 Resolution No. 46 and implementation of the Administrative Budget No. 5, is not a project under California Environmental Quality Act and will not have any significant environmental impact therefore no additional action is required.

CONCLUSION:

The deadline to submit Administrative Budget No. 5 and ROPS No. 13-14B is October 1, 2013, and will be presented to the Oversight Board on September 12, 2013, for approval. Therefore, staff recommends that the Successor Agency receive and file Administrative Budget No. 5 which 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

Discussion, Consideration, and Possible Adoption of Resolution No. 46 Approving Administrative Budget No. 5

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undertake the Successor Agency's work to wind down the affairs of the dissolved Redevelopment Agency, pursuant to applicable state regulations.

ATTACHMENT:

A. Resolution No. 46

ATTACHMENT "A"**RESOLUTION NO. 46****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 Treasurer 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 January 1, 2014 and ending June 30, 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 September, 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 3rd day of September, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, Secretary

EXHIBIT "A"

**Administrative Cost Allowance ROPS 13-14B
Recognized Obligation Payment Schedule No. 5
January 2014 Through June 2014**

ROPS Item #	Project Name / Debt Obligation	Payee	ROPS V Requested Amounts
7	Administrative Cost (Salaries, Benefits, and Overhead)	Employees of Successor Agency	64,600.00
11	Administrative Cost (Legal Services)	Richards, Watson & Gershon; Olivarez Madruga, P.C.	45,000.00
23	Administrative Cost (Redevelopment Dissolution Services)	Seifel Consulting Inc.	15,400.00
Total			\$ 125,000.00

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FINANCE DEPARTMENT

MEMORANDUM

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

FROM: Don Penman, Interim City Manager/ Interim Executive Director
By: Rafaela King, Interim Finance Director

DATE: September 3, 2013

SUBJECT: Discussion, Consideration, and Possible Approval of a Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses between the City and the Successor Agency

RECOMMENDATION:

Successor Agency:

It is recommended that the Successor Agency adopt Resolution No. 47 (Attachment “A”) approving the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses (Exhibit “A” – Contract No. 1723) between the City and the Successor Agency and take certain other related actions.

City Council:

It is recommended that the City Council adopt Resolution No. 7560 (Attachment “B”) approving the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses (Exhibit “A” – Contract No. 1723) between the City and the Successor Agency and take certain other related actions.

BACKGROUND:

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.

Discussion, Consideration, and Possible Approval of a Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses between the City and the Successor Agency
Page 2

The Successor Agency is required to submit the ROPS No. 13-14A and ROPS No. 13-14B to the Oversight Board for approval and then submit the Oversight Board-approved ROPS No. 13-14A and ROPS No. 13-14B to the State Department of Finance (DOF), State Controller, and the County Auditor-Controller no later than March 1, 2013 and October 1, 2013, respectively. Staff prepared a ROPS No. 13-14A and presented it for the Oversight Board's approval at the February 14, 2013 regular meeting. Staff presented for the Oversight Board's approval the Administrative Budget No. 4 (ROPS 13-14A) at the June 13, 2013, meeting as a separate agenda item. Staff will present the ROPS 13-14B, the Administrative Budget No. 5 (ROPS 13-14B) and Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses between the City and the Successor Agency at the Oversight Board meeting on September 12, 2013.

In order to comply with applicable State law, Successor Agency staff is requesting approval of the attached Cooperative Agreement (Exhibit "A" of Attachment "A" and Attachment "B") for the 2013-2014 Fiscal Year.

Successor Agency Resolution No. 47 and City Council Resolution No. 7560 approves the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses between the City and the Successor Agency. As discussed above, the approved administrative budgets must include proposals for arrangements for administrative and operations services provided by the City or another entity. The Cooperative Agreement provides for the Successor Agency to use the City's staff, facilities, and other resources for the administration and operations of the Successor Agency and for the Successor Agency to reimburse the City for such advances.

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. 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.

Discussion, Consideration, and Possible Approval of a Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses between the City and the Successor Agency
Page 3

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 Successor Agency Resolution No. 47 and City Council Resolution No. 7560 and implementation of the Cooperative Agreement, 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 Successor Agency Resolution No. 47 and City Council Resolution No. 7560 will provide the reimbursement of administrative costs to the maximum allowable under applicable state law and therefore ensuring recovery of 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. Successor Agency Resolution No. 47
- B. City Council Resolution No. 7560

ATTACHMENT "A"**RESOLUTION NO. 47****A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY APPROVING THE COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES BETWEEN THE CITY AND THE SUCCESSOR AGENCY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH****RECITALS:**

A. 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 34173(h), 34178(a) and 341180(h), the Successor Agency may enter into agreements with the City with the approval of the Oversight Board.

B. The Successor Agency will submit to the Oversight Board the Cooperative Agreement for Advancement and Reimbursement of Administrative, Overhead and Other Expenses between the City and the Successor Agency, attached hereto as Exhibit "A" and incorporated herein by reference (the "Cooperative Agreement"), which provides for the Successor Agency to use the City's staff, facilities, and other resources for the administration and operations of the Successor Agency and for the Successor Agency to reimburse the City for such advances at the September 12, 2013 regular Oversight Board meeting.

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. The Successor Agency Board hereby approves the Cooperative Agreement attached hereto as Exhibit "A".

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance ("DOF") written notice and information regarding the action taken by the Successor Agency Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

Section 4. The officers of the Successor Agency Board 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.

PASSED, APPROVED, AND ADOPTED this 3rd day of September, 2013.

Antonio Lopez, Chair

ATTEST:

Elena G. Chavez, 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 of the San Fernando Redevelopment Agency held on the 3rd day of September, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chavez, Secretary

EXHIBIT "A"
CONTRACT NO. 1723

**COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF
ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES**

This COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES (this "Agreement") is entered into as of July 11, 2013, by and between the City of San Fernando (the "City") and the Successor Agency to the San Fernando Redevelopment Agency (the "Successor Agency").

RECITALS:

- A. The Successor Agency is required to undertake a number of actions pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) ("Part 1.85"), including winding down the affairs of the former San Fernando Redevelopment Agency ("Agency") pursuant to Health and Safety Code Section 34177(h).
- B. 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.
- C. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), with the approval of the oversight board, the Successor Agency may enter into agreements with the City.
- D. 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.
- E. The City Manager of the City serves as Executive Director of the Successor Agency, the Treasurer 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 Agency's enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with winding down the affairs of the Agency.
- F. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency.
- G. The City and the Successor Agency desire to enter into this Agreement to acknowledge the foregoing recitals and to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. The City shall make available to the Successor Agency its staff, facilities, services, and other resources, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency. The Successor Agency shall have access to the foregoing staff, facilities, services, and other resources of the City.

Section 2. The value of the City staff, including all employee retirement and other benefits, facilities, services, and other resources of the City, including, without limitation, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency made, and to be made, available to the Successor Agency for each six-month fiscal period beginning with the fiscal period commencing on July 1, 2013 and ending on June 30, 2014, determined in accordance with Section 3 hereof, shall constitute an advance to the Successor Agency by the City for each six-month fiscal period, to be repaid in accordance with Section 4 of this Agreement.

Section 3. The City Manager has prepared a cost accounting plan attached hereto as Exhibit 1 and incorporated herein by reference, based upon reasonable allocations and generally accepted cost accounting principles, documenting the value of the City staff, including all employee retirement and other benefits, and the facilities, services, and other resources of the City made, or to be made available, to the Successor Agency pursuant to Section 1 hereof for each six-month fiscal period beginning with the fiscal period commencing on July 1, 2013 and ending on June 30, 2014. For each six month fiscal period, or such other times as the City Manager deems appropriate, the City Manager shall review the cost accounting plan for its accuracy in reflecting the value of City staff and resources advanced to the Successor Agency. The City Manager shall revise the cost accounting plan as he or she determines is necessary based on such periodic review.

Section 4. Within a reasonable time following the beginning of each six month fiscal period, beginning with the fiscal period commencing on July 1, 2013 and ending on June 30, 2014, the Successor Agency shall pay the City the amount of the reimbursement set forth in Exhibit 1 from available funds of the Successor Agency. In the event that insufficient funds are available to the Successor Agency, any unpaid amounts shall be carried over to the next six-month fiscal period. The beginning balance of the amount carried over due to insufficient funds from fiscal year 2012-2013 is \$162,611.

Section 5. The parties hereto agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 6. Each party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other party at all reasonable times.

Section 7. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 8. This Agreement will be become effective upon approval of the Oversight Board to the Successor Agency.

Section 9. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement and approved by the Oversight Board to the Successor Agency.

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

By _____
Antonio Lopez, Chair

ATTEST:

Elena G. Chávez, Secretary

CITY OF SAN FERNANDO

By _____
Antonio Lopez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED:

Oversight Board to the Successor
Agency to the San Fernando
Redevelopment Agency

Date

EXHIBIT "1"Name of Successor Agency: Successor Agency of the City of San Fernando Redevelopment AgencyProject Area(s) All**ALLOCATION METHOD - for the period of July 1, 2013 - December 31, 2013**

Project Name / Debt Obligation	Payee	Description	City %	Successor Agency %	Total
Direct Employee Costs	Employees of Agency/City of San Fernando	Payroll for employees working on direct projects w/in the former RDA			\$ -
	Positions:	City Planner	20%	80%	100%
		City Administrator	60%	40%	100%
		Executive Assistant to City Administrator	80%	20%	100%
Annual Audit	Van Lant & Fankhanel, LLP	Annual Financial Audit Reports		100%	100%
Legal Services	Richards, Watson & Gershon	Legal services provided to the RDA		100%	100%
Legal Services	Olivarez, Madrugoa, P.C.	Legal services provided to the RDA		100%	100%
SCO Transaction Report	Thales Consulting	Preparation of the State Controller's Financial Transaction Report		100%	100%
Advertising for Reso/Ordinance	Various	Required public notices & outreach		100%	100%
Consulting Services	HdL	Consulting services for financials, financial reporting, and bond services		100%	100%
Consulting Services	Seifel Consulting Inc.	Consulting services for Redevelopment Dissolution Services		100%	100%
Overhead Allocation - Administrative Services	City of San Fernando	\$250,000 annual allocation for general admin costs per AB 26			
		City Administrator Department (\$38,339 annually)		9%	
		City Clerk Department (\$15,590 annually)		4%	
		City Council (\$21,967 annually)		5%	
		City Treasurer Department (\$25,309 annually)		6%	
		Personnel Department (\$5,196 annually)		1%	
		Finance Department (\$219,752 annually)		54%	
		Non Departmental (\$32,028 annually)		8%	
		Building Use (\$50,760 annually)		12%	
		Equipment (\$218 annually)		1%	
LAUSD Litigation	Attorney representing City	Ongoing litigation			100%
Wilshire Ventures - Attorney Fees	Attorney representing City	Ongoing litigation for Wilshire Venture			100%
					100%

Name of Successor Agency: Successor Agency of the City of San Fernando Redevelopment Agency

Project Area(s) All

ALLOCATION METHOD - for the period of January 1, 2014 - June 30, 2014

Project Name / Debt Obligation	Payee	Description	City %	Successor Agency %	Total
Direct Employee Costs	Employees of Agency/City of San Fernando	Payroll for employees working on direct projects w/in the former RDA			\$ -
	Positions:	City Planner	20%	80%	100%
		Assistant Planner (Housing)	25%	75%	100%
		City Administrator	60%	40%	100%
		Executive Assistant to City Administrator	80%	20%	100%
Annual Audit	Van Lant & Fankhanel, LLP	Annual Financial Audit Reports		100%	100%
Legal Services	Richards, Watson & Gershon	Legal services provided to the RDA		100%	100%
Legal Services	Olivarez, Madruga, P.C.	Legal services provided to the RDA		100%	100%
SCO Transaction Report	Thales Consulting	Preparation of the State Controller's Financial Transaction Report		100%	100%
Advertising for Reso/Ordinance	Various	Required public notices & outreach		100%	100%
Consulting Services	HdL	Consulting services for financials, financial reporting, and bond services		100%	100%
Consulting Services	Seifel Consulting Inc.	Consulting services for Redevelopment Dissolution Services		100%	100%
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		Non Departmental (\$32,028 annually)		8%	
		Building Use (\$50,760 annually)		12%	
		Equipment (\$218 annually)		1%	
					100%
LAUSD Litigation	Attorney representing City	Ongoing litigation		100.0%	100%
Wilshire Ventures - Attorney Fees	Attorney representing City	Ongoing litigation for Wilshire Venture		100.0%	100%

ATTACHMENT “B”**RESOLUTION NO. 7560****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO APPROVING THE COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES BETWEEN THE CITY AND THE SUCCESSOR AGENCY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH****RECITALS:**

A. 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 34173(h), 34178(a) and 341180(h), the Successor Agency may enter into agreements with the City with the approval of the Oversight Board.

B. The Successor Agency will submit to the Oversight Board the Cooperative Agreement for Advancement and Reimbursement of Administrative, Overhead and Other Expenses between the City and the Successor Agency, attached hereto as Exhibit “A” and incorporated herein by reference (the “Cooperative Agreement”), which provides for the Successor Agency to use the City’s staff, facilities, and other resources for the administration and operations of the Successor Agency and for the Successor Agency to reimburse the City for such advances at the September 12, 2013 regular Oversight Board meeting.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO 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. The City Council hereby approves the Cooperative Agreement attached hereto as Exhibit “A”.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance (“DOF”) written notice and information regarding the action taken by the Successor Agency Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF’s choosing.

Section 4. The officers of the Successor Agency Board 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.

PASSED, APPROVED, AND ADOPTED this 3rd day of September, 2013.

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 September, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, Secretary

EXHIBIT "A"
CONTRACT NO. 1723

**COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF
ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES**

This COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES (this "Agreement") is entered into as of July 11, 2013, by and between the City of San Fernando (the "City") and the Successor Agency to the San Fernando Redevelopment Agency (the "Successor Agency").

RECITALS:

- A. The Successor Agency is required to undertake a number of actions pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) ("Part 1.85"), including winding down the affairs of the former San Fernando Redevelopment Agency ("Agency") pursuant to Health and Safety Code Section 34177(h).
- B. 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.
- C. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), with the approval of the oversight board, the Successor Agency may enter into agreements with the City.
- D. 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.
- E. The City Manager of the City serves as Executive Director of the Successor Agency, the Treasurer 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 Agency's enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with winding down the affairs of the Agency.
- F. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency.
- G. The City and the Successor Agency desire to enter into this Agreement to acknowledge the foregoing recitals and to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. The City shall make available to the Successor Agency its staff, facilities, services, and other resources, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency. The Successor Agency shall have access to the foregoing staff, facilities, services, and other resources of the City.

Section 2. The value of the City staff, including all employee retirement and other benefits, facilities, services, and other resources of the City, including, without limitation, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency made, and to be made, available to the Successor Agency for each six-month fiscal period beginning with the fiscal period commencing on July 1, 2013 and ending on June 30, 2014, determined in accordance with Section 3 hereof, shall constitute an advance to the Successor Agency by the City for each six-month fiscal period, to be repaid in accordance with Section 4 of this Agreement.

Section 3. The City Manager has prepared a cost accounting plan attached hereto as Exhibit 1 and incorporated herein by reference, based upon reasonable allocations and generally accepted cost accounting principles, documenting the value of the City staff, including all employee retirement and other benefits, and the facilities, services, and other resources of the City made, or to be made available, to the Successor Agency pursuant to Section 1 hereof for each six-month fiscal period beginning with the fiscal period commencing on July 1, 2013 and ending on June 30, 2014. For each six month fiscal period, or such other times as the City Manager deems appropriate, the City Manager shall review the cost accounting plan for its accuracy in reflecting the value of City staff and resources advanced to the Successor Agency. The City Manager shall revise the cost accounting plan as he or she determines is necessary based on such periodic review.

Section 4. Within a reasonable time following the beginning of each six month fiscal period, beginning with the fiscal period commencing on July 1, 2013 and ending on June 30, 2014, the Successor Agency shall pay the City the amount of the reimbursement set forth in Exhibit 1 from available funds of the Successor Agency. In the event that insufficient funds are available to the Successor Agency, any unpaid amounts shall be carried over to the next six-month fiscal period. The beginning balance of the amount carried over due to insufficient funds from fiscal year 2012-2013 is \$162,611.

Section 5. The parties hereto agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 6. Each party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other party at all reasonable times.

Section 7. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 8. This Agreement will be become effective upon approval of the Oversight Board to the Successor Agency.

Section 9. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement and approved by the Oversight Board to the Successor Agency.

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

By _____
Antonio Lopez, Chair

ATTEST:

Elena G. Chávez, Secretary

CITY OF SAN FERNANDO

By _____
Antonio Lopez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED:

Oversight Board to the Successor
Agency to the San Fernando
Redevelopment Agency

Date

EXHIBIT "1"

Name of Successor Agency: Successor Agency of the City of San Fernando Redevelopment Agency

Project Area(s) All

ALLOCATION METHOD - for the period of July 1, 2013 - December 31, 2013

Project Name / Debt Obligation	Payee	Description	City %	Successor Agency %	Total
Direct Employee Costs	Employees of Agency/City of San Fernando	Payroll for employees working on direct projects w/in the former RDA			\$ -
	Positions:	City Planner	20%	80%	100%
		City Administrator	60%	40%	100%
		Executive Assistant to City Administrator	80%	20%	100%
Annual Audit	Van Lant & Fankhanel, LLP	Annual Financial Audit Reports		100%	100%
Legal Services	Richards, Watson & Gershon	Legal services provided to the RDA		100%	100%
Legal Services	Olivarez, Madrugoa, P.C.	Legal services provided to the RDA		100%	100%
SCO Transaction Report	Thales Consulting	Preparation of the State Controller's Financial Transaction Report		100%	100%
Advertising for Reso/Ordinance	Various	Required public notices & outreach		100%	100%
Consulting Services	HdL	Consulting services for financials, financial reporting, and bond services		100%	100%
Consulting Services	Seifel Consulting Inc.	Consulting services for Redevelopment Dissolution Services		100%	100%
Overhead Allocation - Administrative Services	City of San Fernando	\$250,000 annual allocation for general admin costs per AB 26			
		City Administrator Department (\$38,339 annually)		9%	
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		Finance Department (\$219,752 annually)		54%	
		Non Departmental (\$32,028 annually)		8%	
		Building Use (\$50,760 annually)		12%	
		Equipment (\$218 annually)		1%	
LAUSD Litigation	Attorney representing City	Ongoing litigation			100%
Wilshire Ventures - Attorney Fees	Attorney representing City	Ongoing litigation for Wilshire Venture			100%
					100%

Name of Successor Agency: Successor Agency of the City of San Fernando Redevelopment Agency

Project Area(s) All

ALLOCATION METHOD - for the period of January 1, 2014 - June 30, 2014

Project Name / Debt Obligation	Payee	Description	City %	Successor Agency %	Total
Direct Employee Costs	Employees of Agency/City of San Fernando	Payroll for employees working on direct projects w/in the former RDA			\$ -
	Positions:	City Planner	20%	80%	100%
		Assistant Planner (Housing)	25%	75%	100%
		City Administrator	60%	40%	100%
		Executive Assistant to City Administrator	80%	20%	100%
Annual Audit	Van Lant & Fankhanel, LLP	Annual Financial Audit Reports		100%	100%
Legal Services	Richards, Watson & Gershon	Legal services provided to the RDA		100%	100%
Legal Services	Olivarez, Madruga, P.C.	Legal services provided to the RDA		100%	100%
SCO Transaction Report	Thales Consulting	Preparation of the State Controller's Financial Transaction Report		100%	100%
Advertising for Reso/Ordinance	Various	Required public notices & outreach		100%	100%
Consulting Services	HdL	Consulting services for financials, financial reporting, and bond services		100%	100%
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Overhead Allocation - Administrative Services	City of San Fernando	\$250,000 annual allocation for general admin costs per AB 26			
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		Non Departmental (\$32,028 annually)		8%	
		Building Use (\$50,760 annually)		12%	
		Equipment (\$218 annually)		1%	
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LAUSD Litigation	Attorney representing City	Ongoing litigation		100.0%	100%
Wilshire Ventures - Attorney Fees	Attorney representing City	Ongoing litigation for Wilshire Venture		100.0%	100%

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ADMINISTRATION DEPARTMENT

MEMORANDUM

TO: Chair Antonio Lopez and Agency Members

FROM: Don Penman, Interim Executive Director

DATE: September 3, 2013

SUBJECT: Discussion, Consideration, and Possible Approval of a Subordination Agreement for Library Plaza

RECOMMENDATION:

It is recommended that the Successor Agency approve a Subordination Agreement (Attachment "A") with Library Plaza Partners for the Library Plaza development.

BACKGROUND:

The San Fernando Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with Aszkenazy Development (as Library Plaza Partners) in June 2010. The development included the San Fernando Branch of the Los Angeles County Library (8,600 square feet) as well as retail of 10,175 square feet, and restaurant and common areas totaling 4,000 square feet. The Redevelopment Agency provided financing of \$751,000 for the project with a thirty (30) year loan which consisted of two components; an acquisition portion of \$51,000 and a construction portion of \$700,000.

The acquisition portion of \$51,000 did not accrue interest and no interest will accrue on half of the remaining balance (\$350,000) provided the library occupies the site continuously during the previous twelve (12) months. If the site was fully leased during the previous 12 month period the interest on the remaining \$350,000 would be reduced from 4% to 2% during the period October 1, 2001 through 2003. The developer was required to make annual payments to the Redevelopment Agency based on a schedule in the DDA. At this time the outstanding balance on the loan payable to the Agency is \$648,982.

ANALYSIS:

The DDA requires the developer obtain Agency approval to sell, transfer, assign or refinance the project. Library Plaza Partners is requesting the Redevelopment Agency subordinate our loan to the primary financing as part of their refinancing of the project. The Agency has always been in

Discussion, Consideration, and Possible Approval of a Subordination Agreement for Library Plaza
Page 2

a subordinate position and Agency staff has previously approved three (3) Subordination Agreements, the most recent in 2010.

As a result of the dissolution of redevelopment, dealing with and processing requests such as this require more steps and actions than prior to the elimination of redevelopment. Under redevelopment law, the discretion to approve or deny was up to the Redevelopment Agency. In the post redevelopment world, the Successor Agency of the Redevelopment Agency must approve this type of agreement as well as the Oversight Board. The Oversight Board is comprised of City staff and representatives and/or appointees of the County of Los Angeles, the Los Angeles Unified School District, and the Community College District.

With this particular Subordination Agreement, the developer is proposing to consolidate three loans into one. The interest rate on the new loan will be 4.75%, down from 5.5%. The Agency loan, which is in the fourth position, will be in the second position if approval is granted. The new loan the developer has secured is \$3.69 million and the property has been appraised at \$5.275 million. The developer is proposing to pull funds out of the property totaling \$273,783. From this amount \$27,017 will be paid to the Successor Agency in advance of the required October payment; \$9,124 in prepaid interest; and various fees of \$10,470, resulting in a net cash out of \$226,172. This \$226,172 is proposed by the developer to be used on predevelopment costs for two projects that are in the planning stage in San Fernando. After the refinancing is completed there will be a loan to value (LTV) ratio of .8188% including both the primary and Agency loans; the original LTV on the project was .95%. After the Agency payment is made the Agency loan to the project will be \$628,965.

If the Successor Agency or the Oversight Board does not approve the Subordination Agreement, the developer would be required to pay the balance of the former Redevelopment Agency loan to the Successor Agency of the Redevelopment Agency. It is important to note, however, that our Successor Agency would not be permitted to retain the entire proceeds from the loan payoff; we would be able to keep that portion of the funds that represent what the City would receive as part of a property tax disbursement. That would amount to about 15% of the proceeds; the balance would go to the County, school district, community college district and other entities that receive property tax. As a result, if there was a payoff the Successor Agency would only receive approximately \$97,347 of the \$648,983 balance. Though one can never predict, there may be an advantage to not receiving the payoff at this point as there is always the possibility that State law may change in the future and allow successor agencies to retain more of these types of funds that could be applied to economic development or some other public purpose.

BUDGET IMPACT:

Approval of the Subordination Agreement by the Successor Agency will result in the continuation of annual loan payments. If approval is not given then the outstanding balance of the loan of \$648,982 will be due of which the Successor Agency would receive an estimated \$97,347.

Discussion, Consideration, and Possible Approval of a Subordination Agreement for Library Plaza
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CONCLUSION:

The Successor Agency is being asked to approve a Subordination Agreement with Library Plaza Partners so they can refinance their project and consolidate their loans and achieve a lower interest rate. The DDA approved by the former Redevelopment Agency requires, under the current law, Successor Agency approval to refinance the project. After having reviewed the financial information pertinent to this project, including the appraisal and closing statement, staff is comfortable that our interests are secure and therefore recommends approval of the Subordination Agreement.

ATTACHMENT:

A. Subordination Agreement

ATTACHMENT “A”

**TO BE PROVIDED UNDER
SEPARATE COVER**