

**MEMORANDUM FOR THE
OVERSIGHT BOARD
FOR THE
SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY**

To: Oversight Board for the South Tahoe Redevelopment Successor Agency

Fr: City of South Lake Tahoe

Re: **Agenda Item New Business (e)**

Overview of Redevelopment Activities in City of South Lake Tahoe and the Dissolution of South Tahoe Redevelopment Agency

Attached you will find a January 30, 2012 Staff Report provided for a special meeting held to dissolve the redevelopment agency. The staff report and accompanying resolutions provide:

- an overview of actions taken to dissolve the agency,
- a detail discussion regarding the total amount of debt owned by the former redevelopment agency and of those debts, the “non enforceable obligations” and those listed on the Enforcable Obligation Payment Schedule (EOPS) and subsequent Recognized Obligation Payment Schedules (ROPS), and
- Cash flow discussion and financial obligations (Table 1)

In addition, at the April 26, 2012 Oversight Board Meeting, a presentation will be provided to the Oversight Board with additional information (and will be attached to the Agenda packet before the meeting) to provide follow up information on the dissolution of the agency.



City of South Lake Tahoe

"making a positive difference now"

STAFF REPORT FOR

SOUTH LAKE TAHOE CITY COUNCIL AND

SOUTH LAKE TAHOE REDEVELOPMENT AGENCY AND

**SOUTH LAKE TAHOE CITY COUNCIL ACTING ON BEHALF OF
GOVERNING BOARD OF THE
SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY**

MEETING OF JANUARY 30, 2012

TO: Honorable Mayor and City Council Members, STRA Board of Directors and Council Members Acting on Behalf of South Tahoe Redevelopment Successor Agency Governing Board Members

FROM: Nancy Kerry, Public Affairs/Communications Manager
Christine Vuletich, Finance Director and
Patrick Enright, City Attorney

RE: **Resolutions to Dissolve South Tahoe Redevelopment Agency and Establish the City of South Lake Tahoe Housing Agency as Required or Authorized by State Assembly Bill 1X 26**

RECOMMENDATION:

Adopt the following resolutions, which are explained in detail in this report:

On behalf of the **City Of South Lake Tahoe**, to adopt the following resolutions:

1. A Resolution of the City Council of the City of South Lake Tahoe Reestablishing the City of South Lake Tahoe Housing Authority and Making an Election in Connection with Housing Assets and Functions Under Part 1.85 of Division 24 of the California Health and Safety Code and Taking Certain Actions in Connection Therewith
2. A Resolution of the City Council of the City Of South Lake Tahoe Making Certain Determinations Regarding the Administration of the Transient Occupancy Tax Levied Pursuant to Ordinance No. 868 Adopted by the South Tahoe Redevelopment Agency and Taking Certain Related Actions

3. A Resolution of the City Council of the City Of South Lake Tahoe Appointing a City Council Member to the Oversight Board in Accordance with California Assembly Bill 1x 26.

On behalf of the **South Lake Tahoe Redevelopment Agency**, to adopt the following resolutions:

4. A Resolution of the South Tahoe Redevelopment Agency Pursuant to Health and Safety Code Section 34163 Finding That No Loans of the Agency Have Been Forgiven or Amended Since the Enactment of AB X1 26.

The South Lake Tahoe City Council Acting on Behalf of the Governing Board of the South Tahoe Redevelopment **Successor Agency**, to adopt the following resolutions:

5. A Resolution of the Board of Directors of the Successor Agency to the South Tahoe Redevelopment Agency Amending an Enforceable Obligation Payment Schedule Pursuant To Health And Safety Code Section 34177 and Taking Certain Actions In Connection Therewith
6. A Resolution of the Board of Directors of the Successor Agency to the South Tahoe Redevelopment Agency Creating a Redevelopment Obligation Retirement Fund Pursuant To Health And Safety Code Section 34170.5 And Taking Certain Actions In Connection Therewith

BACKGROUND:

The complex process dissolving the South Tahoe Redevelopment Agency as required by the passage of State Assembly Bill 1X 26 ("AB 26) and affirmed by the California Supreme Court has been discussed with the City Council at several public meetings throughout 2011.

At the time of the signing of this staff report (January 26, 2012), the following pending court and legislative actions could change some or all of the actions to be taken at the scheduled January 30, 2012 meeting of the City Council, STRA Board of Directors, and South Tahoe Redevelopment Successor Agency (STRSA):

- The City of Cerritos, its redevelopment agency and several other Southern California cities have filed a lawsuit in Sacramento Superior Court to invalidate AB 26. The Plaintiffs' hearing on their motion for Stay Order/Preliminary Injunction is scheduled for January 27, 2012. If the "Cerritos" case is granted an injunction, the meeting of the actions stated herein scheduled for January 30, 2012 may be postponed pending further direction of a court.

- California Senator Padilla's bill (SB 659) would delay implementation of AB 26 until April 15, 2012 has not received support and is currently stuck in committee and is *extremely* unlikely to be passed. In addition, Governor Brown as already indicated he would not sign the bill.
- California Senator Steinberg's bill (SB 654) is continuing to proceed through the legislature, moving quickly through the Senate, and then to the Assembly and is expected to pass. The bill will allow the transfer of the Low to Moderate Income Housing Fund Balance to a new Successor Housing Agency. The bill is expected to pass both houses and be signed by the Governor but not before February 1, 2012, which means the action authorized (transfer of funds), if signed into law, would take place after dissolution of the agency.

Therefore, with these bills and actions in mind, the dissolution of the South Tahoe Redevelopment Agency is expected to occur on February 1, 2012.

ISSUE AND DISCUSSION:

As a result of the dissolution of the South Tahoe Redevelopment Agency (STRA), and the City Council's direction to staff at the January 17, 2012 meeting to establish a Successor Housing Authority, the following actions are required or authorized by AB 26 and explained in detail below:

Actions to be taken by the City Council of the City of South Lake Tahoe:

1. Reestablishing the City of South Lake Tahoe Housing Authority (Attachment 1)

As directed by the City Council at the January 17, 2012 City Council meeting, the first resolution to be adopted will Reestablish the City of South Lake Tahoe Housing Authority.

On November 17, 1998, the City and the South Tahoe Redevelopment Agency entered into a Memorandum of Understanding (Attachment 1A) whereby the City would provide staffing and the Agency would providing funding (from Low to Moderate Income Housing Fund / which represents 20% of property taxes collected via redevelopment tax increment) to operate and manage the City's Housing Authority. Also on November 17, 1998, the City and the South Tahoe Housing Authority (aka City Council) entered into a Memorandum of Understanding (Attachment 1B) clarifying roles and responsibilities of housing staff.

The attached resolution reestablishes the City as the Housing Authority, renaming it the *City of South Lake Tahoe Housing Authority*, and transfers all housing rights, powers, duties, assets and obligations as allowed by law, and functions previously performed by the Redevelopment Agency to the City of South Lake Tahoe Housing Authority. The resolution also authorizes the Authority to accept such transfer of all rights, powers, duties, assets and obligations.

Should SB 654 (Steinberg) pass through both houses in the state legislature and be signed into law as expected, staff will bring a resolution back to the City Council and/or SLT Redevelopment Successor Agency to authorize the transfer of the balance in the Low to Moderate Income Housing Fund as of January 30, 2012 (\$1.6 million) to the CSLT Housing Authority.

The City's Housing Authority will manage the following housing programs:

- First time Homebuyer Program
- Housing Rehabilitation Program
- Multi-family Inspection Program (*all MFD over 8-units are inspected*)
- Development of Multi-family Affordable Housing Projects
- Illegal Housing Unit Conversion Program
- Lead Based Paint Program
- Housing Hotline

Note: Regarding the City's U.S. Housing and Urban Development (HUD) funded Lead Based Paint Program:

At the January 17, 2012 City Council meeting, staff informed the Council that the 2011 Lead Based Paint \$2,000,000 grant received by the City (second funding round), included a \$200,000 contribution from RDA's future/annual housing fund set-aside and since those funds are eliminated under AB 26, staff presumed HUD would require a return of the \$2M grant. However, in subsequent conversations with HUD, they have authorized the City to recalculate the program budget removing the \$200,000 housing contribution. HUD Secretary will need to approve the decision, but it appears the community will continue to benefit from this program, which removes lead hazards from homes, helps keeps children safe and provides local contractors an opportunity to work.

2. **Resolution of the City Council of the City of South Lake Tahoe Regarding the Administration of the Transient Occupancy Tax Levied Pursuant to Ordinance No. 868 (Attachment 2)**

The investors holding the 1999, 2003, 2004, 2005 and 2007 *Series A Tax Allocation Revenue Bonds* for the South Tahoe Redevelopment Project Area No. 1 (collectively, the "*Remaining Refunding Revenue Bonds*") have been guaranteed payment from redevelopment property tax increment (Agency Tax Increment) as the primary revenue source, which is the most secure tax revenue available. To the extent that revenues from Agency Tax Increment are insufficient for debt service for

these bonds only, revenues from transient occupancy tax collected in the project area were pledged as a secondary revenue source for the payment of and security to the “*Remaining Refunding Revenue Bonds*” (Tax Allocation Bonds). The attached resolution reaffirms the City Council’s commitment to the Trust Agreement, the Tax Allocation Loan Agreement and the Transient Occupancy Tax Loan Agreement, to continue payments to the bond holders from the primary revenue source of Agency Tax Increment and if and when revenues are insufficient, the use of agency transient occupancy tax as a secondary source of revenue.

3. Appointing a City Council Member to the Oversight Committee (Attachment 3)

The attached resolution allows the Mayor and City Council to appoint one member of the City Council to the Oversight Committee as required by AB 26. The Oversight Committee will consist of the following members:

- One member appointed by Mayor/City Council of the City that formed the redevelopment agency (City of South Lake Tahoe),
- One member appointed by El Dorado County Board of Supervisors,
- One member of the public appointed by the County Board of Supervisors,
- One member appointed by the County Superintendent of Education (*see *note*)
- One member appointed by the Chancellor of California Community Colleges representing community college districts in county,
- One member appointed by the largest special district taxing entity (STPUD),
- One former employee of the redevelopment agency (the City is seeking clarification of this appointment since all employees who worked in the former redevelopment agency were employees “of the City,” not the STRA).

**Note, the City has received notice that El Dorado County Superintendent Vicky Barber has appointed herself to the Oversight Committee (see Attachment 3A).*

One Action to be taken by the South Tahoe Redevelopment Agency Board:

4. Finding That No Loans of the Agency Have Been Forgiven or Amended Since the Enactment of AB X1 26 (AB 26) (Attachment 4)

AB 26 requires a finding from the South Tahoe Redevelopment Agency board as to whether or not the Agency has forgiven any debts since the enactment of AB 26.

There have been no loans or debts forgiven by the Agency. Therefore, adoption of the attached resolution makes that finding.

Actions to be taken by the South Lake Tahoe City Council Acting on Behalf of the Successor Agency Governing Board of Directors:

5. Amending an Enforceable Obligation Payment Schedule (Attachment 5)

The attached resolution is the Amended Enforceable Obligation Payment Schedule (EOPS) which indicates the current amount of **Outstanding Debt or Obligations total \$199,502,413**, plus on-going expenses. The Amended EOPS must be filed with State Department of Finance (DOF), State Controller's Office, County Auditor's Office, and posted on the Agency's website. The Successor Agency may not take any payment actions until three days after the EOPS has been received by the DOF.

The Enforceable Obligations of the (former) South Tahoe Redevelopment Agency include the following:

- Pass-through Payments (Tax Sharing Section 33401) to Lake Tahoe Unified School District, Lake Tahoe Community College).
 - Outstanding debt or obligation: \$ 9,584,556
- El Dorado County Annual Administration Fee
 - Outstanding debt or obligation: \$ 6,791,000
- Pass-through Payments (Section 33676), County General Fund, County ACO Fund, County Water Agency, County Service Area #3, South Tahoe Public Utility District, County School Superintendent.
 - Outstanding debt or obligation: \$ 17,119,000
- Other Statutory Payments (Section 33607), that are obligations under AB 1290 but for which annual payments are not made until assessed valued is greater than the base year (2007-08) value of \$788,990,383. These future payments would be made to those listed above (Section 33676) along with the City, Tahoe Joint RCD and Happy Homestead Cemetery.
 - Outstanding debt or obligation: \$ 10,230,000
- The 1999, 2003, 2004, 2005 and 2007 *Series A Tax Allocation Revenue Bonds* for the South Tahoe Redevelopment Project Area No. 1 (collectively, the "*Remaining Refunding Revenue Bonds*") as described in #2 above. The primary revenue source for these bonds is (and will remain for the life of the bonds) Tax Increment collected in Project Area No. 1.
 - Outstanding debt or obligation: \$ 155,201,647
- Contracted Financial Services (includes, but not limited to, trustee services, arbitrage rebate calculations, continuing disclosure reports, pass through calculations).
 - Historical Annual expense: \$ 74,000

- Lawsuit Settlement/ Project Area No. 1 (Tricia Kennedy).
 - Outstanding debt or obligation: \$ 150,000
- 2010-2011 SERAF Low to Moderate Income Housing Fund Loan Repayment (AB 26 requires repayment of this loan).
 - Outstanding debt or obligation: \$ 426,210
- Insurance (PARSAC)
 - Outstanding debt or obligation: \$ 8,000/per year
- Administration Costs to the City of South Lake Tahoe (costs to administer Successor Agency debt, financial reporting, legal and banking fees).
 - Outstanding debt or obligation: \$ 265,000/per year
- Contracted Legal Services (Tonon & Associates; Richards/Watson/Gershon and Boutin Jones) for legal services provided in regards to Convention Center bankruptcy and pending resolution of lawsuit.
 - Outstanding debt or obligation: \$ 50,000/per year

The \$7 million loan from the City of South Lake Tahoe to the South Tahoe Redevelopment Agency, of which approximately \$3,500,000 has been repaid, is a legal obligation of the RDA. However, the loan was invalidated by AB 26, which states that loans between sponsoring agencies (the City) and RDAs are invalid except for loans entered into within two years of adoption of a project area (Project Area No. 1 was adopted in 1988 and the loan agreement was executed in 2004). There is currently legislation pending that could validate the loan agreement, which may provide an opportunity to amend the EOPS in the future to include the City/RDA Loan Agreement should the City Council wish to do so (the Loan Agreement is included as Attachment 5B).

6. Creating a Redevelopment Obligation Retirement Fund (RORF) (Attachment 6)

AB 26 requires the Successor Agency (not the City or STRA), to adopt a resolution establishing a RORF to receive Tax Increment revenues from the County Auditor. The RORF will have a bank account separate from the City's bank account and will be used to collect revenues and pay the debts and obligations of the Successor Agency. RORF will be funded by 100% of the Tax Increment and will follow a payment priority set forth by AB 26. The attached resolution authorizes the Executive Director of the Successor Agency (City Manager) and Finance Officer (Finance Director) to create and administer the RORF and authorizes the Successor Agency Secretary (City Clerk) to file a copy with the County Auditor-Controller.

ROLES AND RESPONSIBILITIES OF THE SUCCESSOR AGENCY AND ITS GOVERNING BOARD

As a reminder, the South Tahoe Redevelopment Successor Agency (RSA) will have the following responsibilities:

- The Successor Agency will become effective February 1, 2012 and all South Tahoe Redevelopment Agency assets, contracts, leases, books and records, buildings, and the existing Low/Moderate Income Housing fund balance¹ are required to be transferred to the Successor Agency.
- Make payments and perform other enforceable obligations of the former RDA for bonded indebtedness, loans borrowed, employee pension obligations, judgments/settlements and legally enforceable agreements and contracts.
- By March 1, 2012, adopt a Recognized Obligation Payment Schedule (ROPS), which is a permanent schedule of obligations (replaces the EOPS) and includes a listing of any revenues pledged to debt service.
- By April 1, 2012, report to the County-Auditor whether the total amount of property tax increment available to the Successor Agency will be sufficient to funds ROPS obligations.
- By April 15, 2012, send the adopted ROPS to the State Controller and State Department of Finance for approval. Both of these agencies, along with the Oversight Board, oversee and must approve all actions of the Successor Agency.
- Starting May 1, 2012, the Successor Agency may pay only the obligations on the *approved* ROPS.
- Dispose of the former RDA's assets or properties expeditiously while maximizing value.
- Wind down all affairs of the former RDA.
- Prepare administrative budgets for Oversight Board approval.
- Participate in Oversight Board meetings.
- Act at the direction of, or upon approval of, the Oversight Board.

¹ California Senator Steinberg's bill (SB 654) would amend AB1X 26 by authorizing the Low-Moderate Income Housing *Fund Balance* to transfer to the agency overseeing the Housing Activities of the former redevelopment agencies. Should SB 654 become law, the estimated \$1.6 million in the LMIH fund balance would transfer to what will be the City's newly formed Successor Housing Authority.

FINANCIAL IMPACT:

As described in Item #5 “Enforceable Obligation Schedule” and listed in the Exhibit attached to the resolution (Attachment 5) the **total outstanding debt** or obligation estimated at this time is **\$199,502,413** (all Enforceable Obligations). The first calendar year of obligation payments and debt service (January 2012 through December 2012) total approximately \$7,273,383, but that amount will be reduced in subsequent years as a one-time repayment of the SERAF loan is eliminated and the Kennedy settlement, which has three years remaining is eliminated.

The table below illustrates how the Successor Agency will collect revenue and administer debt and obligation payments for the period January to June 2012. As noted on the table, the Successor Agency will have two small one-time fund balances and **sufficient tax increment** to cover the Highest Priority Payment Obligations (Pass through payments and Tax Allocation bond payments) during the first period.

AB 26 requires revenues, debts and obligations to be accounted for in two six month periods each calendar year, which will result in uneven revenue and payment cycles.

TABLE 1: SUCCESSOR AGENCY, FINANCIAL OBLIGATIONS FIRST PERIOD (January - June 2012)	
<u>Successor Agency Resources</u>	
RDA Fund Balance	\$ 760,280
Tax Increment Revenue (Project Area No. 1)	\$ 5,175,735
RDA Convention Center Project Fund Balance (Tax Increment collected from those parcels) (<i>one-time fund balance transfer</i>)	\$ 337,528
Project Area No. 2 Fund Balance (<i>one-time fund balance transfer</i>)	\$ 153,844
Low to Moderate Income Housing Fund Balance (LMIHF)	\$ 1,600,000
LMIHF balance expected to transfer to Housing Authority (projecting Steinberg bill passing)	\$ (1,600,000)
Total Resources	\$ 6,427,387
<u>Successor Agency Obligations</u>	
<u>Pass Thru and Debt Payment Obligations</u>	
Repay SERAF Loan (AB 26 requirement)	\$ 426,210
El Dorado County Admin Fee	\$ 148,902
Pass Through Payments (Section 33676)	\$ 313,252
Pass Through Negotiated (LTUSD & LTCC)	\$ 150,000
Tax Allocation Bonds (<i>next period payment is \$3,656,092</i>)	\$ 2,090,779
<i>Subtotal Pass Thru and Debt Payment Obligations</i>	\$ 3,129,143
<u>Other Payment Obligations</u>	
Contracted Financial Services	\$ 37,500
Kennedy Settlement	\$ 50,000
Administration Costs (City of South Lake Tahoe)	\$ 132,500
Contracted Legal Costs	\$ 50,000
<i>Subtotal Other Payment Obligations</i>	\$ 270,000
Total Obligations	\$ 3,407,141
Available Carry Forward Fund Balance for Required Debt and Obligations in next period (July 2012 to Dec 2012)	
	\$ 3,020,244

FINANCIAL IMPACT (Continued):

As shown on the previous page, the South Tahoe Redevelopment Successor Agency (RSA) is responsible to continue to pay the obligations of the (former) redevelopment agency as listed and approved on the Enforceable Obligation Payment Schedule (EOPS) and later the Recognized Obligation Payment Schedule (ROPS). There is sufficient tax increment and fund balances available (as shown on Table 1) to cover the debts and obligations through the first period (through June 30, 2012).

Non-“Enforceable” Obligations

As noted earlier, the loan between the City and RDA (Attachment 7) was invalidated by AB26. However, there is pending legislation and lawsuits that could reverse the invalidation, which may provide an opportunity to amend the EOPS/ROPS to include this loan. If that opportunity arises, and agency tax increment increases to provide sufficient revenue to pay the debt, the City might realize the actual repayment of funds. However, there has not been sufficient tax increment revenue to cover that debt since the loan agreement was signed in 2004; there will be no net negative impact on the General Fund resulting from this debt being excluded from the EOPS/ROPS.

The following is a list of obligations previously accounted for in the redevelopment agency budgets, but are not “enforceable obligations” as defined by AB 26. They have been and will continue to be paid through transient occupancy tax (there is no net negative financial impact for the change in how these obligations will be funded and budgeted).

- 2006 Lease Revenue Bonds
 - Annual payment obligation: \$ 1,811,544
- State Water Resources Loan (for Stateline Erosion Control Project). The City took out this loan “on behalf of” the redevelopment agency.
 - Annual payment obligation: \$ 209,926
- Parks and Recreation Scholarship Fund (per bond covenants).
 - Annual payment obligation: \$ 5,200

Employees previously funded through the redevelopment agency via a transfer of transient occupancy tax into the agency will now be funded directly from the transient occupancy tax received directly into the general fund.

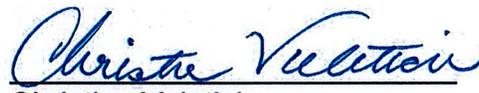
Employees previously funded through the housing set aside funds (Low to Moderate Income Housing Fund (LMIHF)) will now be funded through the CSLT Housing Agency, which will receive one-time revenues in the form of a repayment of \$426,000 loan (SERAF listed on EOPS), grants and any remaining LMIHF balances available. However, the annual set-aside of 20% of property tax for low to moderate income housing utilized to fund the majority of housing activities will cease as a result of AB 26.

SIGNATURES:

While the signatories below prepared the information in this report and attached resolutions, we appreciate and recognize the dedication and hard work of other team members who have invested time, thought, care and preparation into these and other documents relative to dissolving the South Tahoe Redevelopment Agency, which is a complex and complicated process. The agency has been in place since 1981 and has collected and expended more than \$60,000,000 in tax increment revenue in the development of various projects in and around Park Avenue, Heavenly Village, Stateline, Ski Run and elsewhere and provided hundreds of affordable housing units for the community. The professional attention to detail and care that has been invested by those involved to dissolve the agency and comply with AB26 is acknowledged.

By:

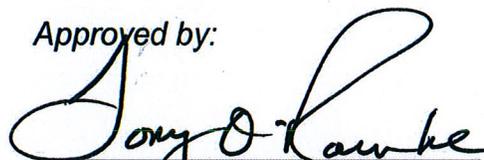

Nancy Kerry
Public Affairs/Communications


Christine Vuletich
Finance Director

And by:


Pat Enright, City Attorney

Approved by:


Tony O'Rourke, City Manager

Attachments:

1. Resolution of the City Council Reestablishing the City of South Lake Tahoe Housing Authority
 - 1A. 1998 MOU between the City and RDA regarding Housing Activities
 - 1B. 1998 MOU between City and City's Housing Authority for Housing Responsibilities
2. Resolution of the City Council of the City Of South Lake Tahoe Making Certain Determinations Regarding the Administration of the Transient Occupancy Tax Levied Pursuant to Ordinance No. 868
3. A Resolution of the City Council of the City Of South Lake Tahoe Appointing a City Council Member to the Oversight Board in Accordance with California Assembly Bill 1x 26
 - 3A. Letter from Vicki Barber, EDC Superintendent of Schools appointing herself to Oversight Board
4. A Resolution of the South Tahoe Redevelopment Agency Finding That No Loans of the Agency Have Been Forgiven or Amended since AB 26 was Enacted
5. A Resolution of the Board of Directors of the Successor Agency to the South Tahoe Redevelopment Agency Amending an Enforceable Obligation Payment Schedule
 - 5.B. 2004 Loan Agreement between City and RDA for repayment of \$7.5M
6. A Resolution of the Board of Directors of the Successor Agency to the South Tahoe Redevelopment Agency Creating a Redevelopment Obligation Retirement Fund Pursuant To Health And Safety Code Section 34170.5 And Taking Certain Actions In Connection Therewith
7. City Council Resolution 2011-54 adopted September 27, 20911 electing to serve as the STRA Successor Agency (attached to keep the public record on resolutions related to AB 1X 26 complete)
8. AB 26 Acronym list

Attachment 1

City Council Resolution

Reestablishing the City of South Lake Tahoe Housing Authority

Attachment 1A.

*1998 MOU between the City and RDA regarding Housing
Activities*

Attachment 1B.

*1998 MOU between City and City's Housing Authority for
Housing Responsibilities*

CITY COUNCIL RESOLUTION NO. 2012-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH LAKE TAHOE REESTABLISHING THE CITY OF SOUTH LAKE TAHOE HOUSING AUTHORITY AND MAKING AN ELECTION IN CONNECTION WITH HOUSING ASSETS AND FUNCTIONS UNDER PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

Whereas, AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with §33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), including adding Part 1.8 (commencing with §34161) ("Part 1.8") and Part 1.85 (commencing with §34170) ("Part 1.85"); and

Whereas, The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case, largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently; and

Whereas, The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later; and

Whereas, As a result of the Supreme Court's decision, the South Tahoe Agency (the "Redevelopment Agency"), a redevelopment agency in the City of South Lake Tahoe (the "City"), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012; and

Whereas, Health and Safety Code §34176(a) authorizes a city that created a redevelopment agency to elect to retain the housing assets and functions previously performed by the redevelopment agency. Pursuant to §34176(a), if a city elects to retain the responsibility for performing housing functions previously performed by the redevelopment agency, all rights, powers, duties, and obligations, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, shall be transferred to the City; and

Whereas, Health and Safety Code §34176(b) provides that if a city does not elect to retain the responsibility for performing housing functions previously performed by the redevelopment agency, all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the redevelopment agency, excluding any amounts in the Low and Moderate Income Housing Fund, shall be transferred as follows: (1) where there is no local housing authority in the territorial jurisdiction of the

former redevelopment agency, to the Department of Housing and Community Development; (2) where there is one local housing authoring in the territorial jurisdiction of the former redevelopment agency, to that local housing authority; and (3) where there is more than one local housing authority in the territorial jurisdiction of the former redevelopment agency, to the local housing authority selected by the city that authorized the creation of the redevelopment agency; and

Whereas, Health and Safety 34176(c) provides that the entity assuming the housing functions formerly performed by the redevelopment agency may enforce affordability covenants and perform related activities pursuant to applicable provisions of the Redevelopment Law, including, but not limited to, Health and Safety Code §33418; and

Whereas, On November 17, 1998 the City of South Lake Tahoe and the former South Tahoe Redevelopment Agency entered into a Memorandum of Understanding (MOU) authorizing the City of South Lake Tahoe to operate the local Housing Authority in the territorial jurisdiction of the former redevelopment agency, provide staffing for such activities, and implement all housing activities while the former redevelopment agency would provide funding from the Low and Moderate Income Housing Fund for all such operations; and

Whereas, the City Council desires to adopt this resolution in connection with any housing assets and functions previously performed by the Redevelopment Agency.

NOW, THEREFORE, THE CITY COUNCIL HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

1. The above recitals are true and correct and are a substantive part of this Resolution.
2. This Resolution is adopted pursuant to Health and Safety Code §34176.
3. Pursuant to Health and Safety Code §34176(a), the City Council hereby elects for the City to retain all of its housing assets, as allowed by law, and functions previously performed by the Redevelopment Agency and the City of South Lake Tahoe Housing Authority and hereby accepts the transfer of all rights, powers, duties, and obligations associated with the housing activities of the Redevelopment Agency.
4. The City Council reserves its right to rescind this election and to subsequently determine that all of the rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Redevelopment Agency shall be transferred to the housing authority selected by the City.
5. The officers and staff of the City are hereby authorized and directed, jointly and severally, to make all notifications of the Council's election, as set forth in §3 hereof, as deemed necessary or advisable and to execute all documents and take all

actions 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.

6. The adoption of this Resolution is not intended to and shall not constitute a waiver by the City of any right the City may have to challenge the legality of all or any portion of AB X1 26 through administrative or judicial proceedings.

7. This Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, §§ 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines. The City Council has determined that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines §15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment. (Guidelines §15378(b) (5)).

8. This Resolution shall take effect immediately upon its adoption.

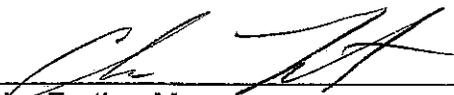
PASSED AND ADOPTED by the City Council of the City of South Lake Tahoe on January 30, 2012, by the following vote.

AYES: Councilmember(s) FORTIER, DAVIS, COLE & GREGO

NOES: Councilmember(s) _____

ABSENT: Councilmember(s) SWANSON

ABSTAIN: Councilmember(s) _____

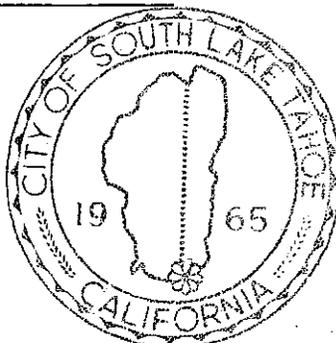


Claire Fortier, Mayor

ATTEST:



Susan Alessi, City Clerk



Attachment 2

City Council Resolution

**Making Certain Determinations Regarding the
Administration of the Transient Occupancy Tax
Levied Pursuant to Ordinance No. 868**

RESOLUTION NO. 2012-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH LAKE TAHOE MAKING CERTAIN DETERMINATIONS REGARDING THE ADMINISTRATION OF THE TRANSIENT OCCUPANCY TAX LEVIED PURSUANT TO ORDINANCE NO. 868 ADOPTED BY THE SOUTH TAHOE REDEVELOPMENT AGENCY AND TAKING CERTAIN RELATED ACTIONS

RECITALS

A. The South Tahoe Redevelopment Agency (the "Agency") was formed in 1981 pursuant to the Community Redevelopment Law (the "CRL"), set forth in Section 33000 *et seq.* of the California Health and Safety Code ("H&S Code").

B. The City Council of the City of South Lake Tahoe (the "City") adopted Ordinance No. 746 on June 28, 1988, approving and adopting the redevelopment plan for the South Tahoe Redevelopment Project Area No. 1 (the "Project Area"). The redevelopment plan was amended from time to time. The redevelopment plan, as amended, is referred to herein as the "Redevelopment Plan."

C. Pursuant to the CRL and the Redevelopment Plan, the Agency undertook a program to redevelop the Project Area.

D. Pursuant to the CRL and the Redevelopment Plan, the Agency receives a portion of the revenues from the property tax levied upon the taxable property within the Project Area each year (the "Tax Increment").

E. The CRL and the Redevelopment Plan authorized the Agency to incur bonded indebtedness from time to time to finance redevelopment projects within the Project Area.

F. In 1995, the Agency desired to incur bonded indebtedness to accomplish the following (together, the "1995 Financing Objectives"): (a) cause the refunding of certain bonds ("Prior Agency Debt") that were issued by the South Tahoe Joint Powers Financing Authority (the "Authority") to assist the Agency in financing improvements and betterments within the Project Area, and (b) finance additional redevelopment projects.

G. Based on analysis available to the Agency in 1995, the Agency determined that it was not in a financial position to issue bonds that would yield sufficient bond proceeds to accomplish the 1995 Financing Objectives, if the bonds were secured only by Tax Increment.

H. As further described below, the City provided assistance to the Agency to accomplish the 1995 Financing Objectives by: (a) entering into an Amended and Restated Project Lease, dated as of November 1, 1995 (the "1995A Bond Lease"), by and between the City and the Authority in connection with the issuance of the Authority's Refunding Lease Revenue Bonds, 1995 Series A ("1995A Bonds"), and (b) implementing Ordinance No. 867, as

adopted by the City Council on October 17, 1995 (the "1995 City TOT Amendment"), which redirected certain revenue from the levy of transient occupancy tax ("TOT") within the Project Area from the City to the Agency.

I. The Authority issued the 1995A Bonds, in the aggregate principal amount of \$27,150,000, to assist the Agency in accomplishing a part of the 1995 Financing Objectives by using the proceeds from the sale of the 1995A Bonds to refund a portion of the Prior Agency Debt and finance redevelopment projects.

J. Pursuant to the 1995A Bond Lease, the City made appropriations from the City's General Fund for rental payments to the Authority with respect to certain properties. Debt service on the Authority's 1995A Bonds was payable from and secured by a pledge of the Authority's revenues from the City's rental payments under the 1995A Bond Lease.

K. Since the enactment of Ordinance No. 292, adopted by the City Council on June 15, 1971, the City has levied a TOT within the City (the "City TOT"). Following the adoption of Ordinance No. 292, the City TOT became a significant source of revenue for the City's General Fund.

L. Pursuant to Section 7280.5 of the California Revenue and Taxation Code ("R&T Code Section 7280.5"), the Agency is authorized to levy, by ordinance, a TOT within the Project Area (the "Agency TOT") but only if the City amended its City TOT ordinance to provide that any person subject to the City TOT would be entitled to a credit in the amount of Agency TOT levied pursuant to R&T Code Section 7280.5.

M. The Agency desired to levy an Agency TOT under R&T Code Section 7280.5 as a means to accomplishing the 1995 Financing Objectives. To that end, the City Council adopted the 1995 City TOT Amendment pursuant to R&T Code Section 7280.5 and the Agency adopted Ordinance No. 868, on October 17, 1995 (the "Agency TOT Ordinance") to levy the Agency TOT.

N. In addition to the 1995A Bonds, the Authority also issued Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1), 1995 Series B (the "1995B Bonds"), in the aggregate principal amount of \$28,555,000, to provide additional moneys to refund Prior Agency Debt and finance redevelopment projects.

O. The 1995B Bonds were issued pursuant to a Trust Agreement, dated as of November 1, 1995 (the "Master Trust Agreement"), by and between the Authority and First Interstate Bank of California, as trustee.

P. In connection with the issuance of the 1995B Bonds, the Agency entered into a Master Tax Allocation Loan Agreement, dated as of November 1, 1995 (the "Master TA Loan Agreement") and a Master Transient Occupancy Tax Loan Agreement, dated as of November 1, 1995 (the "Master TOT Loan Agreement"), each by and between the Agency and the trustee for the 1995B Bonds.

Q. Debt service on the 1995B Bonds was payable from and secured by revenues from the Agency's Tax Increment as the primary source. To the extent that revenues from Tax Increment were insufficient for such debt service, revenues from the Agency TOT were pledged as a secondary source for the payment of and security for the 1995B Bonds.

R. In connection with the adoption of the Agency TOT Ordinance and the issuance of the 1995B Bonds, the City and the Agency entered into a Transient Occupancy Tax Administration Agreement, dated as of November 1, 1995 (the "TOT Administration Agreement").

S. Pursuant to the TOT Administration Agreement, the City agreed to perform all functions incidental to the administration and collection of the Agency TOT, including the transfer of Agency TOT revenues to the trustee for the 1995B Bonds in the amount required by the Master TOT Loan Agreement for debt service.

T. Together, the Master TOT Loan Agreement and the TOT Administration Agreement, provide that any amount of Agency TOT revenues not required for debt service is paid to the City in consideration for (a) the collection and administrative services performed by the City in connection with the Agency TOT, (b) the City's prior advances made to the Agency for redevelopment purposes, and (c) other good and valuable consideration described in the TOT Administration Agreement.

U. Since 1995, the Master Trust Agreement, the Master TA Loan Agreement and the Master TOT Loan Agreement have been amended from time to time in connection with the issuance of additional bonds to provide for the financing and refinancing of redevelopment projects of the Agency (as so amended, the "Trust Agreement," the "TA Loan Agreement" and the "TOT Loan Agreement," respectively).

V. As of February 1, 2012, the following bonds remain outstanding under the Trust Agreement (collectively, the "Remaining Refunding Revenue Bonds"):

- (a) the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 1999 Series A, in the remaining principal amount of \$8,090,000,
- (b) the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2003 Series A, in the remaining principal amount of \$10,610,000,
- (c) the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2004 Series A, in the remaining principal amount of \$11,270,000,
- (d) the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2005 Series A, in the remaining principal amount of \$33,350,000, and
- (e) the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2007 Series A, in the remaining principal amount of \$19,630,000.

W. Pursuant to the Trust Agreement, the TA Loan Agreement, the TOT Loan Agreement, debt service on the Remaining Refunding Revenue Bonds is payable from and secured by revenues from the Agency's Tax Increment as the primary source. To the extent that revenues from Tax Increment are insufficient for such debt service, revenues from the Agency

TOT are pledged as a secondary source for the payment of and security for the Remaining Refunding Revenue Bonds.

X. In 2006, the Authority issued its Refunding Lease Revenue Bonds, Series 2006A (the "2006A Bonds," and together with the Remaining Refunding Revenue Bonds, the "Existing Bonds"), in the aggregate principal amount of \$23,245,000, the proceeds of which were used to refund the 1995A Bonds. In such connection, the City and the Authority entered into a Sublease Agreement, dated as of April 1, 2006 (the "2006A Bond Lease").

Y. Pursuant to the 2006A Bond Lease, the City makes appropriations from the City's General Fund for rental payments to the Authority with respect to certain properties. Debt service on the Authority's 2006A Bonds is payable from and secured by a pledge of the Authority's revenues from the City's rental payments under the 2006A Bond Lease.

Z. The TOT Administration Agreement was amended in 2006 to reflect certain updates. As amended, the TOT Administration Agreement recognizes the following as third party beneficiaries to the TOT Administration Agreement: (a) the holder of any obligation issued under the TOT Loan Agreement, (b) The Bank of New York Mellon Trust Company, N.A, as the successor trustee under the Trust Agreement relating to the Remaining Refunding Revenue Bonds, and (c) National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation), the bond insurer for the 2006A Bonds.

AA. The City has continued to collect the Agency TOT and make transfers to The Bank of New York Mellon Trust Company, N.A., the successor trustee under the Trust Agreement, as contemplated by the TOT Administration Agreement.

BB. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making significant changes to the CRL, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code.

CC. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al. (Case No. S194861)*) alleging that AB X1 26 and AB X1 27 were unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the Matosantos case (the "Matosantos Opinion") largely upholding AB X1 26 and invalidating AB X1 27.

DD. Pursuant to AB X1 26, a redevelopment agency may not impose a new TOT pursuant to R&T Code Section 7280.5, commencing on the effective date of AB X1 26. AB X1 26 does not address the effect of the Agency's dissolution on the existing Agency TOT which is pledged as a secondary source of revenues for the repayment of the Remaining Refunding Revenue Bonds.

EE. Subsection (d) of R&T Code Section 7280.5 states: "Any pledge pursuant to Section 33641 of the Health and Safety Code made with respect to taxes imposed under this

section for the payment of principal and interest on bonds of a redevelopment agency shall constitute the obligation of a contract between the redevelopment agency and the holder of the bonds and shall be protected from impairment by the United States and California Constitutions. The provisions of this section which authorize the imposition of the taxes may not be repealed during the time that any of the bonds remain outstanding.”

FF. H&S Code Section 34175(a), added by AB X1 26, states: “It is the intent of this part that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.”

GG. The Trust Agreement, the TA Loan Agreement, the TOT Loan Agreement and the TOT Administration Agreement (including the original agreements and each amendment thereto) (collectively, the “Bond Documents”) are all duly authorized written agreements executed at the time of and integral to the issuance of bonds, which were issued to finance or refinance redevelopment projects of the Agency and many of which remain outstanding as of the date of this Resolution. The Bond Documents provide for the security and repayment of such bonds. Pursuant to R&T Code Section 7280.5 and H&S Code Section 33641, the Bond Documents collectively constitute an “enforceable obligation” within the meaning of Part 1.85 of AB X1 26.

HH. Pursuant to AB X1 26, as modified by the Matosantos Opinion, the Agency will be dissolved as of February 1, 2012, and all authority, rights, powers, duties and obligations vested with the Agency under the CRL, except for those provisions of the CRL that are repealed, restricted, or revised pursuant to AB X1 26, will be vested in a successor entity (the “Successor Agency”).

II. The City Council of the City adopted Resolution No. 2011-54 on September 27, 2011, pursuant to Part 1.85 of AB X1 26 and made an election for the City to serve as the Successor Agency, a distinct and separate legal entity from the City.

JJ. A disruption or cessation of the administration and collection of the Agency TOT pursuant to the TOT Administration Agreement, as a whole, would materially impair the rights and benefits of the holders of the Existing Bonds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH LAKE TAHOE HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

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

Section 2. To ensure that the contractual obligations owed to the bondholders of the Existing Bonds are met and no default in the payment of an enforceable obligation occurs, upon the dissolution of the Agency, the City will recognize the Successor Agency as the successor to the Agency under the Agency TOT Ordinance, the TOT Loan Agreement and the TOT Administration Agreement. The City shall continue to do so and shall continue to administer and collect the Agency TOT pursuant to the TOT Administration Agreement in the same manner that

the City has done prior to the Agency's dissolution, so long as each of the following remains true under the California State Constitution, R&T Code Section 7280.5 and AB X1 26: (a) the Agency TOT Ordinance has not been repealed (by operation of law or otherwise) or held invalid pursuant to a judgment of court, (b) the TOT Loan Agreement and the TOT Administration Agreement, as a whole, remain as enforceable obligations; and (c) the TOT levied pursuant to the Agency TOT Ordinance remains pledged as a secondary source of repayment revenues for the Remaining Refunding Revenue Bonds if the property taxes allocated to the Successor Agency pursuant to AB X1 26 to pay the Remaining Refunding Revenue Bonds are insufficient therefor.

Section 3. If at any time the TOT Loan Agreement and the TOT Administration Agreement are no longer operative as a whole, whether by operation of law or as the result of the retirement of the Remaining Refunding Revenue Bonds (by payment at maturity, redemption prior to maturity, defeasance or otherwise), the collection of the Agency TOT under the Agency TOT Ordinance shall cease and, pursuant to the 1995 City TOT Amendment, all TOT collected within the Project Area shall be part of the City TOT.

Section 4. The officers and staff of the City 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 are hereby ratified and confirmed.

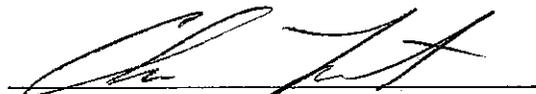
PASSED AND ADOPTED by the City Council of the City of South Lake Tahoe on January 30, 2012, by the following vote.

AYES: Councilmember(s) FORTIER, DAVIS, COLE & GREGO

NOES: Councilmember(s) _____

ABSENT: Councilmember(s) SWANSON

ABSTAIN: Councilmember(s) _____

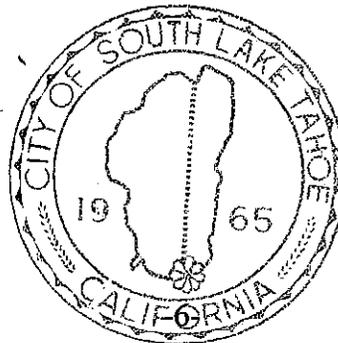


Mayor

ATTEST:



City Clerk



RESOLUTION NO. 2011-54

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH LAKE TAHOE
MAKING AN ELECTION IN CONNECTION WITH SERVING AS A SUCCESSOR
AGENCY UNDER PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND
SAFETY CODE AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**

RECITALS:

A. The South Tahoe Redevelopment Agency (the "Agency") is a redevelopment agency in the City of South Lake Tahoe (the "City"), created pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law").

B. On June 25, 1988, the City Council of the City of South Lake Tahoe (the "City Council") adopted Ordinance No. 746, approving and adopting the redevelopment plan for the Project Area No. 1, and from time to time, the City Council has amended such redevelopment plan. The Agency is undertaking a program to redevelop the Project Area.

C. On May 18, 2010, the City Council of the City of South Lake Tahoe (the "City Council") adopted Ordinance No. 1014, approving and adopting the redevelopment plan for the Project Area No. 2, and from time to time, the City Council has amended such redevelopment plan. The Agency is undertaking a program to redevelop the Project Area.

D. AB X1 26 was signed by the Governor of California on June 29, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code. Commencing upon the effectiveness of AB X1 26, AB X1 26 suspends most redevelopment agency activities and, among other things, prohibits redevelopment agencies from incurring indebtedness or entering into or modifying contracts. Effective October 1, 2011, AB X1 26 dissolves all existing redevelopment agencies and redevelopment agency components of community development agencies, provides for the designation of successor agencies as successor entities to former redevelopment agencies, and provides that except for those provisions of the Redevelopment Law that are repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies under the Redevelopment Law, are vested in the successor agencies. AB X1 26 imposes numerous requirements on the successor agencies and subjects successor agency actions to the review of oversight boards established pursuant to the provisions of Part 1.85.

Attachment 3

City Council Resolution

Appointing a City Council Member to the
Oversight Board in Accordance with California
Assembly Bill 1x 26

RESOLUTION NO. 2012-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH LAKE TAHOE APPOINTING A CITY COUNCIL MEMBER AND AN ALTERNATE TO THE OVERSIGHT BOARD IN ACCORDANCE WITH CALIFORNIA ASSEMBLY BILL 1X 26

RECITALS:

A. Health and Safety Code Section 34179 provides that each successor agency shall have an oversight board composed of seven members. The Mayor of the City that formed the redevelopment agency shall appoint one member to the Oversight Board; and

B. The South Lake Tahoe City Council Protocols provides that appointments to Boards of Council Members shall be made by the City Council after discussion of the City Council.

NOW, THEREFORE, THE CITY COUNCIL HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS 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 Health and Safety Code Section 34179.

Section 3. The City Council hereby appoints Councilmember Hal Cole to serve on the Oversight Board for the successor agency of the South Tahoe Redevelopment Agency and Councilmember Bruce Grego as the alternate.

Section 4. The City Clerk is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor-Controller.

Section 5. The officers and staff of the City 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 are hereby ratified and confirmed.

Section 6. This Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines. The City Council has determined that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because this Resolution is an organizational or

administrative activity that will not result in a direct or indirect physical change in the environment. (Guidelines Section 15378(b) (5)).

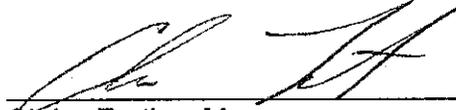
PASSED AND ADOPTED by the City Council of the City of South Lake Tahoe at a special meeting on January 30, 2012, by the following vote:

AYES: Councilmember(s): FORTIER, DAVIS, COLE & GREGO

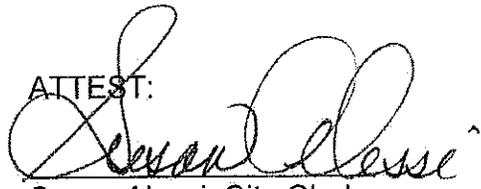
NOES: Councilmember(s): _____

ABSENT: Councilmember(s): SWANSON

ABSTAIN: Councilmember(s): _____



Claire Fortier, Mayor

ATTEST:


Susan Alessi, City Clerk



Attachment 4

South Tahoe Redevelopment Agency
Resolution

Finding That No Loans of the Agency
Have Been Forgiven or Amended since
AB 1X 26 was Enacted

STRA RESOLUTION NO. 2012-2

**A RESOLUTION OF THE SOUTH TAHOE REDEVELOPMENT AGENCY
PURSUANT TO HEALTH AND SAFETY CODE SECTION 34163
FINDING THAT NO LOANS OF THE AGENCY HAVE BEEN FORGIVEN
OR AMENDED SINCE THE ENACTMENT OF AB X1 26**

RECITALS:

A. The South Tahoe Redevelopment Agency ("Agency") is a redevelopment agency in the City of South Lake Tahoe ("City"), created pursuant to the Community Redevelopment Law (Part 1, commencing with Section 33000, of Division 24 of the California Health and Safety Code) ("Redevelopment Law").

B. On June 25, 1988 the City Council of the City of South Lake Tahoe ("City Council") adopted Ordinance No. 746, approving and adopting the redevelopment plan for the Project Area No. 1. From time to time, the City Council has amended such redevelopment plan. The Agency is undertaking a program to redevelop the Project Area.

C. On May 18, 2010 City Council adopted Ordinance No. 1014, approving and adopting the redevelopment plan for the Project Area No. 2. From time to time, the City Council has amended such redevelopment plan. The Agency is undertaking a program to redevelop the Project Area.

D. AB X1 26 was signed by the Governor of California on June 29, 2011, making certain changes to the Redevelopment Law, including the addition of Part 1.8 (commencing with Section 34161) and of Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code. Commencing upon effectiveness, AB X1 26 suspends most redevelopment agency activities and, among other things, prohibits redevelopment agencies from incurring indebtedness or entering into or modifying contracts.

E. AB X1 27 was signed by the Governor of California on June 29, 2011, adding Part 1.9 (commencing with Section 34192) to Division 24 of the California Health and Safety Code. Part 1.9 established an Alternative Voluntary Redevelopment Program whereby, notwithstanding the provisions of Part 1.8 and Part 1.85, a redevelopment agency could be authorized to continue to exist and carry out the provisions of the Redevelopment Law upon the enactment.

F. On December 29, 2011 the California Supreme Court issued its opinion in the case of California Redevelopment Association, et al. v. Matosantos, et al., largely upholding ABX1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

G. AB X1 26 prohibits the Redevelopment Agency from forgiving all or any part of the balance owed to the Agency on existing loans or extending or changing the terms and conditions of existing loans. The Board of Directors now desires to adopt this Resolution specifying that, since the enactment of AB X1 26, the agency has not forgiven any loans or extended or changed the terms and conditions of existing loans.

NOW, THEREFORE, THE SOUTH TAHOE REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS 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 Health and Safety Code Section 34163.

Section 3. The Agency hereby declares that none of the loans of the Redevelopment Agency have been forgiven in any part of the balance owed to the Agency on existing loans, nor has the Agency extended or changed the terms and conditions of existing loans.

Section 4. The Executive Director is hereby authorized and directed to file a certified copy of this Resolution with the County.

Section 5. This Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter "Guidelines"), and the City's environmental guidelines. The Board of Directors have determined that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment. (Guidelines Section 15378(b)(5)).

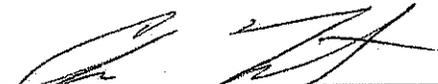
PASSED AND ADOPTED by the Board of Directors of the South Tahoe Redevelopment Agency at a special meeting on January 30, 2012, by the following vote:

AYES: Board Member(s): FORTIER, DAVIS, COLE & GREGO

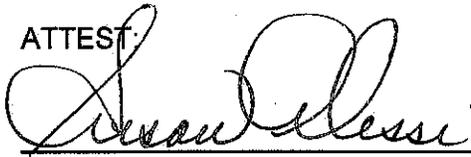
NOES: Board Member(s): _____

ABSENT: Board Member(s): SWANSON

ABSTAIN: Board Member(s): _____



Claire Fortier, Chairperson

ATTEST:


Susan Alessi, Secretary

Attachment 5

Board of Directors of the South Tahoe
Redevelopment Successor Agency

Amending an Enforceable Obligation Payment
Schedule

Attachment 5.B.

2004 Loan Agreement between City and RDA

RESOLUTION NO. 2012-3

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY AMENDING AN ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85").

B. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the Matosantos case largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

C. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later.

D. As a result of the Supreme Court's decision, the South Tahoe Redevelopment Agency (the "Redevelopment Agency"), a redevelopment agency in the City of South Lake Tahoe (the "City"), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012.

E. By its Resolution No. 2011-54, adopted on September 27, 2011, the City Council of the City made an election to serve as the successor agency for the Redevelopment Agency under Part 1.85 (the "Successor Agency").

F. By its Resolution No. 2011-7, the Redevelopment Agency approved an Enforceable Obligation Payment Schedule on August 23, 2011, which the Successor Agency desires to amend.

G. Health and Safety Code Section 34177(a) provides that successor agencies are required to continue to make payments due for enforceable obligations. Health and Safety Code Section 34177(a)(1), as modified by the Supreme Court, provides that on and after February 1, 2012, and until a Recognized Obligation Payment Schedule becomes operative, only payments required pursuant to an enforceable obligation payment schedule shall be made. The enforceable obligation schedule may be amended by the successor agency at any public meeting and shall be subject to the approval of the oversight board as soon as the board has sufficient members to form a quorum.

EXHIBIT A

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Exhibit A

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month						Total
					Jan	Feb	Mar	Apr	May	Jun	
1999 Refunding Revenue Bonds - Series A	Bank of New York	Bond issues to fund non-housing projects	\$ 14,987,937	\$ 550,481				\$ 216,339			\$ 216,339
2004 Refunding Revenue Bonds - Series A	Bank of New York	Bond issues to fund non-housing projects	\$ 21,041,873	\$ 746,816				\$ 271,783			\$ 271,783
2003 Refunding Revenue Bonds - Series A	Bank of New York	Bond issues to fund non-housing projects	\$ 22,214,011	\$ 615,996				\$ 287,568			\$ 287,568
2005 Refunding Revenue Bonds - Series A	Bank of New York	Bond issues to fund non-housing projects	\$ 56,429,250	\$ 2,672,000				\$ 833,750			\$ 833,750
2007 Refunding Revenue Bonds - Series A	Bank of New York	Bond issues to fund non-housing projects	\$ 40,528,576	\$ 1,161,578				\$ 481,339			\$ 481,339
Contracted Financial Services	Bank of NY Mellon, Wilidan, Fraser & Associates	Trustee services, arbitrage rebate calculations, continuing disclosure reports, pass through calculations)		\$ 75,000	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 37,500
Project Area 1 (Park Avenue)	Tricia Kennedy Low/Mod Income Housing Fund	Lawsuit Settlement	\$ 150,000	\$ 50,000				\$ 50,000			\$ 50,000
2010-11 SERAF Payment		Per AB X126	\$ 426,210	\$ 426,210							\$ 426,210
Insurance	PARSAC	Asset Insurance Drainage Basins Costs to Administer Successor Agency (internal debt administration, accounting, financial reporting, legal, and banking fees)		\$ 8,000				\$ 8,000			\$ 8,000
Administration Costs	City of South Lake Tahoe			\$ 265,000	\$ 22,083	\$ 22,083	\$ 22,083	\$ 22,083	\$ 22,083	\$ 22,083	\$ 132,498
Contracted Legal Services	Tonon & Assoc., Richards Watson Gershon, and Boutin Jones	Convention Center Project bankruptcy ongoing legal costs pending resolution of lawsuit		\$ 50,000	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 50,000
Totals - This Page			\$ 155,777,857	\$ 6,821,081	\$ 36,666	\$ 462,876	\$ 36,666	\$ 2,185,445	\$ 36,666	\$ 36,666	\$ 2,794,987
Totals - Page 2											
Totals - Page 3											
Totals - Page 4											
Totals - Other Obligations			\$ 43,724,556	\$ 612,152	\$ 305,528	\$ -	\$ -	\$ -	\$ 306,626	\$ -	\$ 612,154
Grand total - All Pages			\$ 199,502,413	\$ 7,233,233	\$ 342,194	\$ 462,876	\$ 36,666	\$ 2,185,445	\$ 343,292	\$ 36,666	\$ 3,407,141

* This Enforceable Obligation Payment Schedule (EOPS) was originally adopted by the redevelopment agency in August, 2011. This amendment is valid through June 30, 2012 and will be the basis for the Recognized Obligation Payment Schedule (ROPS), which must be adopted by the Successor Agency by May 1, 2012.

Name of Redevelopment Agency: **South Tahoe Redevelopment Agency**
 Project Area(s): **Project Area 1**

OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month						Total	
					Jan	Feb	Mar	Apr	May	Jun		
1) Tax Sharing Section 33401	Lake Tahoe Unified School District	Tax Sharing Agreement	4,792,278	75,000						75,000	75,000	
2) Tax Sharing Section 33401	Lake Tahoe Community College	Tax Sharing Agreement	4,792,278	75,000						75,000	75,000	
3) Property Tax Admin Fee	El Dorado County	County Yearly Administrative Fee	6,791,000	148,902	148,902						148,902	
4) Section 33676 Payments	County General Fund	Section 33676 Payments	10,976,000	201,000	100,500					100,500	201,000	
5) Section 33676 Payments	County A.C.O. Fund	Section 33676 Payments	228,000	3,975	1,988					1,988	3,975	
6) Section 33676 Payments	County Water Agency	Section 33676 Payments	359,000	6,275	3,138					3,138	6,275	
7) Section 33676 Payments	County Service Area #3	Section 33676 Payments	252,000	5,000	2,500					2,500	5,000	
8) Section 33676 Payments	South Tahoe Public Utility District	Section 33676 Payments	4,253,000	78,000	39,000					39,000	78,000	
9) Section 33676 Payments	County School Superintendent	Section 33676 Payments	1,051,000	19,000	9,500					9,500	19,000	
10) Statutory Payments	County General Fund	Section 33607.5 Payments	5,296,000	0						0	0	
11) Statutory Payments	County A.C.O. Fund	Section 33607.5 Payments	110,000	0						0	0	
12) Statutory Payments	County Water Agency	Section 33607.5 Payments	174,000	0						0	0	
13) Statutory Payments	County Service Area #3	Section 33607.5 Payments	122,000	0						0	0	
14) Statutory Payments	City of S.T.	Section 33607.5 Payments	2,366,000	0						0	0	
15) Statutory Payments	South Tahoe Public Utility District	Section 33607.5 Payments	2,052,000	0						0	0	
16) Statutory Payments	Tahoe Joint RCD	Section 33607.5 Payments	17,000	0						0	0	
17) Statutory Payments	Happy Homestead	Section 33607.5 Payments	93,000	0						0	0	
18) Statutory Payments	El Dorado County Schools Superintendent	Section 33607.5 Payments	0	0						0	0	
19)												
20)												
21)												
22)												
23)												
24)												
25)												
26)												
27)												
28)												
Totals - Other Obligations				612,152	305,528	0	0	0	0	306,626	0	612,152

NOTE: Statutory Payments (AB 1290) are currently zero until assessed values are greater than the base year value (2007-08) of \$788,990,383.

Attachment 6

Board of Directors of the South Tahoe
Redevelopment Successor Agency

Creating a Redevelopment Obligation
Retirement Fund

RESOLUTION NO. 2012-4

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY CREATING A REDEVELOPMENT OBLIGATION RETIREMENT FUND PURSUANT TO HEALTH AND SAFETY CODE SECTION 34170.5 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), including adding Part 1.8 (commencing with Section 34161)("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85").

B. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case, largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

C. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later.

D. As a result of the Supreme Court's decision, the South Tahoe Redevelopment Agency (the "Redevelopment Agency"), a redevelopment agency in the City of South Lake Tahoe (the "City"), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012.

E. By its Resolution No. 2011-54, adopted on September 27, 2011, the City Council of the City made an election to serve as the successor agency for the Redevelopment Agency under Part 1.85 (the "Successor Agency").

F. By its Resolution No.2011-54, adopted on September 27, 2011, the City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors (the "Board") consisting of the members of the City Council of the City.

G. Health and Safety Code Section 34170.5 provides that each successor agency shall create within its treasury a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

H. Accordingly, the Board desires to adopt this Resolution creating a Redevelopment Obligation Retirement Fund within the treasury of the Successor Agency.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS 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 Health and Safety Code Section 34170.5.

Section 3. The Executive Director and the Finance Officer are hereby authorized and directed to create within the treasury of the Successor Agency a Redevelopment Obligation Retirement Fund to be administered by the Successor Agency.

Section 4. The Secretary is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor-Controller.

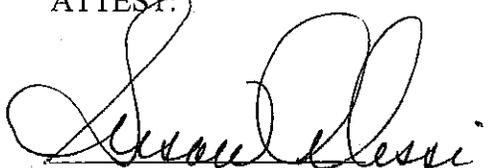
Section 5. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

PASSED AND ADOPTED this 30th day of January, 2012.

AYES: Agency members FORTIER, DAVIS, COLE & GREGO
NOES: Agency members _____
ABSENT: Agency members SWANSON
ABSTAIN: Agency members _____



Claire Fortier, Chair

ATTEST:

Susan Alessi, Secretary

Attachment 7

City Council Resolution 2011-54

Electing to serve as the STRA Successor
Agency adopted September 27, 2011

*Resolution is attached to keep the public record on
resolutions related to AB 1X 26 complete*

RESOLUTION NO. 2011-54

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH LAKE TAHOE
MAKING AN ELECTION IN CONNECTION WITH SERVING AS A SUCCESSOR
AGENCY UNDER PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND
SAFETY CODE AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**

RECITALS:

A. The South Tahoe Redevelopment Agency (the "Agency") is a redevelopment agency in the City of South Lake Tahoe (the "City"), created pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law").

B. On June 25, 1988, the City Council of the City of South Lake Tahoe (the "City Council") adopted Ordinance No. 746, approving and adopting the redevelopment plan for the Project Area No. 1, and from time to time, the City Council has amended such redevelopment plan. The Agency is undertaking a program to redevelop the Project Area.

C. On May 18, 2010, the City Council of the City of South Lake Tahoe (the "City Council") adopted Ordinance No. 1014, approving and adopting the redevelopment plan for the Project Area No. 2, and from time to time, the City Council has amended such redevelopment plan. The Agency is undertaking a program to redevelop the Project Area.

D. AB X1 26 was signed by the Governor of California on June 29, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code. Commencing upon the effectiveness of AB X1 26, AB X1 26 suspends most redevelopment agency activities and, among other things, prohibits redevelopment agencies from incurring indebtedness or entering into or modifying contracts. Effective October 1, 2011, AB X1 26 dissolves all existing redevelopment agencies and redevelopment agency components of community development agencies, provides for the designation of successor agencies as successor entities to former redevelopment agencies, and provides that except for those provisions of the Redevelopment Law that are repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies under the Redevelopment Law, are vested in the successor agencies. AB X1 26 imposes numerous requirements on the successor agencies and subjects successor agency actions to the review of oversight boards established pursuant to the provisions of Part 1.85.

E. Health and Safety Code Section 34173, which is set forth in Part 1.85, provides that a city that authorized the creation of a redevelopment agency may elect to serve, or not to serve, as the successor agency under Part 1.85.

F. AB X1 27 was signed by the Governor of California on June 29, 2011, adding Part 1.9 (commencing with Section 34192) to Division 24 of the California Health and Safety Code. Part 1.9 establishes an Alternative Voluntary Redevelopment Program whereby, notwithstanding the provisions of Part 1.8 and Part 1.85, a redevelopment agency will be authorized to continue to exist and carry out the provisions of the Redevelopment Law upon the enactment, prior to the applicable deadline established in Part 1.9 (with the earliest deadline being October 1, 2011), by the city council of the city which includes that redevelopment agency of an ordinance to comply with Part 1.9. Pursuant to Health and Safety Code Section 34192, if a city participates in the Alternative Voluntary Program and complies with all requirements and obligations contained in Part 1.9, the redevelopment agency in that city will be exempt from Part 1.8 and Part 1.85.

G. The California Redevelopment Association and League of California Cities have filed a lawsuit in the Supreme Court of California alleging that AB X1 26 and AB X1 27 are unconstitutional. On August 11, 2011, the Supreme Court of California decided to hear the case and set a briefing schedule designed to allow the Supreme Court to decide the case before January 15, 2012. On August 11, 2011, the Supreme Court also issued a stay order, which was subsequently modified on August 17, 2011. Pursuant to the modified stay order, the Supreme Court granted a stay of all of AB X1 27 (i.e., Part 1.9), except for Health and Safety Code Section 34194(b)(2) (relating to the determination of cities' fiscal year 2011-12 remittance amounts) and a partial stay of AB X1 26. With respect to AB X1 26, Part 1.85 was stayed in its entirety, but Part 1.8 (including Health and Safety Code Sections 34167 and 34169) was not stayed.

H. The City Council desires to now adopt this Resolution making an election in connection with serving as a successor agency under Part 1.85 in the event that the stay is lifted, AB X1 26 is upheld by the Supreme Court of California, and the Agency is dissolved pursuant to Part 1.85.

NOW, THEREFORE, THE CITY COUNCIL HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS 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 Health and Safety Code Section 34173.

Section 3. The City Council hereby elects for the City to serve as a successor agency under Part 1.85 in the event the Agency is dissolved pursuant to Part 1.85.

Section 4. The City Clerk is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor-Controller.

Section 5. The officers and staff of the City 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 are hereby ratified and confirmed.

Section 6. The adoption of this Resolution is not intended and shall not constitute a waiver by the City of any right the City may have to challenge the legality of all or any portion of AB X1 26 or AB X1 27 through administrative or judicial proceedings.

Section 7. At such time as the Agency becomes exempt from Parts 1.8 and 1.85, this Resolution shall be of no further force or effect.

Section 8. This Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines. The City Council has determined that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment. (Guidelines Section 15378(b) (5)).

PASSED AND ADOPTED by the City Council of the City of South Lake Tahoe at a regular meeting on September 27, 2011, by the following vote:

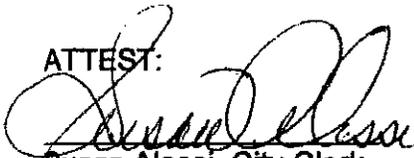
AYES: Councilmember(s): COLE, FORTIER, DAVIS, GREGO & SWANSON

NOES: Councilmember(s): _____

ABSENT: Councilmember(s): _____

ABSTAIN: Councilmember(s): _____


Hal Cole, Mayor

ATTEST:

Susan Alessi, City Clerk



Attachment 8

Acronyms relevant to the Dissolution of the
STRA and AB 1X 26

DISSOLUTION OF REDEVELOPMENT AGENCY

AB1X 26 ACRONYMS

- DOF** Department of Finance, approves EOPS/ROPS and actions taken by the Successor Agency, Oversight Board and County Auditor.
- EOPS** Enforceable Obligation Schedule (a list of redevelopment agency debts and obligations the Successor Agency determines should be enforceable and paid through tax increment).
- LMIHF** Low to Moderate Income Housing Fund, which was a fund that collected 20% of the tax increment set-aside by the (former) redevelopment agency.
- OB** Oversight Board is a multi-agency board consisting of representatives from the City of South Lake Tahoe (2 appointments), El Dorado County Supervisors (2 appointments), the County Superintendent of Education (1 appointment), STPUD (1 appointment) and the Chancellor of California Community Colleges (1 appointment in EDC District).
- SCO** State Controller's Office which will review and oversee actions of the Successor Agency, Oversight Board, County Auditor/Controller and DOF as to actions taken related to the dissolution of the redevelopment agencies.
- STRA** South Tahoe Redevelopment Agency, the former redevelopment agency.
- ROPS** Recognized Obligation Schedule. Once the obligations listed on the EOPS are approved by the Oversight Board, the Department of Finance and the State Controller, the Successor Agency may prepare a Recognized Obligation Schedule that will include revenues to cover the obligations.
- RORF** Redevelopment Obligation Retirement Fund established within the Successor Agency's treasury will collect the tax increment forwarded by the County Auditor/Controller in an amount sufficient to cover the obligations listed on the EOPS/ROPS.
- RPTTF** Redevelopment Property Tax Trust Fund is established by the County Auditor-Controller. The Auditor/Controller determines the amount of property taxes (using current assessed values on the last August 20 equalized roll) that would have been allocated to the agency, and pursuant to statutory tax sharing or tax sharing agreements, and deposits that amount in the Redevelopment Property Tax Trust Fund for the agency.
- RSA** Redevelopment Successor Agency.