

STAFF REPORT
OVERSIGHT BOARD OF
South Tahoe Redevelopment Successor Agency
Meeting February 27, 2013

TO: Honorable Chair and Board Members of Oversight Board for the South Tahoe Redevelopment Successor Agency

FROM: Debbie McIntyre, Accounting Manager

RE: Approval of proposed administrative budget for the six-month fiscal period from for July 1, 2013 through December 31, 2013

RECOMMENDATION:

Staff recommends that the Oversight Board for the Successor Agency to the South Tahoe Redevelopment Agency adopt the Resolution approving the proposed administrative budget for the six-month fiscal period from July 1, 2013 through December 31, 2013 and taking certain related actions.

ISSUE AND DISCUSSION:

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), 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.

The Redevelopment Dissolution Law is unclear regarding the required timing for the submission of the proposed administrative budget for the period from July 1, 2013 through December 31, 2013 (*i.e.*, the first half of fiscal year 2013-14) ("Administrative Budget 13-14A") to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget 13-14A and the ROPS for the same period ("ROPS 13-14A") should be consistent.

The Successor Agency is required to submit ROPS 13-14A to the Oversight Board for approval and then submit the Oversight Board-approved ROPS 13-14A to the State Department of Finance, State Controller and the County Auditor-Controller no later than March 1, 2013. Staff has prepared a ROPS 13-14A for the Oversight Board's approval at this meeting as a separate agenda item. Staff recommends that the Board approve Administrative Budget 13-14A on the same date as the Board's approval of ROPS 13-14A.

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

FINANCIAL AND/OR POLICY IMPLICATIONS:

Under the Redevelopment Dissolution Law, 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 shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS.

By:

Debbie McIntyre, Accounting Manager

Attachments:

Resolution of the Oversight Board approving the Administrative Budget
Administrative Budget

RESOLUTION NO. OB _____

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2013 THROUGH DECEMBER 31, 2013 AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency") must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. There has been presented to this Board for approval a proposed administrative budget for the Successor Agency for the six-month fiscal period from July 1, 2013 through December 31, 2013 ("Administrative Budget 13-14A").

NOW, THEREFORE, THE OVERSIGHT BOARD FOR 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. The Oversight Board hereby approves the proposed Administrative Budget 13-14A substantially in the form 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 Oversight 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 Oversight Board 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.

PASSED, APPROVED AND ADOPTED this 27th day of February, 2013.

AYES: Board members _____

NOES: Board members _____

ABSENT: Board members _____

ABSTAIN: Board members _____

ATTEST:

Clerk of the Board

Hal Cole, Chairperson

EXHIBIT A

**SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY
ADMINISTRATIVE BUDGET**

(July 1, 2013 through December 31, 2013)

ADMINISTRATIVE BUDGET ROPS 13-14A

July 1, 2013 to December 31, 2013

ADMINISTRATIVE COSTS (6 month period)	\$125,000
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All Administrative Costs will be paid with Tax Increment available after payment of debt service.