

STAFF REPORT
OVERSIGHT BOARD OF
South Tahoe Redevelopment Successor Agency
Meeting September 18, 2015

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

FROM: Debbie McIntyre, Financial Services Manager
South Tahoe Redevelopment Successor Agency

RE: Resolution Approving a Recognized Obligation Payment Schedule for the Six-Month Fiscal Period From January 1, 2016 Through June 30, 2016, And Taking Certain Related Actions

RECOMMENDATION:

Adopt Resolution Approving the Recognized Obligation Payment Schedule for the six-month fiscal period from January 1, 2016 through June 30, 2016, approved by the Successor Agency on September 1, 2015

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

Deadlines for ROPS Submission and Review

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for January 1, 2016 through June 30, 2016 ("ROPS 15-16B") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 15-16B to the DOF, the Office of the State Controller and the County Auditor-Controller no later than **October 5, 2015**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

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 meet and confer period may vary, but an untimely submission of ROPS 15-16B may result in a meet and confer period of less than 30 days.

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.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by October 5, 2015, the City of South Lake Tahoe 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 5th, 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. It is not clear what "the date upon which the ROPS is to be used to determine the amount of property tax allocations."

FINANCIAL AND/OR POLICY IMPLICATIONS:

The preparation and submittal of ROPS 15-16B is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from January 1, 2016 to June 30, 2016. As shown on the attached ROPS and resolution, Enforceable Obligations are listed at \$1,990,298.

Debbie McIntyre, Financial Services Manager
South Tahoe Redevelopment Agency

Attachments:

Resolution of the Oversight Board approving the ROPS 15-16B, which includes ROPS 15-16B

RESOLUTION NO. OB _____

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2016 THROUGH JUNE 30, 2016, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the South Tahoe 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)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from January 1, 2016 through June 30, 2016 ("ROPS 15-16B"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than October 5, 2015; and (2) post a copy of the Oversight Board-approved ROPS 15-16B on the Successor Agency's website.

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 proposed ROPS 15-16B, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 15-16B to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 15-16B on the Successor Agency's Internet website (being a page on the Internet website of the City of South Lake Tahoe).

Section 3. The officers of the Oversight 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 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 18th day of September, 2015.

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
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(January 1, 2016 to June 30, 2016)**

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

Name of Successor Agency: South Lake Tahoe
 Name of County: El Dorado

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):		\$ 1,990,298
F Non-Administrative Costs (ROPS Detail)		1,865,298
G Administrative Costs (ROPS Detail)		125,000
H Total Current Period Enforceable Obligations (A+E):		\$ 1,990,298

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I Enforceable Obligations funded with RPTTF (E):		1,990,298
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		-
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 1,990,298

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L Enforceable Obligations funded with RPTTF (E):		1,990,298
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
N Adjusted Current Period RPTTF Requested Funding (L-M)		1,990,298

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

South Lake Tahoe Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										M						Six-Month Total
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin												
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	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
								\$ 129,713,969		\$ -	\$ -	\$ -	\$ 1,865,298	\$ 125,000	\$ 1,990,298	
4	RDA Notes (securing 2005	Bonds Issued On or	10/1/2005	10/1/2020	Bondholders paid by	Bond issues to fund non-housing	Park Avenue Area	43,804,500	N				722,875		\$ 722,875	
5	RDA Notes (securing 2007 Refunding Revenue Bonds)	Bonds Issued On or Before 12/31/10	10/1/2007	10/1/2037	Bondholders paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Park Avenue Area #1	35,185,021	N				461,789		\$ 461,789	
6	Contracted Financial Services	Fees	10/1/1999	10/1/2037	Bank of New York Mellon, Willdan, Fraser & Associates	Trustee Services, arbitrage rebate calculations, continuing disclosure reports, pass through calculations	Park Avenue Area #1	75,000	N				37,500		\$ 37,500	
7	Contracted Legal Services	Admin Costs	10/1/2007	6/30/2014	Richards, Watson and Gershon	Redevelopment Dissolution Legal Costs	Park Avenue Area #1	40,000	N					20,000	\$ 20,000	
21	Administrative Costs	Admin Costs	1/1/2014	6/30/2014	City of South Lake Tahoe	Costs to Administer Successor Agency (internal debt administration, accounting financial reporting, legal and banking fees)		250,000	N					105,000	\$ 105,000	
24	John Kennedy Steakhouse Settlement	Litigation	8/18/2004	6/30/2015	Trina Kennedy	Park Avenue Project Lawsuit	Park Avenue Area #1	50,000	N				50,000		\$ 50,000	
25	Supplemental Educational Revenue Augmentation Fund loan	SERAF/ERAF	3/1/2011	6/30/2016	City of South Lake Tahoe Low-Moderate Income Housing Fund	Supplemental Educational Revenue Augmentation Fund Loan		426,210	N						\$ -	
26	City General Fund loan to the Redevelopment Agency for Completion of Park Avenue Project	City/County Loans On or Before 6/27/11	3/14/2004	10/1/2037	City of South Lake Tahoe General Fund	Park Avenue Project Completion costs loan		5,276,219	N						\$ -	
27	RDA Notes (securing 1999, 2003 and 2004 Refunding Revenue Bonds)	Bonds Issued After 12/31/10	12/8/2014	10/1/2034	Bondholders paid by Trustee (Bank of New York Mellon)	Refunding of 1999, 2003, and 2004 Refunding Revenue Bonds to fund non-housing projects	Park Avenue Area #1	44,607,019	N				593,134		\$ 593,134	
28									N						\$ -	
29									N						\$ -	
30									N						\$ -	
31									N						\$ -	
32									N						\$ -	
33									N						\$ -	
34									N						\$ -	
35									N						\$ -	
36									N						\$ -	
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45									N						\$ -	
46									N						\$ -	
47									N						\$ -	
48									N						\$ -	
49									N						\$ -	
50									N						\$ -	
51									N						\$ -	
52									N						\$ -	
53									N						\$ -	
54									N						\$ -	

South Lake Tahoe Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [INSERT URL LINK TO CASH BALANCE TIPS SHEET]

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments
ROPS 14-15B Actuals (01/01/15 - 06/30/15)								
1	Beginning Available Cash Balance (Actual 01/01/15)	5,748,125				-	-	
2	Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015			-	-	504,650	1,276,467	
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q					504,650	1,276,467	
4	Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
5	ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S			No entry required				
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 5,748,125	\$ -	\$ -	\$ -	\$ -	\$ -	
ROPS 15-16A Estimate (07/01/15 - 12/31/15)								
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,748,125	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during June 2015				14,953	2,361,441	1,746,679	
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 12/31/15)				14,953	2,361,441	1,746,679	
10	Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ 5,748,125	\$ -	\$ -	\$ -	\$ -	\$ -	

