

**STAFF REPORT
OF
Oversight Board of the
Successor Agency to the South Tahoe Redevelopment Agency
Meeting January 28, 2016**

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

FROM: Debbie McIntyre, Deputy Director, Financial Services

RE: ADOPT RESOLUTION NO. _____ APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2016 THROUGH JUNE 30, 2017 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

RECOMMENDATION:

Staff recommends that the Oversight Board adopt Resolution No. _____ approving the Recognized Obligation Payment Schedule for the annual period from July 1, 2016 through June 30, 2017 ("ROPS 16-17").

ISSUES AND DISCUSSION:

Pursuant to Section 34177 of the Health and Safety Code ("HSC"), in order to make payments on enforceable obligations, the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for specified fiscal periods. Previously, the Successor Agency was required to prepare a ROPS for each six-month fiscal period (from July 1 through December 31, and from January 1 through June 30, respectively). SB 107, which was enacted in September 2015, amended HSC Section 34177, to provide that, beginning with fiscal year 2016-17, the Successor Agency must prepare a ROPS annually (instead of twice a year).

All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance (the "DOF") for review. HSC Section 34177 also requires the Successor Agency to submit an Oversight Board-approved ROPS 16-17 to the DOF and to the County Auditor-Controller no later than February 1, 2016. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any item 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 ROPS 16-17 no later than April 15, 2016. 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 vary, but an untimely submission of ROPS 16-17 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 at least 60 days before disbursements from the Redevelopment Property Tax Trust Fund ("RPTTF") are required to be made.

The County Auditor-Controller is required to make RPTTF disbursements to the Successor Agency pursuant to the DOF-approved ROPS 16-17 on June 1, 2016 (to cover enforceable obligation payments from July 1, 2016

through December 31, 2016) and January 2, 2017 (to cover enforceable obligation payments from January 1, 2017 through June 30, 2017).

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS 16-17 by February 1, 2016, the City of South Lake Tahoe will be subject to a civil penalty of \$10,000 per day for every day that ROPS 16-17 is not submitted to the DOF. The penalty will be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit ROPS 16-17, 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 ROPS 16-17 within 10 days of the February 1, 2016 deadline, the Successor Agency's maximum administrative cost 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 order the County Auditor-Controller to withhold a scheduled RPTTF disbursement to the Successor Agency pending the DOF's review of the related ROPS. (It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations." Possibly, it is referring to October 1 and April 1, the dates by which the County Auditor-Controller must prepare estimates for the upcoming RPTTF disbursements on January 2 and June 1, respectively, and provide the estimates to the DOF, the Successor Agency and the taxing entities.) In conjunction with such a withholding, the DOF may order the County Auditor-Controller to disburse to the taxing entities money from the RPTTF that the DOF determines to be in excess of the amount needed for enforceable obligations.

Staff recommends that the Oversight Board adopt Resolution OB ____ approving ROPS 16-17 and taking certain related actions.

FINANCIAL AND/OR POLICY IMPLICATIONS:

The preparation and submittal of ROPS 16-17 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2016 to June 30, 2017.

CONCLUSION:

Staff recommends that the Oversight Board adopt Resolution No. _____, authorizing the execution and delivery of the Recognized Obligation Payment Schedule for the annual period from July 1, 2016 through June 30, 2017.



Debbie McIntyre, Deputy Director, Financial Services
South Tahoe Redevelopment Agency

Attachments:

1. Resolution No. _____, adopted by the Board of Directors of the Successor Agency, on January 19, 2016 (with a copy of the ROPS Payment Schedule 2016-2017 attached as Exhibit A)

RESOLUTION NO. _____

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE SOUTH TAHOE
REDEVELOPMENT AGENCY APPROVING A RECOGNIZED
OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL
PERIOD FROM JULY 1, 2016 THROUGH JUNE 30, 2017 AND
TAKING RELATED ACTIONS**

WHEREAS, pursuant to Health and Safety Code Section 34177(o), the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency") must prepare a Recognized Obligation Payment Schedule listing the anticipated payments for enforceable obligations to be made by the Successor Agency during the fiscal period from July 1, 2016 through June 30, 2017 ("ROPS 16-17") and submit ROPS 16-17 to the oversight board of the Successor Agency (the "Oversight Board") for approval; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(C) and Section 34177(o)(1), the Successor Agency must: (i) submit the Oversight Board-approved ROPS 16-17 to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than February 1, 2016, and (ii) post a copy of the Oversight Board-approved ROPS 16-17 on the Successor Agency's website;

NOW, THEREFORE, THE OVERSIGHT BOARD 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. The Oversight Board hereby approves the proposed ROPS 16-17, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to: (i) submit a copy of Oversight Board-approved ROPS 16-17 to the DOF, the Office of the State Controller, and the County Auditor-Controller and (ii) post a copy of the Oversight Board-approved ROPS 16-17 on the Successor Agency's Internet website (being a page on the Internet website of the City of South Lake Tahoe).

Section 3. The Staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to requesting additional review by the DOF and an opportunity to meet and confer on any disputed

items, and making adjustments to ROPS 16-17 pursuant to the DOF's instructions, and any such actions previously taken are hereby ratified and confirmed.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency at a duly noticed meeting held on January ____, 2016, by the following vote:

AYES: Board Member(s) _____

NOES: Board Member(s) _____

ABSENT: Board Member(s) _____

ABSTAIN: Board Member(s) _____

Hal Cole, Chair

ATTEST:

Ellen Palazzo, Secretary

Resolution of Oversight Board of the South Tahoe Redevelopment Successor Agency
ROPS 16-17
January __, 2016

EXHIBIT A

**SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2016 – June 30, 2017)**

EXHIBIT A

**SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2016 to June 30, 2017)**

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency:

South Lake Tahoe

County:

El Dorado

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				
A	Sources (B+C+D):	\$ -	\$ -	\$ -
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	-	-	-
D	Other Funding	-	-	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 3,849,020	\$ 1,802,345	\$ 5,651,365
F	Non-Administrative Costs	3,724,020	1,677,345	5,401,365
G	Administrative Costs	125,000	125,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 3,849,020	\$ 1,802,345	\$ 5,651,365

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) 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 successor agency.

Name	Title
/s/ _____	
Signature	Date

**South Lake Tahoe Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (I), 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 [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 15-16A Actuals (07/01/15 - 12/31/15)								
1	Beginning Available Cash Balance (Actual 07/01/15)	5,748,125				-	-	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					2,224,846	1,746,679	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)					2,224,846	1,746,679	
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
5	ROPS 15-16A RPTTF Balances Remaining	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 15-16B Estimate (01/01/16 - 06/30/16)								
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,748,125	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					353,959	1,636,339	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)					353,959	1,636,339	
10	Retention of Available Cash Balance (Estimate 06/30/16) 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	\$ -	\$ -	\$ -	\$ -	\$ -	

South Lake Tahoe Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K ROPS 16-17 Total	16-17A					16-17B					W 16-17B Total			
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		Q 16-17A Total	Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF				
											L Bond Proceeds	M Reserve Balance	N Other Funds	O Non-Admin	P Admin		R Bond Proceeds	S Reserve Balance	T Other Funds	U Non-Admin		V Admin		
4	RDA Notes (securing 2005 Refunding Revenue Bonds)	Bonds Issued On or Before 12/31/10	10/1/2005	10/1/2020	Bondholders paid by Trustee (Bank of New York)	Bond issues to fund non-housing projects		\$ 124,010,606	Y	\$ 5,651,365					\$ 3,724,020	\$ 125,000	\$ 3,849,020					\$ 1,677,345	\$ 125,000	\$ 1,802,345
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	34,723,232	N	\$ 1,162,453					706,789		\$ 706,789					455,664		\$ 455,664
6	Contracted Financial Services	Fees	10/1/1999	10/1/2037	Bank of New York Mellon, Wildan, Fraser & Associates	Trustee Services, arbitrage rebate calculations, continuing disclosure reports, pass through calculations		75,000	N	\$ 75,000					37,500		\$ 37,500					37,500		\$ 37,500
7	Contracted Legal Services	Admin Costs	10/1/2007	6/30/2014	Richards, Watson and Gershon	Redevelopment Dissolution Legal Costs		10,000	N	\$ 10,000					5,000		\$ 5,000				5,000		\$ 5,000	
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	\$ 250,000						125,000	\$ 125,000						125,000	\$ 125,000
24	John Kennedy Steakhouse Settlement	Litigation	8/16/2004	6/30/2015	Trina Kennedy	Park Avenue Project Lawsuit			Y	\$ -							\$ -							\$ -
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	12/6/2014	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		44,013,885	N	\$ 1,737,868					1,153,134		\$ 1,153,134					584,734		\$ 584,734
28	RDA Notes (securing 2005 Refunding Revenue Bonds)	Bonds Issued After 12/31/10	9/16/2015	10/1/2035	Bondholders paid by Trustee (Bank of New York Mellon)	Refunding of 2005 Refunding Revenue Bonds to fund non-housing projects	Park Avenue Area	39,236,060	N	\$ 2,416,044					1,821,597		\$ 1,821,597					594,447		\$ 594,447
29									N	\$ -							\$ -							\$ -
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