



City of South Lake Tahoe

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STAFF REPORT

OVERSIGHT BOARD

South Tahoe Redevelopment Successor Agency

July 2, 2013

To: Board Members

From: Nira Feeley, Interim City Attorney, City of South Lake Tahoe

Re: Resolution of the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency Approving the Use of Alternate Sources of Funds for ROPS 13-14A Enforceable Obligations and Authorizing and Directing Certain Related Actions

RECOMMENDATION:

Adopt Resolution (Attachment A)

BACKGROUND:

On July 2, 2013, the Successor Agency to the South Tahoe Redevelopment Agency met and considered actions set forth in the attached resolution authorizing the use of alternate sources of funding to satisfy enforceable obligations on ROPS 13-14A.

The attached staff report (Attachment B) was prepared by South Tahoe Redevelopment Successor Agency's Executive Director, Nancy Kerry, and describes in detail the issues surrounding the Successor Agency's projected shortfall between expected tax increment revenues and approved enforceable obligations. This staff report prepared by Ms. Kerry contains all the relevant information that would otherwise be contained in the instant report. Further, the resolution recommended by Ms. Kerry is identical to the resolution attached hereto. Thus for the purposes of brevity and consistency, I am attaching that staff report and its attached documents to this report for Oversight Board consideration of the same action to be discussed and taken up by the Successor Agency on the same day as the meeting of the Oversight Board.

An oral report will be provided to the Oversight Board during the July 2, 2013 meeting regarding the actions taken by the Successor Agency earlier in the day.

ISSUE AND DISCUSSION:

See attached report from Successor Agency Executive Director, Nancy Kerry.

By:

Mira Feeley
Interim City Attorney, City of South Lake Tahoe

Attachments listed on next page

Attachments:

- A. Oversight Board Resolution approving use of alternative sources of funding to satisfy Enforceable Obligations on approved ROPS 13-14A**
- B. July 2, 2013 Staff Report to Successor Agency and all related attachments including:**
1. Successor Agency Resolution 2013-1 (February 19, 2013) Approving ROPS 13-14A
 2. Oversight Board Resolution 2013-1 (February 27, 2013) Approving ROPS 13-14A
 3. County Auditor-Controller Objection to ROPS 13-14A (letter dated March 25, 2013)
 4. DOF approval with modifications of ROPS 13-14A (letter dated April 13, 2013)
 5. CAC's office projected estimates of Property Tax Increment (March 28, 2013 emails)
 6. Oversight Board Resolution 2012-11 directing retention of funds to satisfy enforceable obligations
 7. DOF authorizes retention of housing funds to satisfy obligations (letter dated December 14, 2012)
 8. Drafted Successor Agency Resolution presented for discussion and adoption

Oversight Board

Attachment A

Resolution of the Oversight Board

*approving use of alternative sources of
funding to satisfy Enforceable Obligations
ROPS 13-14A*

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY APPROVING THE USE OF ALTERNATE SOURCES OF FUNDS FOR ROPS 13-14A ENFORCEABLE OBLIGATIONS AND AUTHORIZING AND DIRECTING CERTAIN RELATED ACTIONS

Recitals

A. Pursuant to Section 34177(l) of the Health and Safety Code (“HSC”), the Successor Agency to the South Tahoe Redevelopment Agency (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 estimated payment amounts for enforceable obligations and the source of funds for such payments during such fiscal period.

B. Each ROPS must be submitted to the Oversight Board and the State of Department of Finance (the “DOF”) for approval.

C. The Successor Agency previously prepared a ROPS (“ROPS 13-14A”) for the period from July 1, 2013 to December 31, 2013 (the “ROPS 13-14A Period”) and submitted ROPS 13-14A to the Oversight Board and the DOF for approval.

D. The DOF issued its letter, dated April 13, 2013, informing the Successor Agency that the Successor Agency’s ROPS 13-14A has been approved, subject to the modifications required by the DOF as set forth in the April 13, 2013 letter.

E. For the ROPS 13-14A Period, the DOF approved the disbursement of \$3,987,285 by the County Auditor-Controller from the Successor Agency’s Redevelopment Property Tax Trust Fund (the “RPTTF”) to the Successor Agency for payment of enforceable obligations (including outstanding bonded indebtedness of the former South Tahoe Redevelopment Agency) and administrative costs allowance.

F. On May 31, 2013, the County Auditor-Controller informed the DOF and the Successor Agency that only \$1,901,310 was available for disbursement from the RPTTF to the Successor Agency for the ROPS 13-14A Period, and subsequently disbursed \$1,901,310 to the Successor Agency from the RPTTF (the “ROPS 13-14A RPTTF Disbursement”).

G. In light of the insufficiency of the ROPS 13-14A RPTTF Disbursement to cover the enforceable obligation payments approved by the DOF for the ROPS 13-14A Period, the Successor Agency will need to use funds from sources other than the RPTTF, to the extent available, to the pay for the enforceable obligations approved by the DOF for ROPS 13-14A, to avoid defaulting on such enforceable obligations.

H. HSC Section 34177(a)(4) provides that the Successor Agency may, with the prior approval of the Oversight Board, make payments on enforceable obligations from sources other than those listed in the ROPS.

I. Pursuant to HSC Sections 34179.5 and 34179.6, the Successor Agency is required to submit two due diligence review reports, including one report (the “DDR”) for the Successor Agency’s funds and accounts other than the Low and Moderate Income Housing Fund (the “OFA”) to determine the unobligated OFA balance available for disbursement to taxing entities (the “DDR Remittance Amount”).

J. Pursuant to HSC 34177(a), the DDR shall be in the form of either a report prepared by a licensed accountant approved by the County Auditor-Controller or an audit report provided by the County Auditor-Controller.

K. From prior communication between the Successor Agency and the County Auditor-Controller, the County Auditor-Controller indicated that it was prepared to provide an audit report for the Successor Agency’s DDR.

L. As of the date of this Resolution, the DDR has not been completed.

M. The South Tahoe Redevelopment Successor Agency has \$1,305,360.14 in Unobligated Monies that have remained in two South Tahoe Redevelopment Successor Agency accounts (Redevelopment Agency Fund Balance of \$810,988.14 and Redevelopment Project Fund Balance of \$494,372.00) since the date of dissolution (February 1, 2012).

N. The Board of Directors of the Successor Agency adopted its Resolution No. _____, requesting the Oversight Board to (i) approve the Successor Agency’s use of funds from sources other than the RPTTF, to the extent available to the Successor Agency, including but not limited to any remaining unobligated monies in the Successor Agency accounts (the “Unobligated Monies”), to pay any enforceable obligation approved by the DOF for ROPS 13-14A, and (ii) authorize and approve that, to the extent that the Unobligated Monies are used for payment of enforceable obligations approved by the DOF for ROPS 13-14A, the amount of the Unobligated Monies so used shall be recognized in the Successor Agency’s DDR as an adjustment (*i.e.*, a deduction) to the DDR Remittance Amount.

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 foregoing recitals, and each of them, are true and correct.

Section 2. This Oversight Board hereby approves the use by the Successor Agency of funds from sources other than RPTTF, to the extent available to the Successor Agency (including but not limited to any Unobligated Monies) for payment of any enforceable obligation approved by the DOF for ROPS 13-14A.

Section 3. This Oversight Board hereby authorizes and approves that, to the extent that the Unobligated Monies are used for payment of enforceable obligations approved by the DOF for ROPS 13-14A, the amount of the Unobligated Monies so used shall be recognized in

the Successor Agency's DDR as an adjustment (*i.e.*, a deduction) to the DDR Remittance Amount.

Section 4. The members of this Oversight Board and the officers of the Successor Agency are hereby authorized, jointly and severally, to do such things, including the execution and delivery of written instruments, which they may deem necessary or proper to effectuate the purposes of this Resolution.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency at a duly noticed meeting held on July 2, 2013, 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

Oversight Board

Attachment B

Successor Agency July 2, 2013
Staff Report
and all attachments



City of South Lake Tahoe

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STAFF REPORT

Governing Board of the Successor Agency to the South Tahoe Redevelopment Agency July 2, 2013

To: South Tahoe Board of Directors of the South Tahoe Redevelopment Successor Agency Governing Board Members

From: Nancy Kerry, Executive Director, STRSA

Re: Resolution of the Board of Directors of the Successor Agency to the South Tahoe Redevelopment Agency Approving the Use of Alternate Sources of Funds for Recognized Obligation Payment Schedule (ROPS) 13-14A Enforceable Obligations and Authorizing and Directing Certain Related Actions

RECOMMENDATION:

Adopt Resolution

BACKGROUND:

Pursuant to Health and Safety Code Section 34177(l), Redevelopment Successor Agencies are required to prepare Recognized Obligation Payment Schedules ("ROPS") prior to each six-month fiscal period (July 1 to December 31 (A period) and January 1 to June 30 (B period)). After approval by a Successor Agency, each ROPS is then forwarded for review and approval by the Oversight Board, the County Auditor-Controller, the State Controller's Office and State Department of Finance (DOF).

The ROPS is a listing of the estimated payment amounts for enforceable obligations and the source of funds for such payments during such fiscal period.

ROPS 2013-14 A

ROPS 13-14A covers the period July 1 to December 31, 2013. This ROPS was approved by the Successor Agency on February 19, 2013 and subsequently approved by the Oversight Board on February 27, 2013 (see resolutions, Attachments 1 and 2).

On March 25, 2013, the County Auditor-Controller sent a letter to the DOF (Attachment 3) objecting to two line items:

- Line item #2: CAC requested a \$1,412 correction to debt service and interest.
- Line item #7: CAC objected to SA's listing of legal services cost estimate of \$50,000. According to the CAC's March 25, 2013 letter to DOF, he had recently obtained direction from DOF directing that legal fees be paid from administrative costs available to the Successor Agency.

The Successor Agency agreed with correction of Line Item #2, but disagreed with Line Item #7 regarding legal costs because typically, due to low tax increment revenues, the Successor Agency does not receive its allotment of administrative allowance (\$250,000 annually).

On April 13, 2013, the DOF issued a letter of approval for ROPS 13-14A (Attachment 4), and agreed with the County Auditor-Controller's recommendation to require legal fees be paid from the Successor Agency's administrative allowance. Since the Successor Agency will not receive its administrative allowance, the City of South Lake Tahoe may be required to absorb those costs on behalf of the Successor Agency to ensure the work required is performed.

One of the difficulties associated with the preparation of the ROPS and the process set forth by the DOF, is the documents required are to be completed in advance of the Successor Agency knowing the amount of Tax Increment (TI) revenues to be received by the County Auditor-Controller's office. Further, once a ROPS is approved by all agencies and the DOF, if any new or additional enforceable obligations are incurred by the Successor Agency, the ROPS cannot be amended.

Further complicating matters for the South Tahoe Redevelopment Successor Agency has been the overall reduction in property values in the redevelopment area due to the economic downturn and an appeal of back taxes owed by current and former property owners of a group of 29 parcels (known as the Chateau Project Area). During previous ROPS periods, the appeal of back taxes significantly reduced the amount of Tax Increment forwarded to the Successor Agency by the County Auditor-Controller's office for payment of Enforceable Obligations.

ISSUE AND DISCUSSION:

ROPS 13-14A Shortfall

This item is before the Successor Agency Board of Director to seek approval of the use of unobligated monies in the South Tahoe Redevelopment Successor Agency accounts to offset the projected shortfall for ROPS 13-14A (July 1 to December 31, 2013).

At the time ROPS 13-14A was approved, revenue projections from the County Auditor-Controller's office estimated available property tax increment would be \$1,891,413 (January 31, 2013 estimate). Following ROPS 13-14A approval, revenue projections have improved *slightly*. On May 31, 2013, the CAC's office notified the Successor Agency available tax increment increased to \$1,901,310 based on more current projections (Attachment 5).

As noted previously, also following ROPS 13-14A approval, the DOF issued its letter reducing the amount of Enforceable Obligations by \$50,000 (letter dated April 13, 2013) for a total approved amount of \$3,987,285 in Enforceable Obligations.

There is a clear shortfall between available property tax increment of \$1,901,310 and approved enforceable obligations of \$3,987,285 (shortfall estimated at \$2,085,975).

Available Unobligated Funds in Successor Agency Accounts

In light of the insufficiency between available tax increment revenues in the Redevelopment Property Tax Trust Fund (RPTTF) account to cover the enforceable obligation payments approved by the DOF for the ROPS 13-14A period, the Successor Agency will need to use funds from sources other than the RPTTF, to the extent available, to pay for the enforceable obligations to avoid defaulting on the obligations.

HSC Section 34177(a)(4) provides that the Successor Agency may (with approval of the Oversight Board) make payments to enforceable obligations from revenue sources other than those listed in the ROPS.

When the redevelopment agency was dissolved in February 2011, \$1,305,360.14 was in two Successor Agency accounts and remained in those two accounts since the agency was legally

dissolved. Those fund accounts were included in the last years audited financial statements and have remained untouched since dissolution. The two fund accounts include (1) the redevelopment agency general fund account (\$810,988.14) and (2) project fund accounts (\$494,372.00) for a total available amount of \$1,305,360.14.

Utilization of Fund Balances Authorized by HSC § 34177(a)(4) and DOF

As noted above, HSC §34177(a)(4) authorizes the payment of enforceable obligations by revenue sources other than those listed in the ROPS, with approval of the Oversight Board. Further, utilizing available resources has been previously approved by both the OB and DOF.

On December 7, 2012, the Oversight Board adopted Resolution 2012-11 exercising its fiduciary responsibility to ensure payment of enforceable obligations and directed cash assets in the Low-Moderate Income Housing Fund account be retained to make the necessary enforceable obligation payments (Attachment 6).

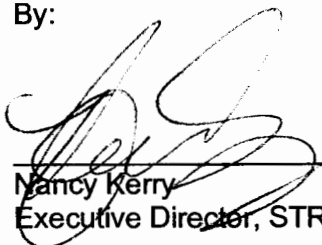
On December 14, 2012, the DOF approved the action of the Oversight Board and authorized the retention and use of \$1,019,634 in Low-Moderate Income Housing Funds. However, based on further conversations between DOF and the Successor Agency, on December 26, 2012 they increased the amount to \$1,637,046 to satisfy the Successor Agency's increased obligations for the period ending December 31, 2012 (see letters in Attachment 7).

FINANCIAL AND/OR POLICY IMPLICATIONS:

The Successor Agency and Oversight Board have a fiduciary responsibility to ensure enforceable obligations be satisfied. Utilizing the last of the unobligated revenues in the redevelopment fund accounts to offset the shortfall during this period is authorized by redevelopment dissolution laws (HSC §34177(a)(4) and has been previously approved by the DOF. When the Due Diligence Report for the Successor Agency is completed by the County Auditor-Controller, the Asset Management and Disposition Plan is required to be completed; that Plan will identify the disposition of assets (including the sale of real estate) that could provide additional revenues to utilize for shortfalls.

SIGNATURES:

By:



Nancy Kerry
Executive Director, STRSA

Attachments:

1. Successor Agency Resolution 2013-1 (February 19, 2013) Approving ROPS 13-14A
2. Oversight Board Resolution 2013-1 (February 27, 2013) Approving ROPS 13-14A
3. County Auditor-Controller Objection to ROPS 13-14A (letter dated March 25, 2013)
4. DOF approval with modifications of ROPS 13-14A (letter dated April 13, 2013)
5. CAC's office Property Tax Increment Emails (dated March 28 & May 31, 2013)
6. Oversight Board Resolution 2012-11 directing retention of funds to satisfy enforceable obligations
7. DOF authorizes retention of housing funds to satisfy obligations (December 14 & 26, 2012 letters)
8. Drafted Successor Agency Resolution presented for discussion and adoption

Attachment 1

Successor Agency Resolution 2013-1

Approving ROPS 13-14A

February 19, 2013

SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION NO. 2013-1

RESOLUTION OF THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE FISCAL PERIOD COMMENCING JULY 1, 2013 AND ENDING DECEMBER 31, 2013 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, Health and Safety Code Section 34177 provides that before each six-month fiscal period, successor agencies to former redevelopment agencies must prepare a Recognized Obligation Payment Schedule ("ROPS") for the enforceable obligations of the former redevelopment agency in accordance with the requirements of Section 34177 and submit the ROPS to the Oversight Board and the County Auditor's Office for approval and subsequently submit it to the California Department of Finance for review and post on the Sponsoring or Successor Agency's website; and

WHEREAS, accordingly, the South Tahoe Redevelopment Successor Agency completed the Recognized Obligation Payment Schedule for the following period commencing July 1, 2013 and ending December 31, 2013; and

WHEREAS, in accordance with Health and Safety Code section 34177, a ROPS shall not be deemed valid until the ROPS is submitted to and duly approved by the Oversight Board; and

WHEREAS, accordingly, the Board of Directors of the Oversight Board for the South Tahoe Redevelopment Successor Agency desires to adopt this resolution approving the attached ROPS in accordance with Health and Safety Code Section 34177 to provide the County Auditor and the Department of Finance with debt payment obligations over a sufficient time period to allow appropriate agencies to understand the long term debt obligations of the Successor Agency.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OVERSIGHT BOARD FOR THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY ("OVERSIGHT BOARD"), 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 34177.

Section 3. The Board hereby approves the ROPS substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference.

Section 4. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including, but not limited to, submitting the ROPS to the Oversight Board for approval, the Controller's Office and the Department of Finance and posting on the Successor Agency's Internet Web Site.

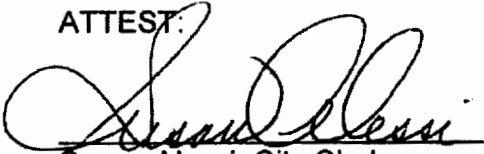
PASSED AND ADOPTED by the Board of Directors of the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on February 19, 2013, by the following vote:

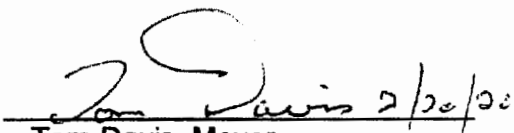
AYES: Board members DAVIS, COLE, CONNER, LAINE & SWANSON

NOES: Board members _____

ABSTAIN: Board members _____

ABSENT: Board members _____

ATTEST:

Susan Alessi, City Clerk


Tom Davis, Mayor

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **SOUTH LAKE TAHOE (EL DORADO)**

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$143,910,655

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$3,985,872
C Administrative Allowance Funded with RPTTF	\$0
D Total RPTTF Funded (B + C = D)	\$3,985,872
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$3,985,872
F Enter Total Six-Month Anticipated RPTTF Funding	\$1,891,413
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	(\$2,094,459)

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))

H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$2,638,000
I Enter Actual Obligations Paid with RPTTF	\$3,712,584
J Enter Actual Administrative Expenses Paid with RPTTF	\$0
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$0
L Adjustment to RPTTF (D - K = L)	\$3,985,872

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

RECORDED OBLIGATION PAYMENT SCHEDULE (ROWS 13-144)
July 1, 2013 through December 31, 2015

Overnight Board Approval Date: _____

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2013-14	Bond Proceeds	Reserve Balance	Admin. Maintenance	BPT/FI	Other	Six-Month Total
1	1998 Refunding Revenue Bonds	10/7/1998	1/10/2020	Borrowers paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Park Avenue Area #1	51,963,872	56,166,000	50	0	0	51,963,872	0	51,963,872
2	2004 Refunding Revenue Bonds	4/1/2005	10/7/2019	Borrowers paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Park Avenue Area #1	19,751,000	744,979	0	0	0	476,783	0	476,783
3	2003 Refunding Revenue Bonds	10/7/1999	10/7/2023	Borrowers paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Park Avenue Area #1	20,978,000	617,143	0	0	0	311,578	0	311,578
4	2005 Refunding Revenue Bonds	10/7/2005	10/7/2020	Borrowers paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Park Avenue Area #1	51,269,375	1,049,250	0	0	0	1,049,250	0	1,049,250
5	2007 Refunding Revenue Bonds	10/7/2007	10/7/2027	Borrowers paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Park Avenue Area #1	18,201,817	1,140,378	0	0	0	887,209	0	887,209
6	Contracted Financial Services	10/7/1999	10/7/2017	Richard, Watson and Gerbasi	Trustee services, software, release calculations, continuing disclosure reports, para 3000 calculations	Park Avenue Area #1	0	75,000	0	0	0	31,500	0	31,500
7	Contracted Legal Services	10/7/2007	10/7/2017	Richard, Watson and Gerbasi	Redemption, Standstill, Legal Costs	Park Avenue Area #1	0	50,000	0	0	0	50,000	0	50,000
8	28-075-10 Park & Pine Basin	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
9	28-331-07 Fern Basin	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
10	28-331-07 Fern Basin	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
11	27-051-11 Beach Area @ 3M Run	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
12	27-054-15 Creation of Hoopie Ave	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
13	27-079-29 1080 Stamps	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
14	27-880-21 Turn Lane at Hwy 50	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
15	28-012-18 9th St	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
16	28-021-05 1895 Park	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
17	28-021-05 1895 Park	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
18	27-075-11 19 and 20 Main Lake	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
19	27-690-08 and 09 SW Corral	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
20	028-470-14 1000 Parking Garage	Not provided	Not provided	Not provided	Open Space/Drainage Basin Maintenance	Park Avenue Area #1	0	3,072	0	0	0	3,072	0	3,072
21	Administrative Costs	Not provided	Not provided	Not provided	City of South Lake Tahoe	Park Avenue Area #1	0	250,000	0	0	0	125,000	0	125,000
22	El Dorado County Re-statement	Not provided	Not provided	Not provided	City of South Lake Tahoe	Park Avenue Area #1	0	0	0	0	0	0	0	0
23	El Dorado County Audit Fees	Not provided	Not provided	Not provided	City of South Lake Tahoe	Park Avenue Area #1	0	3,487	0	0	0	3,487	0	3,487
24	El Dorado County Re-statement	Not provided	Not provided	Not provided	City of South Lake Tahoe	Park Avenue Area #1	0	0	0	0	0	0	0	0
25	El Dorado County Audit Fees	Not provided	Not provided	Not provided	City of South Lake Tahoe	Park Avenue Area #1	0	3,487	0	0	0	3,487	0	3,487

SOUTH LAKETANGI (EL DORADO)
 Pursuant to Waiver and Waiver Code section 418B (4)
 PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
 RECORDED OBLIGATION PAYMENT SCHEDULE (ROW 16)
 July 1, 2022 through December 31, 2017

Item #	Project Name / Debt Obligation	Folio	Description/Project Scope	Project Area	Debt Proceeds		Revenue Balance		Admin. Expenses		BPTT		Other	
					Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
1)	1998 Retarding Revenue Bonds	Securities sold by Trustee	Securities sold by Trustee	Area #1	\$0	\$0	\$0	\$0	\$0	\$0	\$1,754,793	\$1,713,044	\$50,000	\$7,444
2)	2004 Retarding Revenue Bonds	Securities sold by Trustee	Securities sold by Trustee	Area #1	\$0	\$0	\$0	\$0	\$0	\$0	478,783.00	478,783.00	0	0
3)	2000 Retarding Revenue Bonds	Securities sold by Trustee	Securities sold by Trustee	Area #1	\$0	\$0	\$0	\$0	\$0	\$0	332,688.00	332,688.00	0	0
4)	2008 Retarding Revenue Bonds	Securities sold by Trustee	Securities sold by Trustee	Area #1	\$0	\$0	\$0	\$0	\$0	\$0	1,858,750.00	1,858,750.00	0	0
5)	2007 Retarding Revenue Bonds	Securities sold by Trustee	Securities sold by Trustee	Area #1	\$0	\$0	\$0	\$0	\$0	\$0	688,318.00	688,318.00	0	0
6)	Contracted Professional Services	Wilson, Fraser & Associates	Wilson, Fraser & Associates	Area #1	\$0	\$0	\$0	\$0	\$0	\$0	37,500	37,500	16,800	7,444
7)	Contracted Legal Services	Wright & O'Brien, Fort Belknap	Wright & O'Brien, Fort Belknap											
8)	26-073-10 Park & Pine Basin		Construction of Park/Recreation Quarter/Houses								2,536	0	0	0
9)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								2,536	0	0	0
10)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								2,536	0	0	0
11)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
12)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
13)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
14)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
15)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
16)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
17)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
18)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
19)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0
20)	26-521-41 Park Basin		Open Space/Drainage Basin Maintenance								1,536	0	0	0

Attachment 2

Oversight Board Resolution 2013-1

February 27, 2013

Approving ROPS 13-14A

RESOLUTION NO. OB 2013-1

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE 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(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 July 1, 2013 through December 31, 2013 ("ROPS 13-14A"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than March 1, 2013; and (2) post a copy of the Oversight Board-approved ROPS 13-14A 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 13-14A, 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 13-14A 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 13-14A 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 or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

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

AYES: Board members BAUGH, KERRY, VOGELGESANG & MURILLO

NOES: Board members _____

ABSENT: Board members BARBER, COLE & MIKULACO

ABSTAIN: Board members _____

ATTEST:

Ellen Palamp, Asst. City Clerk
Clerk of the Board

Randy Vogelgesang, Chair

EXHIBIT A

**SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2013 through December 31, 2013)**

SUCCESSOR AGENCY CONTACT INFORMATION

Successor Agency

ID: 38
County: El Dorado
Successor Agency: South Lake Tahoe

Primary Contact

Honorific (Ms, Mr, Mrs)

First Name

Last Name

Title

Address

City

State

Zip

Phone Number

Email Address

Debbie
Mcintyre
Accounting Manager
1901 Airport Road
South Lake Tahoe
CA
96150
530-542-7402
dmcintyre@cityofslt.us

Secondary Contact

Honorific (Ms, Mr, Mrs)

First Name

Last Name

Title

Phone Number

Email Address

Olga
Tikhomirova
Accountant
530-542-6013
otikhomirova@cityofslt.us

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **SOUTH LAKE TAHOE (EL DORADO)**

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$143,705,653

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$3,862,285
C Administrative Allowance Funded with RPTTF	\$125,000
D Total RPTTF Funded (B + C = D)	\$3,987,285
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$3,987,285
F Enter Total Six-Month Anticipated RPTTF Funding	\$1,891,413
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	(\$2,095,872)

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))

H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$2,638,000
I Enter Actual Obligations Paid with RPTTF	\$3,712,584
J Enter Actual Administrative Expenses Paid with RPTTF	\$0
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$0
L Adjustment to RPTTF (D - K = L)	\$3,987,285

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 TAYLOR (E. DONADO)
RECORDED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A)
July 1, 2013 through December 31, 2013

Item #	Project Name / Debt Obligation	Contract Agreement Execution Date	Contract Agreement Termination Date	Page	Description/Project Scope	Project Area	Total Outstanding Debt as of 6/30/13	Total Due During 2013	Funding Source				Six Month Total	
									Bond Proceeds	Reserve Balance	Admin Allowance	IPFTR		Other
1	1999 Refunding Revenue Bonds	10/1/1999	1/1/2010	1	Bondholders paid by Trustee (Bank of New York Mellon)	Park Avenue Area	31,887,501	54,183,678	0	0	1325,000	13,462,265	0	54,183,678
2	2004 Refunding Revenue Bonds	4/1/2005	10/1/2010	1	Bondholders paid by Trustee (Bank of New York Mellon)	Park Avenue Area	33,150,078	742,686	0	0	0	478,136	0	478,136
3	2003 Refunding Revenue Bonds	10/1/1999	10/1/2010	1	Bondholders paid by Trustee (Bank of New York Mellon)	Park Avenue Area	20,978,882	617,140	0	0	0	331,578	0	331,578
4	2005 Refunding Revenue Bonds	10/1/2005	10/1/2010	1	Bondholders paid by Trustee (Bank of New York Mellon)	Park Avenue Area	51,690,375	2,845,765	0	0	0	1,888,135	0	1,888,135
5	2007 Refunding Revenue Bonds	10/1/2007	10/1/2017	1	Bondholders paid by Trustee (Bank of New York Mellon)	Park Avenue Area	38,308,817	1,860,278	0	0	0	687,239	0	687,239
6	Contracted Financial Services	10/1/1999	10/1/2017	1	Trustee services, arbitrage rebate calculations, continuing disclosure reports, pass through calculations	Park Avenue Area	0	75,000	0	0	0	37,500	0	37,500
7	Contracted Legal Services	10/1/2007		1	Richard, Watson and Gresham		0	50,000	0	0	0	50,000	0	50,000
8	28-075-10 Park & Pine Bluff				Not provided		0	3,072	0	0	0	3,072	0	3,072
9	28-075-11 Fern Bluff				Not provided		0	3,072	0	0	0	3,072	0	3,072
10	28-075-12 Fern Bluff				Not provided		0	3,072	0	0	0	3,072	0	3,072
11	28-075-13 North Ave @ 8th Run				Not provided		0	3,072	0	0	0	3,072	0	3,072
12	27-054-13 Creation of Market Ave				Not provided		0	3,072	0	0	0	3,072	0	3,072
13	27-072-29 1080 Sonoma				Not provided		0	3,072	0	0	0	3,072	0	3,072
14	27-698-11 Turn Lane at Hwy 50				Not provided		0	3,072	0	0	0	3,072	0	3,072
15	28-041-38 4948 Pine				Not provided		0	3,072	0	0	0	3,072	0	3,072
16	28-075-10 Park				Not provided		0	3,072	0	0	0	3,072	0	3,072
17	28-095-01 to 05 2829 Park				Not provided		0	3,072	0	0	0	3,072	0	3,072
18	27-075-11, 19 and 20 Blue Lake				Not provided		0	3,072	0	0	0	3,072	0	3,072
19	27-698-18 and 99 SW Corner				Not provided		0	3,072	0	0	0	3,072	0	3,072
20	059-470-14-100 Parking Garage				Not provided		0	3,072	0	0	0	3,072	0	3,072
21	Administrative Costs				City of South Lake Tahoe administration, accounting financial reporting, legal and auditing fees		0	250,000	0	0	135,000	0	0	135,000
22	01 Donado County Fee Assessment				Donado County		0	0	0	0	0	0	0	0
23	01 Donado County Adult Care				Donado County		0	1,497	0	0	0	1,497	0	1,497

SOUTH LAKE TAHOE (E1 DORADO)
Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS #)
July 1, 2012 through December 31, 2012

Item #	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RFITY		Other	
					Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
					\$0	\$0	\$0	\$0	\$0	\$0	\$125,000	\$0	\$3,753,247	\$9,712,584	\$90,000	\$7,444
1)	1988 Refunding Revenue Bonds	Bondholders paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Area #1									341,338.00	341,338		
2)	2004 Refunding Revenue Bonds	Bondholders paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Area #1									476,783.00	476,783		
3)	2003 Refunding Revenue Bonds	Bondholders paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Area #1									322,568.00	322,568		
4)	2005 Refunding Revenue Bonds	Bondholders paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Area #1									1,856,750.00	1,856,750		
5)	2007 Refunding Revenue Bonds	Bondholders paid by Trustee (Bank of New York Mellon)	Bond issues to fund non-housing projects	Area #1									688,328.00	688,328		
6)	Contracted Financial Services	Bank of New York Mellon William Fryer & Associates	Trustee services, arbitrage rebate calculations, continuing disclosure reports, pass through calculations										37,500	36,804		
8)	Contracted Legal Services	Tenon & Associates, Richard L. Watson & Gerson, and Bourin Jones	Conveyance Center Project Bankruptcy ongoing legal work												90,000	7,444
10)	29-279-10 Park & Pine Basin		Open Space/Drainage Basin Maintenance										1,536	0		
11)	29-231-01 Fern Basins		Open Space/Drainage Basin Maintenance										1,536	0		
12)	29-352-07 Fern Basins		Open Space/Drainage Basin Maintenance										1,536	0		
13)	27-061-12 Beach Area @ BM Run		Open Space/Drainage Basin Maintenance										1,536	0		
14)	27-064-15 Creation of Middle Avenue		Open Space/Drainage Basin Maintenance										1,536	0		
15)	27-073-20 1050 Boners		Open Space/Drainage Basin Maintenance										1,536	0		
16)	27-280-12 Turn Lane @ Hwy 50 & Blk Run		Open Space/Drainage Basin Maintenance										1,536	0		
17)	29-241-28 4048 Pine		Open Space/Drainage Basin Maintenance										1,536	0		
18)	29-078-10 Park and Pine Basin		Open Space/Drainage Basin Maintenance										1,536	0		
19)	29-065-01 to 05 3808 Park Park Basin		Open Space/Drainage Basin Maintenance										1,536	0		
20)	27-075-11, 18 and 20 Blue Lake Parking Lot		Parking Lot Maintenance										1,536	0		
21)	27-860-08 and 09 Southwest Corner		Parking Lot Maintenance										1,536	0		
22)	028-478-14-100 Parking Garage Land		Land Maintenance										1,536	0		
1)	Administrative Allowance	City of South Lake Tahoe	Cost to Administer Successor Agency									125,000	0			

Attachment 3

County Auditor-Controller

Objection to ROPS 13-14A

March 25, 2013



County of El Dorado
OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 621-5487 Fax: (530) 295-2535

JOE HARN
Auditor-Controller

BOB TOSCANO
Assistant Auditor-Controller

March 25, 2013

Steve Backlund
California State Department of Finance
915 L Street
Sacramento, CA 95814

Re: El Dorado County Auditor's Objections to ROPS 13-14A

Pursuant to H&S Code §34182.5, the El Dorado County Auditor objects to the following ROPS line items. If the Oversight Board (OB) disputes the finding of the El Dorado County Auditor-Controller, it may refer the matter to the Department of Finance for determination of what will be approved for inclusion in the ROPS.

Line item #2 is the wrong amount. It should be \$478,195 (\$1,412 more).

The amount shown on the ROPS for as the 6-month total payment is \$476,783. Based on the debt service schedule provided to the Auditor-Controller's office by the Successor Agency (SA), the \$476,783 (205,000 principal + 271,783.13 interest) was previously paid on 10/1/2012. The proper amount is \$478,195 (210,000 principal + 268,195.63 interest) for the 10/1/2013 payment date.

Line item #7 should be absorbed from within the 3% administrative costs.

Early this month, the El Dorado County Auditor-Controller's Office received the following directions from Chris Hill regarding legal services: "There are instances where legal costs can be funded with RPTTF outside the three-percent administrative cap. A prime example would be for litigation costs associated with lawsuits the SA inherited from the former RDA. Generally speaking, however, legal costs voluntarily incurred by the SA (e.g. for legal advice to the OB or the SA, or for litigation expenses incurred in lawsuits against the state) must be absorbed from within the three-percent administrative cap."

Upon receipt of the instructions, the County Auditor-Controller's office reviewed the history of the Successor Agency's legal costs. The nature of the legal costs appears to have changed over time, as delineated below:

**Steve Backlund
 California State Department of Finance
 Re: El Dorado County Auditor's Objections to ROPS 13-14A
 March 25, 2013**

Document	Description
ROPS 13-14a	Redevelopment dissolution legal costs
ROPS3	Redevelopment dissolution legal costs
ROPS2	Convention Center Project bankruptcy ongoing legal costs pending resolution of lawsuit
ROPS1	N/A
Amended EOPS	Convention Center Project bankruptcy ongoing legal costs pending resolution of lawsuit
Original EOPS	N/A

Due to the change in description, the El Dorado County Auditor-Controller's Office was unclear as to the specific nature of the ROPS 13-14a legal costs, and asked the Successor Agency for clarification. The response from the Successor Agency is as follows:

From the City Manager:

"... the enforceable obligation for legal services could include any and all of the items listed. The Successor Agency is expected to continually need legal advice; it is possible the Successor Agency could be sued and will need legal assistance; the successor agency does not have a lawsuit against the state. Legal costs are enforceable obligations and must be included in order to authorize the agency to pay the costs."

From the City Attorney:

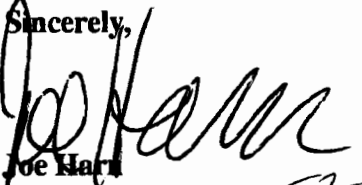
"The Legal Services for Richards, Watson, and Gershon are for legal services to the Successor Agency to administer/comply with AB 26 and AB 1484, including any requirements of DOF. There are no pending lawsuits that were inherited from the RDA, except for the Patel litigation that was dismissed in May 2012. The Successor Agency is not considering any litigation against the state or other entity."

Since the Successor Agency only can pay expenses (obligations) that are on the ROPS, the item was added to give the Successor Agency the ability to obtain legal advice as needed. No doubt, the actual billing will be substantially less and in that case the unused amounts will be retained by the Successor Agency to allocate the funds in accordance with AB 1484. Once the DDR is completed and DOF approves and issues its Finding of Completion, the SA/OB can prepare and finalize a Long Range Property Management Plan in accordance with Health & Safety Code section 34191.5. I would expect once the Long Range Property Management Plan is adopted the need for legal services from Richards Watson & Gershon will be significantly reduced. Since the DDR has not been completed by the Auditor-Controller, the SA does not know if there will be any disputes in regards to the DDR. The SA believed it was prudent to budget for the services of Richards, Watson and Gershon. The Successor Agency is sensitive to the need to conserve assets for the repayment of bonds and therefore only will spend the money if necessary. Just FYI, the bill from Richards Watson & Gershon for January was \$129, and I would expect the February bill to be just as small, if not smaller."

Steve Backlund
California State Department of Finance
Re: El Dorado County Auditor's Objections to ROPS 13-14A
March 25, 2013

Based on the directions from Chris Hill and the information from the Successor Agency, it appears the legal costs of the ROPS 13-14a should be classified under the 3% administrative costs category, rather than a stand-alone Enforceable Obligation. Therefore, The Auditor-Controller's Office believes there is no choice but to provide notice of an objection to the Successor Agency, Oversight Board and Department of Finance under H&S Code §34182.5.

Sincerely,



Joe Hart
Auditor-Controller *SH*

cc: South Tahoe Successor Agency, Nancy Kerry, City Manager
South Tahoe Oversight Board, Hal Cole, Chairperson
California State Department of Finance, Ana Montosantos, Director
El Dorado County Board of Supervisors

Attachment 4

DOF Approval of ROPS 13-14A

With modifications

April 13, 2013



April 13, 2013

Ms. Debbie McIntyre, Accounting Manager
City of South Lake Tahoe
1901 Airport Road
South Lake Tahoe, CA 96150

Dear Ms. McIntyre:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of South Lake Tahoe Redevelopment Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to the California Department of Finance (Finance) on March 1, 2013 for the period of July through December 2013. Finance has completed its review of your ROPS 13-14A, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 13-14A at this time. However, the following adjustment was made:

Item No. 7 – Legal Costs in the amount of \$50,000. This item is considered general administrative cost and has been reclassified. Although this reclassification increased the administrative costs to \$175,000, the administrative cost allowance for the fiscal year has not been exceeded.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$3,987,285 as summarized below:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 3,862,285
Minus: Six-month total for items reclassified as administrative cost Item No. 7	(50,000)
Total approved RPTTF for enforceable obligations	\$ 3,812,285
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	175,000
Minus: ROPS II prior period adjustment	-
Total RPTTF approved for distribution:	\$ 3,987,285

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the

Ms. Debbie McIntyre
April 13, 2013
Page 2

county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14A%20Forms%20by%20Successor%20Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Beliz Chappuie, Supervisor or Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Olga Tikhomirova, Accountant, City of South Lake Tahoe
Ms. Sally Zutter, Property Tax Division Manager, County of El Dorado
California State Controller's Office

Attachment 5

CAC's office Property Tax Increment Emails

Dated March 28 & May 31, 2013

Debbie McIntyre

From: Sally Zutter <sally.zutter@edcgov.us>
Sent: Friday, May 31, 2013 11:03 AM
To: Debbie McIntyre
Subject: wire on monday for SLT SA's RORF

We will be wiring \$1,901,310.04 on Monday, June 3 (since June 1 is a weekend). This liquidates the 5/31/13 balance in the RPTTF.

Sally Zutter, C.P.A.
Accounting Division Manager
El Dorado County Auditor-Controller
360 Fair Lane, Placerville, CA 95667
sally.zutter@edcgov.us
Phone (530) 621-5480 Fax (530) 295-2535

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Thank you.

Nancy Kerry

Subject: FW: RDA Successor Agency ROPS 13/14A Estimates

From: Sally Zutter [<mailto:sally.zutter@edcgov.us>]
Sent: Thursday, March 28, 2013 3:15 PM
To: Nancy Kerry
Cc: Joe Harn; Debbie McIntyre; Patrick Enright
Subject: Re: RDA Successor Agency ROPS 13/14A Estimates

I'll let Joe respond regarding the DDR.

As to the estimate. H&S §34182(c)(3) has the date of "not later than April 1" for the report. The DOF has indicated they want it closer to the April 1 deadline (rather than when you did the ROPS a month before). This makes sense because the estimate is then more accurate to the statutory deadline.

However, on 1/31/13, I sent an email to Debbie McIntyre with an estimate, per her request. Included in this 1/31/13 email was a spreadsheet (not in the same format as the spreadsheet from today's email, but it did contain the same components). The total estimated on the 1/31/13 spreadsheet was \$1,891,413 (as compared to the line item for \$1,935,426 shown on today's reporting).

Just to clarify, today's reporting is more accurate than the estimate made on 1/31/13. With that said, it is still an estimate, based on both known and projected amounts. There are also unknowns potentially out in the wings since quite a bit of time remains, before the June 1 distribution, for the State Board of Equalization and/or Assessor to transmit Roll Corrections and/or for Supplemental/penalty/interest revenues to occur.

Sally Zutter, C.P.A.
Accounting Division Manager
El Dorado County Auditor-Controller
360 Fair Lane, Placerville, CA 95667
sally.zutter@edcgov.us
Phone (530) 621-5480 Fax (530) 295-2535

On Thu, Mar 28, 2013 at 2:33 PM, Nancy Kerry <nkerry@cityofslt.us> wrote:

Thank you Sally. In the future, we'll need this prior to the preparation of the ROPS period for which the estimate is prepared.

Also, do we have a ETA on the DDR – it's getting to a critical stage with not having the DDR done – by not having it done, it is holding up a sale on a piece of real estate along with the DDR itself will demonstrate the need to utilize the fund balance (about \$1.4M) for the shortfall in the bond payments coming due.

Attachment 6

Oversight Board Resolution 2012-11

*Directing retention of funds to satisfy
enforceable obligations*

**OVERSIGHT BOARD OF THE SOUTH TAHOE
REDEVELOPMENT SUCCESSOR AGENCY
RESOLUTION NO. 2012-11**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SOUTH TAHOE
REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE
RETENTION OF THE PROCEEDS FROM THE SALE OF ASSETS, HOUSING
ASSETS AND ACCOUNTS FOR THE PAYMENT OF
ENFORCEABLE OBLIGATIONS AS APPROVED BY THE ROPS;
RESCINDING PART OF RESOLUTION 2012-10**

WHEREAS, ABX1 26 was adopted by the California Legislature on June 15, 2011 and signed by the Governor on June 28, 2011, which dissolved redevelopment agencies in California effective October 1, 2011; and

WHEREAS, the California Redevelopment Association and League of California Cities (among others) challenged the constitutionality of AB X1 26, and the California Supreme Court on December 29, 2011 upheld ABX1 26 and amended the legislation to dissolve all redevelopment agencies as of February 1, 2012; and

WHEREAS, ABX1 26 (Health & Safety Code section 34177(e)) requires Successor Agencies to dispose of assets and property of the former redevelopment agency as directed by the Oversight Board; provided, however, that the Oversight Board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Health & Safety Code section 34181; and

WHEREAS, the disposal of assets is to be done expeditiously and in a manner aimed at maximizing value; and

WHEREAS, Health & Safety Code section 34177(e) provides that proceeds from assets sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the Oversight Board, shall be transferred to the County Auditor-Controller for distribution as property tax proceeds under Health & Safety Code section 34188; and

WHEREAS, the South Tahoe Redevelopment Successor Agency anticipates that there will be a significant shortfall of tax increment revenues to make the payments on enforceable obligations, specifically bond payments, and therefore requests that the Oversight Board direct the proceeds from the sale of assets, any housing funds transferred to the Successor Agency and any reserve accounts held by the South Tahoe Redevelopment Agency and transferred to the Successor Agency to be retained by the South Tahoe Successor Agency to make the necessary payments on enforceable obligations as approved of the Recognized Obligation Payment Schedules; and

WHEREAS, this Resolution rescinds in part, Resolution 2012-10 adopted by the Oversight Board on October 11, 2012, that directed that the cash and cash equivalents in the LMIHF be available for disbursement to the taxing entities; and

WHEREAS, the Oversight Board has a fiduciary responsibility to the holders of enforceable obligations and the taxing entities that benefit from distributions pursuant to Health & Safety Code section 34179(i).

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Oversight Board of the South Tahoe Redevelopment Successor Agency does hereby resolve, declare, determine and order as follows:

1. Determines in accordance with AB XI 26 and AB 1484 that the Successor Agency needs to retain the proceeds of any asset sales, any transfers from the Housing Fund and any reserve accounts transferred from the South Tahoe Redevelopment Agency to the extent required to make scheduled payments on enforceable obligations. The Oversight Board hereby directs that the proceeds be retained by the Successor Agency to make the required payments under ROPS approved by the Oversight Board.
2. Resolution 2012-10, Section 5 that directed the cash and cash equivalents in the Low Moderate Income Housing Fund (LMIHF) to be made available for disbursement to taxing entities is hereby rescinded.
3. Directs the Secretary to the Oversight Board to transmit a copy of the Resolution to the Department of Finance for review in accordance with Health & Safety Code section 34179(h).
4. This Resolution is effective upon passage.

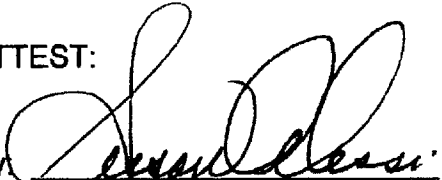
PASSED AND ADOPTED by the Board of Directors of the Oversight Board to the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on December 7, 2012, by the following vote:

AYES: Board Member(s): COLE, KNIGHT BAUGH, KERRY, MURILLO & VOGELGESANG

NOES: Board Member(s): _____

ABSENT: Board Member(s): BARBER

ABSTAIN: Board Member(s): _____

ATTEST:
By: 
Susan Alessi, Secretary

By: 
Hal Cole, Chairperson

Attachment 7

*DOF Approves Retention of \$1.6M
in housing funds to satisfy
enforceable obligations*

*Letters:
December 26, 2012 &
December 14, 2012*



Revised

December 26, 2012

Ms. Debbie McIntyre, Accounting Manager
City of South Lake Tahoe
1901 Airport Road
South Lake Tahoe, CA 96150

Dear Ms. McIntyre:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supersedes Finance's original Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) determination letter dated November 9, 2012. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of South Lake Tahoe Successor Agency (Agency) submitted an oversight board approved LMIHF DDR to the California Department of Finance (Finance) on October 15, 2012. Finance issued a LMIHF DDR determination letter on November 9, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer Session was held on December 6, 2012.

Based on a review of additional or clarifying information provided to Finance during the Meet and Confer process, Finance is revising some of the adjustments made in our previous DDR determination letter. Specifically, we are revising the following adjustments:

Balances retained to satisfy fiscal year 2012-13 obligations in the amount of \$1,637,046. The retention balances was not part of the DDR and was submitted with the Meet and Confer request. Due to insufficient tax revenues, the Agency oversight board resolution 2012-10 approved the retention of the balances from LMIHF to fund bond debt obligations for the January through June 2013 Recognized Obligation Payment Schedule (ROPS) period. The Agency demonstrated the revenue shortfall with revenue projections provided by the county auditor controller and agency bond debt service schedule. Therefore, the retention of \$1,637,046 LMIHF balance is allowed.

However, Finance continues to believe some of the adjustments made to the DDR's stated balance of LMIHF available for distribution to the taxing entities is appropriate. HSC section 34179.6 (d) authorizes Finance to make these adjustments. We maintain the adjustments continue to be necessary for the following reasons:

Loan repayment to the LMIHF in the amount of \$426,210. The Agency and the Oversight Board disagreed with the June 30, 2012 LMIHF balance of \$1,911,519 and believes the balance should be \$1,485,309. The \$426,210 difference is due to a repayment of a LMIHF loan to pay for the Supplemental Educational Revenue Augmentation Fund (SERAF). The Agency received \$426,210 RPTTF for the January through June 2012 ROPS period and deposited it into the LMIHF to pay back the loan and claims the amounts should be used for

housing obligations. Finance continues to deny retaining the \$426,210 difference because per HSC section 34163 (c)(5), the funds were not encumbered prior to January 1, 2011. Therefore, the June 30, 2012 LMIHF balance is \$1,911,519, as reported on the DDR.

The Agency's LMIHF balance available for distribution to the affected taxing entities has been revised to \$274,473 (see table below).

LMIHF Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ 1,911,519
Finance Adjustments	
Less: Allowed amount to be used to fund ROPS III bond obligations	(1,637,046)
Total LMIHF available to be distributed:	\$274,473

This is Finance's final determination of the LMIHF balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated September 5, 2012 do not in any way eliminate the Controller's authority.

Ms. Debbie McIntyre
December 26, 2012
Page 3

Please direct inquiries to Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Nancy Kerry, City Manager, City of South Lake Tahoe
Mr. Michael Nakama, Director of Finance, City of South Lake Tahoe
Ms. Sally Zutter, Acting Division Manager, El Dorado County Auditor-Controller
California State Controller's Office



December 14, 2012

Ms. Debbie McIntyre, Accounting Manager
City of South Lake Tahoe
1901 Airport Road
South Lake Tahoe, CA 96150

Dear Ms. McIntyre:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supersedes Finance's original Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) determination letter dated November 9, 2012. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of South Lake Tahoe Successor Agency (Agency) submitted an oversight board approved LMIHF DDR to the California Department of Finance (Finance) on October 15, 2012. Finance issued a LMIHF DDR determination letter on November 9, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer Session was held on December 6, 2012.

Based on a review of additional or clarifying information provided to Finance during the Meet and Confer process, Finance is revising some of the adjustments made in our previous DDR determination letter. Specifically, we are revising the following adjustments:

Balances retained to satisfy fiscal year 2012-13 obligations in the amount of \$1,019,634. The retention balances was not part of the DDR and was submitted with the Meet and Confer request. Due to insufficient tax revenues, the Agency oversight board resolution 2012-10 approved the retention of the balances from LMIHF to fund bond debt obligations for the January through June 2013 Recognized Obligation Payment Schedule (ROPS) period. The Agency demonstrated the revenue shortfall with revenue projections provided by the county auditor controller and agency bond debt service schedule. Therefore, the retention of \$1,019,634 LMIHF balance is allowed.

However, Finance continues to believe some of the adjustments made to the DDR's stated balance of LMIHF available for distribution to the taxing entities is appropriate. HSC section 34179.6 (d) authorizes Finance to make these adjustments. We maintain the adjustments continue to be necessary for the following reasons:

Loan repayment to the LMIHF in the amount of \$426,210. The Agency and the Oversight Board disagreed with the June 30, 2012 LMIHF balance of \$1,911,519 and believes the balance should be \$1,485,309. The \$426,210 difference is due to a repayment of a LMIHF loan to pay for the Supplemental Educational Revenue Augmentation Fund (SERAF). The Agency received \$426,210 RPTTF for the January through June 2012 ROPS period and deposited it into the LMIHF to pay back the loan and claims the amounts should be used for

housing obligations. Finance continues to deny retaining the \$426,210 difference because per HSC section 34163 (c)(5), the funds were not encumbered prior to January 1, 2011. Therefore, the June 30, 2012 LMIHF balance is \$1,911,519, as reported on the DDR.

The Agency's LMIHF balance available for distribution to the affected taxing entities has been revised to \$891,885 (see table below).

LMIHF Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ 1,911,519
Finance Adjustments	
Less: Allowed amount to be used to fund ROPS III bond obligations	(1,019,634)
Total LMIHF available to be distributed:	\$ 891,885

This is Finance's final determination of the LMIHF balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated September 5, 2012 do not in any way eliminate the Controller's authority.

Attachment 8

Drafted Successor Agency Resolution

For discussion and adoption

July 2, 2013

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY APPROVING THE USE OF ALTERNATE SOURCES OF FUNDS FOR ROPS 13-14A ENFORCEABLE OBLIGATIONS AND AUTHORIZING AND DIRECTING CERTAIN RELATED ACTIONS

Recitals

A. Pursuant to Section 34177(l) of the Health and Safety Code (“HSC”), the Successor Agency to the South Tahoe Redevelopment Agency (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 estimated payment amounts for enforceable obligations and the source of funds for such payments during such fiscal period.

B. Each ROPS must be submitted to the Oversight Board and the State of Department of Finance (the “DOF”) for approval.

C. The Successor Agency previously prepared a ROPS (“ROPS 13-14A”) for the period from July 1, 2013 to December 31, 2013 (the “ROPS 13-14A Period”) and submitted ROPS 13-14A to the Oversight Board and the DOF for approval.

D. The DOF issued its letter, dated April 13, 2013, informing the Successor Agency that the Successor Agency’s ROPS 13-14A has been approved, subject to the modifications required by the DOF as set forth in the April 13, 2013 letter.

E. For the ROPS 13-14A Period, the DOF approved the disbursement of \$3,987,284 by the County Auditor-Controller from the Successor Agency’s Redevelopment Property Tax Trust Fund (the “RPTTF”) to the Successor Agency for payment of enforceable obligations (including outstanding bonded indebtedness of the former South Tahoe Redevelopment Agency) and administrative costs allowance.

F. On March 28, 2013, the County Auditor-Controller informed the Successor Agency and the DOF that only \$1,901,310 was available for disbursement from the RPTTF to the Successor Agency for the ROPS 13-14A Period, and subsequently disbursed \$1,901,310 to the Successor Agency from the RPTTF (the “ROPS 13-14A RPTTF Disbursement”).

G. In light of the insufficiency of the ROPS 13-14A RPTTF Disbursement to cover the enforceable obligation payments approved by the DOF for the ROPS 13-14A Period, the Successor Agency will need to use funds from sources other than the RPTTF, to the extent available, to the pay for the enforceable obligations approved by the DOF for ROPS 13-14A, to avoid defaulting on such enforceable obligations.

H. HSC Section 34177(a)(4) provides that the Successor Agency may, with the prior approval of the Oversight Board, make payments on enforceable obligations from sources other than those listed in the ROPS.

I. Pursuant to HSC Sections 34179.5 and 34179.6, the Successor Agency is required to submit two due diligence review reports, including one report (the "DDR") for the Successor Agency's funds and accounts other than the Low and Moderate Income Housing Fund (the "OFA") to determine the unobligated OFA balance available for disbursement to taxing entities (the "DDR Remittance Amount").

J. Pursuant to HSC 34177(a), the DDR shall be in the form of either a report prepared by a licensed accountant approved by the County Auditor-Controller or an audit report provided by the County Auditor-Controller.

K. From prior communication between the Successor Agency and the County Auditor-Controller, the County Auditor-Controller indicated that it was prepared to provide an audit report for the Successor Agency's DDR.

L. As of the date of this Resolution, the DDR has not been completed.

M. The South Tahoe Redevelopment Successor Agency has \$1,305,360.14 in Unobligated Monies that have remained in two South Tahoe Redevelopment Successor Agency accounts (Redevelopment Agency Fund Balance of \$810,988.14 and Redevelopment Project Fund Balance of \$494,372.00) since the date of dissolution (February 1, 2012).

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 foregoing recitals, and each of them, are true and correct.

Section 2. This Board hereby requests the Oversight Board to approve the use of funds from sources other than the RPTTF, to the extent available to the Successor Agency, including but not limited to any remaining Unobligated Monies in the Successor Agency accounts to pay any enforceable obligation approved by the DOF for ROPS 13-14A.

Section 3. This Board hereby requests the Oversight Board to authorize and approve that, to the extent that the Unobligated Monies are used for payment of enforceable obligations approved by the DOF for ROPS 13-14A, the amount of the Unobligated Monies so used shall be recognized in the Successor Agency's DDR as an adjustment (*i.e.*, a deduction) to the DDR Remittance Amount.

Section 4. The Secretary of the Successor Agency is hereby authorized and directed to transmit a copy of this Resolution to the Oversight Board.

Section 5. The officers of the Successor Agency are hereby authorized, jointly and severally, to do such things, including the execution and delivery of written instruments, which they may deem necessary or proper to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 6. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the Successor Agency to the South Tahoe Redevelopment Agency at a duly noticed meeting held on July 2, 2013, by the following vote:

AYES: Board Member(s) _____

NOES: Board Member(s) _____

ABSENT: Board Member(s) _____

ABSTAIN: Board Member(s) _____

Tom Davis, Chairperson

ATTEST:

Susan Alessi, Secretary