



Special Meeting AGENDA

Oversight Board of the Successor Agency to the South Pasadena Community Redevelopment Agency

City Council Chambers, 1424 Mission Street
Wednesday, August 22, 2012 4:00 PM

Chair: Gary E. Pia

Vice-Chair: Richard Roche

Board Members: Tim Evans; John Mayer; Scott Price; Ted Shaw; Bob Miller

In order to address the Board, please complete a Public Comment Card and present it to the Secretary. Speakers will be called upon by the Chairman at the appropriate time. Time allotted per speaker: 3 minutes.

Call to Order

Roll Call
Pledge of Allegiance
Confirmation of Agenda

Public Comment

Opportunity for members of the public to comment on any items not appearing on the agenda. When addressing the Oversight Board, please state your name and address for the record. Time allotted per speaker: 3 minutes

Discussion Items

1. Introduction of Member Bob Miller, Acting Vice President of Administrative Services, Pasadena Community College, and Oath of Office
2. Approval of Minutes: June 13, 2012 Special Meeting
3. Overview of Redevelopment Trailer Bill, Assembly Bill 1484 (AB 1484)
4. Resolution approving the Recognized Obligation Payment Schedule – January 1, 2013 to June 30, 2013; and Resolution approving the Administrative Budget for the Successor Agency

Adjournment

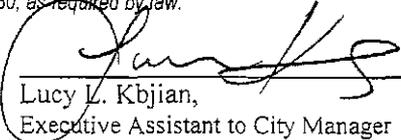
Accommodations



Meeting facilities are accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 403-7230. Hearing assistive devices are available in the Council Chambers. Notification at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of the City Hall at 1414 Mission Street, South Pasadena, CA 91030, as required by law.

8-16-12
Date


Lucy L. Kbjian,
Executive Assistant to City Manager

This page intentionally left blank.

STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH PASADENA
COMMUNITY REDEVELOPMENT AGENCY

CITY OF SOUTH PASADENA
CITY COUNCIL CHAMBERS
1424 MISSION STREET
SOUTH PASADENA, CALIFORNIA 91030

Wednesday, June 13, 2012

4:00 PM

AUDIO LINK FOR THE ENTIRE MEETING (12-3491)

Attachments: Audio

CALL TO ORDER

Chair Pia called the meeting to order at 4:03 p.m.

ROLL CALL

Present: Chair Gary Pia, Vice Chair Richard Roche, Ted R. Shaw, Scott S. Price and John Mayer

Absent: Dr. Richard van Pelt and Timothy B. Evans

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Pia.

CONFIRMATION OF AGENDA

Lucy L. Kbjian, Executive Assistant to the City Manager advised the Oversight Board the Agenda was posted in a timely manner.

V. DISCUSSION ITEMS

1. Approval of Minutes: May 9, 2012 Special Meeting. (12-2838)

On motion by Board Member Roche, seconded by Board Member Price, this item was approved.

Ayes: 4 - Chair Pia, Vice Chair Roche, Board Member Price and Board Member Mayer

Absent: 3 - Board Member Shaw, Board Member van Pelt and Board Member Evans

Attachments: May 9, 2012 Special Minutes

AGENDA ITEM 2

2. Cancellation of the July 11, 2012 Regular Meeting. (12-2839)

By Common Consent, there being no objection (Board Members Shaw, van Pelt, and Evans being absent), the July 11, 2012 regular meeting was cancelled. The next regular meeting of the Oversight Board would be August 8, 2012 at 4:00 p.m., City Council Chambers.

3. Department of Finance letter approving the Recognized Obligation Payment Schedule for January to June 2012 and July to December 2012. (12-2840)

Sergio Gonzalez, City Manager and David Batt, Assistant Finance Director, City of South Pasadena were present and responded to questions posed by the Oversight Board.

Chair Pia informed the Oversight Board, the Department of Finance approved the ROPS for the periods of January through June 2012 and July through December 2012.

Mr. Gonzalez also informed the Oversight Board that the Successor Agency would be issued their Administrative Revenues and their Bond Payments.

Chair Pia questioned when would ROPS 2013 be reviewed, discussed, approved and submitted. Mr. Batt addressed the Oversight Board and stated that his understanding was that the ROPS were to be reviewed every six months, and the current maximum amount was \$222,920. Mr. Gonzalez also informed the Oversight Board that the review, discussion and approval of the next ROPS would be at the next meeting to meet the Department of Finance deadline of September 1, 2012.

By Common Consent, there being no objection (Board Members Shaw, van Pelt, and Evans being absent), the report was received and filed.

Attachments: Supporting Document

4. Update regarding former South Pasadena Community Redevelopment Agency assets (12-2841)

Sergio Gonzalez, City Manager, City of South Pasadena presented the following summary of the report and responded to questions posed by the Oversight Board:

Mr. Gonzalez referred to pages 8 and 9 of the Staff Report pertaining to the former Redevelopment Agency's Assets:

- **Cash - The City currently has two cash funds derived from the former Community Redevelopment Agency (CRA) assets: 1) Unrestricted. 2) Restricted - Low to Moderate Housing Funds. The total cash funds are approximately \$1.6 million in the former CRA account.**
- **Properties – The former CRA owned four properties, which have been transferred to the City's newly created Housing Authority: 1) Downtown Parcel; 2) Nursery Property Site; 3) Small Parcel across from Bank of America; and 4) Affordable Housing Project, which is currently vacant and the City will propose to keep and maintain**

Mr. Gonzalez also mentioned there is a Property being leased to a Non-Profit organization for local education through an agreement entered into 2 ½ years ago with former CRA.

Board Member Price questioned if these properties were Quit Claimed to the City and will the Oversight Board would have to do make a determination of liquidating these properties, if necessary. Mr. Gonzalez addressed Board Member Price's concerns and informed the Oversight Board that the purpose of this item was to apprise them of the South Pasadena Community Redevelopment Agency's property assets with the intent, and, if necessary, the Oversight Board would be handling the disposition of these properties and provide direction to the Successor Agency in the near future.

Board Member Price then questioned, when the properties were quit claimed over to the City was there any value placed on the properties? Mr. Gonzalez informed the Oversight Board that copies of the Quit Claims were provided and no value had been placed on the properties. However, the Nursery and Downtown Properties had been appraised two (2) years ago. Chair Pia further commented that when the Oversight Board proceeds with the disposition of properties, the properties will need to be evaluated and appraised.

By Common Consent, there being no objection (Board Members Shaw, van Pelt, and Evans being absent), the report was received and filed.

Attachments: Supporting Document

5. Status of South Pasadena Downtown Redevelopment Project (12-2843)

Sergio Gonzalez, City Manager, City of South Pasadena, provided the Oversight Board with a brief history of the South Pasadena Downtown Revitalization Project (Project) located within the boundaries of Mission Street, Fair Oaks Avenue, Oxley Street and Mound Avenue and responded to questions posed by the Oversight Board.

Board Member Price questioned the timeline for this project to come into fruition. Mr. Gonzalez informed the Oversight Board that the timeline depended on the projection on how long each step would take. For example, the next step would be to develop an agreement with the developer Jensen and determined what building will be built first, who is responsible for payment, and which properties to be used with the intent that this step should be completed by the end of this year, with an Environmental Impact Report (EIR) to be completed.

Board Member Shaw question why proceed with another EIR that may cause confusion and detain the Project from progressing. Mr. Gonzalez informed the Oversight Board that the intent is to avoid an EIR, however, if during the interim changes occurs there might be a need for another EIR. Mr. Gonzalez also pointed out that the current EIR is more than five (5) years old, and a Supplemental EIR was required because of changes to the Project.

Mr. Gonzalez further informed the Oversight Board that most properties are privately own, and it will be the developer's responsibility to meet with the property owners to discuss the Project. In the meantime, the City was negotiating with the newly selected developer for the Project. It is the City's goal is to invite other developers to the Project, which would help to achieve a goal for more affordable homes in the area. City Manager Gonzalez concluded by informing the Oversight Board that they will apprise them on ongoing activities pertaining to the Projects at the next meeting.

After discussion, by Common Consent, there being no objection (Board Members Van Pelt and Evans being absent), the report was received and filed.

Attachments: Supporting Document

PUBLIC COMMENT

Opportunity for members of the public to comment on any items not appearing on the agenda. When addressing the Oversight Board, please state your name and address for the record. Time allotted per speaker: 3 minutes. (12-2844)

There was no public comment.

ADJOURNMENT

The Oversight Board adjourned the meeting at 4:26 p.m. The next scheduled regular meeting of the Oversight Board will be Wednesday, August 8, 2012 at 4:00 p.m.

Approved

Gary E. Pia, Chair

Date

This page intentionally left blank.

Oversight Board of the Successor Agency to the South Pasadena CRA

MEETING DATE: August 22, 2012
FROM: Chu Thai, Finance Director
SUBJECT: **Overview of Assembly Bill 1484**

Recommendation:

Staff recommends that the Oversight Board receives and files this report.

Background:

As part of the FY 2012-13 State budget package, the Legislature, on June 27, 2012, passed and the Governor signed Assembly Bill 1484 (AB 1484). Commonly known as the "trailer bill," AB 1484 makes technical and substantive amendments to AB 26 (the Dissolution Act). The bill which took immediate effect upon signature by the Governor significantly modifies and provides some clarifications to the treatment of housing assets under the Dissolution Act. This report highlights some of the elements of AB 1484 in connection with the redevelopment dissolution process.

Discussion:

Essentially, AB 1484 contains a definition of housing assets, sets forth explicit procedures with respect to transfer of housing assets which must occur by August 1, 2012, provides some greater flexibility and procedural steps regarding the use of housing bond proceeds, establishes a new Low and Moderate Income Housing Asset Fund or LMIHF (the "Housing Asset Fund") to be administered by the Housing Successor, and clarifies that no future deposits are required to be made to the LMIHF.

AB 1484 requires that all actions taken by an Oversight Board be adopted by resolution (Section 34179(e)). A Successor Agency must notify the County Administrative Officer, the CAC, and the DOF, at the same time the Successor Agency transmits a proposed action to the Oversight Board for its approval (Section 34180(j)).

AB 1484 offers several benefits to a Successor Agency and its Sponsoring Community once the Successor Agency has attained a Finding of Completion from the DOF. Prior to AB 1484, the Dissolution Act (AB 26) calls for the Successor Agency, under the direction of the Oversight Board, to dispose of real property it received from the Dissolved RDA either for limited public uses, or for disposition into the private market expeditiously and with a view toward maximizing value, with the disposition proceeds ultimately made available for distribution to the affected taxing entities.

AGENDA ITEM 3

In contrast, AB 1484 provides certain flexibility and local benefits in connection with property disposition for a Successor Agency that has received a DOF Finding of Completion (Section 34191.3). Within six months after receipt of a Finding of Completion, the Successor Agency must submit a long-range property management plan for the real property of the Dissolved RDA for approval by the Oversight Board and the DOF (Section 34191.5(b)). The property management plan must include an inventory (with specified information) about each property, and address the use or disposition of each property (Section 34191.5(c)). Permitted uses under a property management plan include:

- retention of the property for governmental use;
- retention of the property for future development;
- sale of the property; and
- use of the property to fulfill an enforceable obligation.

For informational purposes, staff has attached a summary of key components of AB 1484. All statutory references in the below summary are to the Health and Safety Code unless otherwise indicated. Staff has attached a summary of the League of California Cities summary of the major provisions of AB 1484. Staff advises and recommends to the Board that specific legal questions will be directed to legal counsel.

Fiscal Impact:

If the Successor Agency does not comply with certain provisions of AB 1484, the Department of Finance and the Los Angeles County Auditor have the exclusive authority to withhold future Sales Tax and Property Tax payments to the City of South Pasadena. In addition, AB 1484 imposes a \$10,000 per day penalty if a Successor Agency does not submit its ROPS on time, regardless of the reason or entity withholding approval.

Attachment: Summary of AB 1484 provided by the League of California Cities



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Major Provisions of AB 1484¹

1. **Three payments:** Successor agency must make three payments:

- July 12: Taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency
- November 9+/-: Low-Moderate Income Housing Fund
- April 10 +/- : Unencumbered cash

In addition to these three payments, if a successor agency did not make complete 2011-12 pass-through payments, amount of payment not made will be deducted from property tax distribution from auditor-controller.²

2. **New audit by October 1:** Successor agency must retain licensed accountant to audit books:³

- Audit of LMIHF
- Audit of cash assets
- Audit of cash transfers to public agencies and private parties⁴

3. **New penalties:**

- Failure to make July 12 payment: successor agency subject to civil penalty of 10% of the amount owed plus 1.5% of the amount owed for each month that payment is not made unless DOF finds that payment of penalty will jeopardize payment of enforceable obligations. Until payment is made,

¹ The League will continue to refine this analysis with the assistance of its RDA Attorney Working Group and other city officials.

² Additional information about these payments is found in the Appendix.

³ Agreed-upon procedures audit completed by auditor-controller can substitute for the licensed accountant audit if it includes all statutory requirements

⁴ Successor agency must attempt to recover cash transferred to public agency without an enforceable obligation.

July 2, 2012

successor agency may only pay bond debt. City subject to same civil penalty. City will not receive July 18 sales tax payment (up to amount owed).⁵

- Failure to transfer LMIHF funds: Offset of city sales tax or property tax of the amount required to be transferred⁶
- Failure to transfer cash assets: Offset of city sales tax or property tax of the amount required to be transferred⁷
- Failure to recover cash transferred to local agency without enforceable obligation: Offset of sales tax or property tax of the local agency to which the cash was transferred.⁸
- Failure to submit ROPS by September 1, 2012 and subsequent deadlines: City to pay civil penalty of \$10,000 per day for each day beyond deadline

4. Safe Harbor: Finding of Completion⁹

The Department of Finance will issue a finding of completion to a successor agency that pays the following amounts:

- ✓ The amount determined in the audit of the LMIHF¹⁰
- ✓ The amount determined in the audit of all other funds¹¹
- ✓ The amount (if any) owing to taxing entities from the December 2011 property tax payment¹²

The following applies to a successor agency that is issued a finding of completion:

- ✓ Loan agreements entered into between the redevelopment agency and the city are deemed to be enforceable obligations if oversight board makes a finding that loan was for legitimate redevelopment purposes. As enforceable obligations, payments are listed on ROPS¹³.

Repayments of loans may not begin prior to 2013-14 fiscal year at maximum amount described in statute. Repayment amounts received by city must first be used to retire outstanding amounts borrowed and owed to LMIHF of the

⁵ Section 34183.5(b)(2)

⁶ Section 34179.6(h)

⁷ Section 34179.6(h)

⁸ Section 34179.6(h); see, also 34179.8

⁹ Section 34191.1.

¹⁰ Section 34179.6

¹¹ Section 34179.6

¹² Section 34183.5

¹³ DOF continues to retain final authority to approve items listed on ROPS.

July 2, 2012

former redevelopment agency for purposes of the SERAF payment. 20% of loan repayment amount must be transferred to LMIH Asset Fund.¹⁴

- ✓ Bond proceeds derived from bonds issued on or before 12/31/10 shall be used for the purposes for which the bonds were sold. Proceeds which cannot be spent consistent with bond covenants shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.¹⁵ Use of bond proceeds listed on ROPS.¹⁶
- ✓ Real property assets: In lieu of the provisions of AB 26 which require disposal of real property assets at the direction of the oversight board, successor agency prepares a long-range property management plan and submits to oversight board and DOF for approval. Permissible uses of property include retention for governmental use; retention for future development; sale of property; use of the property to fulfill enforceable obligations. If plan directs use or liquidation of property for a project identified in an approved redevelopment plan, the property shall transfer to the city. No transfers until plan approved by oversight board and DOF.¹⁷
- ✓ Statute of Limitations: The longer statutes of limitations (2 years) to challenge actions of the former redevelopment agencies do not apply.¹⁸

5. New Power of State Controller¹⁹

AB 1484 directs the Controller to review the activities of successor agencies to determine whether an asset transfer occurred after January 31, 2012, between the successor agency and the city or county that created the redevelopment agency, or any other public agency that was not pursuant to an enforceable obligation on an approved ROPS. The Controller is directed to order the assets returned to the successor agency. "City" is defined very broadly to include any entity which is controlled by the city or for which the city is financially responsible or accountable.²⁰

6. Increase in authority for Department of Finance

- DOF may eliminate or modify any item on an oversight board-approved ROPS. The auditor-controller must distribute property tax in accordance with changes made to the ROPS by DOF. If successor agency disputes DOF

¹⁴ 34191.4(b)(2).

¹⁵ 34191.4(c)

¹⁶ DOF continues to retain final authority to approve items listed on ROPS.

¹⁷ Section 34191.5

¹⁸ Section 33500, 33501

¹⁹ Section 34178.8

²⁰ Section 34167.10. AB 26 directed the State Controller to review asset transfers from redevelopment agencies to the city or county that created the agency that occurred after January 1, 2011. If the city or county was not contractually committed to a third party for the expenditure or encumbrance of those assets, the Controller was directed to order the return the assets to the redevelopment agency or successor agency.

July 2, 2012

action, disputed item may be carried on ROPS. If dispute resolved in favor of successor agency in the future, the past allocation of property tax to the successor agency is not changed nor is a "liability" created for any affected taxing entity.²¹

- DOF may review and object to oversight board actions approving (1) establishment of new repayment terms for outstanding loans; and (2) setting aside amounts in reserves as required by bond indentures, and similar documents²²

7. New restrictions on authority of Successor agency

- No new enforceable obligations except (1) as specifically authorized by the statute; (2) in compliance with enforceable obligations that existed prior to June 28, 2011; or (3) to hire staff, acquire professional services and procure insurance.²³
- May not transfer revenues or powers to any other public or private party except pursuant to enforceable obligation on an approved ROPS. Any such transfer of authority or revenues are "void" and successor agency required to reverse transfers. Controller may audit and order return of transfers of authority or revenues.²⁴
- Actions taken by redevelopment agencies pursuant to VARP (Voluntary Alternative Redevelopment Program in AB 27) are "ultra vires" and do not create enforceable obligations.²⁵
- If successor agency exercised power to reenter into agreements with city (section 34178) and agreement was approved by oversight board but rejected by DOF, successor agency and oversight board may not act to restore funding for the reentered agreement.²⁶
- No reestablishment of loan agreements between successor agency and city except pursuant to safe harbor provisions.²⁷

8. Miscellaneous

- City loans to successor agency: City may loan or grant funds for administrative costs, enforceable obligations or project-related expenses. Receipt and use of these funds shall be reflected on the ROPS or in the

²¹ Section 34179(h)

²² Section 34181(f)

²³ Section 34177.3(a); 34177.3(b)

²⁴ Section 34177.3(c)

²⁵ Section 34177.3(d)

²⁶ Section 34178(a)

²⁷ Section 34180(a)

July 2, 2012

administrative budget subject to oversight board approval. An enforceable obligation is created for repayment of loans.²⁸

- New Oversight Board Provisions²⁹
 - ✓ Auditor-controller may determine “largest special district”
 - ✓ Section 1090 does not apply to employee representative on oversight board
 - ✓ Oversight board members are protected by immunities applicable to public entities and public employees
 - ✓ Meetings at which oversight board will consider disposal of successor agency assets or allow set-aside of reserves required by bond indentures requires 10 days’ public notice.³⁰
 - ✓ Written notice and information about all oversight board actions must be provided to DOF by electronic means. DOF has 40 (instead of 10) days to review and approve, reject, or modify oversight board action.
 - ✓ Oversight board may direct successor agency to provide additional legal or financial advice.
 - ✓ Authorized to contract with the county or other public or private agencies for administrative support
 - ✓ On matters within its purview, decisions made by oversight board “supersede those made by the successor agency or the staff of the successor agency.”³¹
- New authority for auditor-controller³²: A county auditor-controller can object to an item on the ROPS or to the funding source listed for an item on the ROPS. Objections are sent to DOF to resolve.
- Polanco Act protection for successor agency: Cleanup plans and liability limits of redevelopment agency transferred to successor agency and to housing entity, upon entity’s request.³³
- Limited authority for successor agency to refinance existing debt.³⁴
- Successor agency is separate public entity.³⁵

²⁸ Section 34175(h)

²⁹ Section 34180

³⁰ Section 34181(f)

³¹ Section 34179

³² Section 34182.5

³³ Section 34173(f)

³⁴ Section 34177.5

³⁵ Section 34173(g)

July 2, 2012

Appendix – Successor Agency Required Payments/Fund Transfers

✓ **Transfer of Unencumbered Balances**³⁶

AB 26 requires that a successor agency transfer unencumbered cash balances and low and moderate income housing funds to the county auditor-controller for distribution to the taxing entities. AB 1484 requires a successor agency to retain the services of a licensed accountant to audit (1) the balance in the LMIHF; (2) the balance in other cash funds; (3) cash payments that were made in compliance with an enforceable obligation; and (4) cash transfers that were made without an enforceable obligation. In addition to transferring the balances in the LMIHF and other cash funds, a successor agency must make efforts to recover the cash transferred without an enforceable obligation.

✓ **Payment of December 2011 Taxing Entity Property Tax**³⁷

AB 26 distributes property tax through a “waterfall” of payments which includes passthrough payments, payments to successor agencies for enforceable obligations, payments to successor agencies for administrative costs, and payments to taxing entities. The waterfall for the December 2011 property tax payment did not operate as intended because of the stay imposed by the Court in *Matosantos*. The property tax payment to taxing entities was not made. AB 1484 requires successor agencies to make those payments by July 12.

✓ **Payment of 2011-12 Passthrough Payments**

Some successor agencies made 2011-12 passthrough payments and some did not. AB 1484 requires the auditor-controller to reduce property tax payments to those successor agencies that did not make pass through payments in 2011-12.

³⁶ Section 34179.5; 34179.6

³⁷ Section 34183.5

July 2, 2012



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

AB 1484: Important Dates

- July 9: County auditor-controller notifies successor agency of amount of funds owing taxing entities based upon December 2011 property tax payment¹
- July 12: Successor agency must make payment to auditor-controller for deposit into Redevelopment Property Tax Trust Fund and distribution to taxing entities.²
- July 16: Auditor-controller distributes money received from successor agencies to taxing entities. Monies received after July 12 date distributed within 5 days of receipt.³
- July 18: **City sales tax payment suspended if successor agency doesn't make July 12 payment.**⁴
- August 1: Successor housing entity must submit to DOF a list of housing assets that contains explanation of how assets meet criteria set forth in the law. DOF will prescribe format for list. DOF may object to any of the assets within 30 days. If after meet and confer, DOF continues to object, asset must be returned to the successor agency.⁵
- August 10: Successor housing entity notifies successor agency of any designations of use or commitments of funds that successor housing entity authorizes successor agency to retain.⁶
- August 15 +/-: Oversight board meets to consider ROPS for January 1, 2013 through June 30, 2013 which must be submitted to DOF by September 1.
- September 1: ROPS for January 1, 2013 through June 30, 2013 must be submitted electronically to DOF after oversight board approval.⁷ DOF makes determinations within 45 days. Within 5 days of determination, successor agency may request additional review and meet and confer.

¹ Section 34183.5(b)(2)(A). Note: The statute, that may be drafted in error, states that if June 1 property tax payment has not been made to successor agencies, the amount owing to taxing entities will be deducted from that same June 1 payment (34183.5(b)(1)).

² Section 34183.5(b)(2)(A).

³ Section 34183.5(b)(2)(A).

⁴ Section 34183.5(b)(2)(A)

⁵ Section 34176(a)(2). Definition of "housing asset" found at section 34176(e).

⁶ Section 34179.6(c)

⁷ Section 34177(m). Future ROPS must be submitted to DOF 90 days prior to property tax distribution. City subject to civil penalty of \$10,000 per day for successor agency's failure to timely submit ROPS (Section 34177(m)(2)).

July 2, 2012

- October 1: Auditor-controller may provide notice to successor agency of any objections to items on January – June 2013 ROPS.⁸
- October 1: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of the LMIHF conducted by the licensed accountant agency must retain.⁹ Note: licensed accountant must be approved by the county auditor-controller.
- October 1: County auditor-controller completes agreed-upon procedures audit of each redevelopment agency.¹⁰ Auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.¹¹
- October 15: Oversight Board must review, approve, and transmit LMIHF audit to DOF, auditor-controller. Note that oversight board must hold a public session to consider audit at least five business days prior to the meeting of oversight board in which LMIHF audit is considered for approval.¹²
- November 9: Last day for DOF to complete review of LMIHF audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.¹³

W/in 5 days of receipt of DOF

audit findings: Successor agency may request meet and confer to resolve disputes with DOF findings on LMIHF audit.¹⁴ DOF must confirm or modify its determination and decisions within 30 days.

W/in 5 days of receipt of DOF final audit

determination: Successor agency to transfer LMIHF funds to auditor-controller.¹⁵ **City sales tax/property tax may be offset for unfunded amounts.**

December 1: Successor agency may report to auditor-controller that total amount of available revenues will be insufficient to fund enforceable obligations.¹⁶

⁸ Section 34182.5.

⁹ Section 34179.6(a). The requirement to retain a licensed accountant is found in section 34179.5. The audit provided by the county auditor-controller can be substituted for an audit by a licensed accountant if it contains the information required by Section 34179.5.

¹⁰ Section 34182(a)(1).

¹¹ Section 34182(c)(3)

¹² Section 34179.6(c) and (b)

¹³ Section 34179.6(d)

¹⁴ Section 34179.6(e)

¹⁵ Section 34179.6(f)

¹⁶ Section 34183(b)

June 28, 2012

December 15: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of all other fund and account balances by licensed accountant.¹⁷

2013

January 2: Auditor-controller makes distributions of property tax for January – June 2013 ROPS.¹⁸

January 15: Oversight board must review, approve, and transmit other funds audit to DOF, auditor-controller.¹⁹

March 3: Successor agency submits ROPS for July 1, 2013 through December 31, 2013 to DOF after oversight board approval.²⁰

April 1: County auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.²¹

April 1: DOF completes review of other funds audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.²²

April 6 +/-: No later than 5 days after receiving DOF determination on other funds audit, successor agency may request meet and confer to resolve disputes with DOF findings. DOF must confirm or modify its determination and decisions within 30 days.

April 10: +/- Successor agency to transfer other “cash and assets” audit payment to auditor-controller if meet and confer process complete.²³ **City sales tax/property tax may be offset for unfunded amounts.**

May 1: Successor agency reports to auditor-controller if total amount of available revenues will be insufficient to fund enforceable obligations.²⁴

¹⁷ Section 34179.6(a).

¹⁸ Section 34183(b).

¹⁹ Section 34179.6(a).

²⁰ Section 34177(m).

²¹ Section 34182(c)(3)

²² Section 34179.6(a)

²³ Section 34179.6(f). The statute does not allow sufficient time between completion of DOF review on April 1 and required payment on April 10.

²⁴ Section 34183(b).

June 28, 2012

This page intentionally left blank.

Oversight Board

of the Successor Agency to the South Pasadena CRA

MEETING DATE: August 22, 2012

FROM: Chu Thai, Finance Director

SUBJECT: **Resolution Approving a Recognized Obligation Payment Schedule – January 1, 2013 to June 30, 2013; and Resolution Approving the Administrative Budget for the Successor Agency**

Recommendation:

It is recommended that Oversight Board:

1. Adopt the attached resolution approving the third Recognized Obligation Payment Schedule (“ROPS”) for the period of January 1, 2013 – June 30, 2013; and
2. Approve by resolution, the Successor Agency’s administrative budget for the period of January 1, 2013 – June 30, 2013.

AB X1 26, the Dissolution Act, required all successor agencies to formulate Recognized Obligation Payment Schedule under which the Successor Agency would make payments for eligible obligations of the former Redevelopment Agency. The Recognized Obligation Payment Schedules shall be reviewed and approved by the Oversight Board and subsequently by the State Department of Finance (DOF).

The former Community Redevelopment Agency, on January 30, 2012, approved the First Recognized Obligation Payment Schedule for the period of January-June 2012 (First ROPS) and the Second Recognized Obligation Payment Schedule for the period of July-December 2012 (Second ROPS). On May 9, 2012, the Oversight Board approved both ROPS 1 and ROPS 2 which were forwarded to the DOF and the State Controller's Office.

On May 25, 2012, the DOF notified the City that all of the items listed on the ROPS were approved.

AB X1 26 also requires that the Successor Agency adopt an administrative budget to be approved by the Oversight Board and submitted to the DOF. Successor agencies are entitled to an administrative allowance, subject to approval of the Oversight Board. The administrative allowance is up to five percent (5%) of the eligible property tax allocated to the successor agency for FY 2011-12 and three percent (3%) each year thereafter. The amount shall not be less than \$250,000 for any fiscal year unless agreed to by the successor agency.

As part of the Fiscal Year 2012-2013 State budget package, on June 27, 2012, the Legislature passed, and the Governor signed, Assembly Bill (AB) 1484. The primary purpose of this bill is to

AGENDA ITEM 4

August 22, 2012

Approval of Third ROPS and Administrative Budget

Page 2 of 3

make technical and substantive amendments to the Dissolution Act. As a budget "trailer bill," AB 1484 took immediate effect upon the signature by the Governor.

Analysis

On August 15, 2012, the Successor Agency reviewed and approved the third ROPS for the period covering January 1, 2013 to June 30, 2013. Per AB 1484 added Section 34177 (m) to the Health and Safety Code, the Successor Agency submitted the ROPS to the DOF, the State Controller's Office, the County Administrators Office and to the County Auditor-Controller at the same time it submitted them to the Oversight Board for approval. These ROPS now must be considered by the Oversight Board and approved by resolution (attached.) Once approved by the Oversight Board, the ROPS must be submitted to the DOF by September 1, 2012.

On August 15, 2012, the Successor Agency reviewed and approved the Successor Agency's administrative budget for the period of January 1, 2013 - June 30, 2013, in the amount of \$250,000. The Oversight Board must now approve the Successor Agency's administrative budget with the attached resolution. Staff may administratively amend the Administrative Budget in order to remove therefrom line items which are subsequently disapproved by the Oversight Board and/or the DOF and also to make corresponding adjustments based on changes to the ROPS, provided, however, that none of such authorization, removal or adjustment shall be deemed to be, nor are they intended as, an acknowledgment of the validity of AB XI 26 and AB 1484 or such action by the Oversight Board and/or the DOF. The Successor Agency reserves all rights of the Successor Agency to challenge the validity and/or application of any or all provisions of AB XI 26 and AB 1484 in any administrative or judicial proceeding, without prejudice to the Successor Agency's right to list any such removed item on this or a future ROPS. The Successor Agency reserves the right to pursue any and all appeals and any available legal or equitable remedy provided or available by law to obtain the correction of any erroneous decision regarding the ROPS.

Fiscal Impact:

If the Successor Agency does not comply with certain provisions of AB 1484, the Department of Finance and the Los Angeles County Auditor have the exclusive authority to withhold future Sales Tax and Property Tax payments to the City of South Pasadena. In addition, AB 1484 imposes a \$10,000 per day penalty if a Successor Agency does not submit it ROPS on time, regardless of the reason or entity withholding approval.

Attachments:

1. Oversight Board Resolution Approving the Recognized Obligation Payment Schedule – January 1, 2013 to June 30, 2013(Third ROPS)
2. Oversight Board Resolution Approving the Successor Agency's Administrative Budget
3. Successor Agency Resolution No. 7241 SA – Third ROPS
4. Successor Agency Resolution No. 7242 SA – Administrative Budget

ATTACHMENT 1
Oversight Board Resolution
Approving ROPS
January 1, 2013 to June 30, 2013

**OVERSIGHT BOARD
RESOLUTION NO. 2012-08**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD OF JANUARY 2013 - JUNE, 2013**

WHEREAS, Health and Safety Code, Section 34177(I)(2), as modified by the Supreme Court decision in *California Redevelopment Association, et al., v. Ana Matosantos, et al.*, Case No. S194861, requires the Successor Agency to prepare a recognized obligation payment schedule (“ROPS”) every six months covering forward looking six month time frame; and

WHEREAS, Health and Safety Code, Section 34177(I)(2), requires the Successor Agency to submit the ROPS to the Successor Agency’s Oversight Board for its approval, and simultaneously submit a copy to the Los Angeles County Auditor-Controller, the Los Angeles County Administrator’s Office, and the State of California Department of Finance, and once approved by the Oversight Board, to post the Approved ROPS on the Successor Agency’s website and resubmit the Approved ROPS to the DOF and the Los Angeles County Auditor-Controller; and

WHEREAS, the Oversight Board for the Successor Agency to South Pasadena Community Redevelopment Agency (“Oversight Board” as applicable) has met and has duly considered a recognized obligation payment schedule for the period January 1, 2013 through June 30, 2013, in the form submitted by the Successor Agency (the “Third ROPS”); and

WHEREAS, prior to its meeting on August 22, 2012, the members of the Oversight Board have been provided with copies of the Third ROPS and instruments referenced in the Third ROPS; and

WHEREAS, the Oversight Board has reviewed the Third ROPS and those instruments referenced in the Third ROPS; and

WHEREAS, the Oversight Board desires to express and memorialize its approval of the Third ROPS as the Recognized Obligation Payment Schedule duly approved by the Oversight Board, a Recognized Obligation Payment Schedule in the form attached hereto as Exhibit “A,” which consists of the Third ROPS with additions or deletions made by and at the instance of the Oversight Board.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT
AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The Oversight Board finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Oversight Board approves as the Recognized Obligation Payment Schedule for the period January 1, 2013 through June 30, 2013 (the "Third ROPS") a Recognized Obligation Payment Schedule in the form attached hereto as Exhibit "A," which consists of the Third ROPS with additions or deletions made by and at the instance of the Oversight Board.

SECTION 3. The Executive Director of the Successor Agency is authorized and directed to post the Third ROPS on the Successor Agency's website, and to submit the Third ROPS to the California Department of Finance and the Los Angeles County Auditor-Controller by September 1, 2013. The Executive Director of the Successor Agency is further authorized to take all other actions necessary and required under the Health & Safety Code or any other applicable law. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Third ROPS as may be necessary to submit the Third ROPS in any modified form required by the California Department of Finance, and the Third ROPS as so modified shall thereupon constitute the Third ROPS as approved by the Oversight Board pursuant to this Resolution.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution and the Third ROPS as approved hereby.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 22nd day of August, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Kbjian, Oversight Board Secretary

Successor Agency Contact Information

Name of Successor Agency:
County:

Successor Agency to the South
Pasadena Community Redevelopment
Agency
Los Angeles

Primary Contact Name:
Primary Contact Title:

David Batt
Asst. Finance Director
1414 Mission St., South Pasadena, CA
91030

Address
Contact Phone Number:
Contact E-Mail Address:

626-403-7253
dbatt@ci.south-pasadena.ca.us

Secondary Contact Name:
Secondary Contact Title:
Secondary Contact Phone Number:
Secondary Contact E-Mail Address:

Chu Thai
Finance Director
626-403-7252
cthai@ci.south-pasadena.ca.us

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Successor Agency to the South Pasadena Community Redevelopment Agency

	Total Outstanding Debt or Obligation
Outstanding Debt or Obligation	\$ 2,993,169
Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	-
B Anticipated Enforceable Obligations Funded with RPTTF	154,569
C Anticipated Administrative Allowance Funded with RPTTF	100,000
D Total RPTTF Requested (B + C = D)	254,569
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ 254,569
E Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	254,569
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ -
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	259,044
H Enter Actual Obligations Paid with RPTTF	144,044
I Enter Actual Administrative Expenses Paid with RPTTF	113,366
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-1,634
K Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 252,935

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
_____ Signature	_____ Date

P. 27

Name of Successor Agency: Successor Agency to the South Pasadena Community Reinvestment Agency
 County: Los Angeles

Oversight Board Approval Date: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)
 January 1, 2013 through June 30, 2013

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 2012-13	Funding Source					
									LMHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other
1	Grand Total						\$ 2,993,169.00	\$ 461,139.78	\$ -	\$ 100,000.00	\$ 154,569.00	\$ 146,569.00	\$ -	\$ 254,569.00
2	Allocation Bonds Series 2000			Union Bank of California	Bonds Issued to Fund Downtown Revitalization Project	in Revitalization Proj	2,993,169.00	198,139.78						
3	Administrative Costs			Employers Contractors	Payroll Admin. Overhead (Prof. Svcs.)	in Revitalization Proj	250,000.00	250,000.00						
4	Bond Reserve Fund			Union Bank of California	Mainline Reserve Fund per Bond Covenants	in Revitalization Proj	199,833.30	0.00				100,000.00		100,000.00
5	Compensating Balance Account			Bank of America	Interest Compensation for Low-Mid Housing Loans	in Revitalization Proj	27,281.35	0.00						
6	Legal Services	10/1/2007	10/31/2012	Law Offices of Jones & Mayer	Legal Expenses	in Revitalization Proj	13,000.00	13,000.00				8,000.00		8,000.00
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
28														
29														
30														
31														
32														
33														
34														
35														
36														
37														
38														
39														
40														
41														
42														
43														
44														
45														
46														
47														
48														
49														
50														
51														
52														
53														
54														
55														
56														
57														
58														
59														
60														

Name of Successor Agency: Successor Agency to the South Pasadena Community Redevelopment Agency
 County: Los Angeles

Pursuant to Health and Safety Code section 34186 (a)
 PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
 January 1, 2011 through June 30, 2012

Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
1.00	1	Grant of Debt	Urban Bank of California	Bonds Issued to Fund Downtown Revitalization Project Area	Revitalization Project Area	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1.00	2	Administrative Costs	Empress / Contractors	Payroll / Admin. Overhead / Prod. Svcs.	Revitalization Project Area							180,000	113,355	95,044	144,044		
1.00	3	Bond Reserve Fund	Urban Bank of California	Multifamily Reserve Fund per Bond Covenants	Revitalization Project Area		0.00					180,000	113,355	95,044	144,044		
1.00	4	Compensating Balance Account	Bank of America	Interest Compensation to Low-Mid Housing Loan	Revitalization Project Area		0.00				0.00						

ATTACHMENT 2
Oversight Board Resolution
Approving Administrative Budget
January 1, 2013 to June 30, 2013

**OVERSIGHT BOARD
RESOLUTION NO. 2012-09**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
APPROVING AN ADMINISTRATIVE BUDGET
FOR THE SUCCESSOR AGENCY FOR THE PERIOD
OF JANUARY 2013 - JUNE, 2013**

WHEREAS, AB X1 26 & AB 1484 require the Oversight Board of the Successor Agency to the South Pasadena Community Redevelopment Agency ("Oversight Board") to approve an administrative budget for the period of January 1, 2013 through June 30, 2013; and

WHEREAS, pursuant to AB X1 26 and AB 1484, on August 15, 2012, the Successor Agency Board of Directors examined the budget and found that it is a sound plan for the operations of the Successor Agency and has approved the Administrative Budget attached hereto as Exhibit "A;" and

WHEREAS, pursuant to Health and Safety Code, Section 34177(k), upon approval of the administrative budget by the Oversight Board, the Successor Agency is required to provide administrative cost estimates, from the approved administrative budgets, that are to be paid from property tax revenue deposited in the Redevelopment Property Tax Trust Fund to the Los Angeles County Auditor-Controller for each fiscal period covered by the administrative budget; and

WHEREAS, the Oversight Board has examined the budget and finds that it is a sound plan for the operations of the Successor Agency.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT
AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The Oversight Board has studied the Successor Agency's Administrative Budget and finds that it is a sound plan for the operations of the Successor Agency, and the Administrative Budget is hereby approved and adopted in substantially the form attached hereto as Exhibit "A" and made a part hereof as required by Health and Safety Code § 34177.

SECTION 2. Successor Agency staff is hereby authorized to administratively amend the Administrative Budget in order to remove therefrom line items that may be subsequently disapproved by the Oversight Board and/or the California Department of

Finance and also to make corresponding adjustments based on changes to the ROPS, provided, however, that none of such authorization, removal or adjustment shall be deemed to be, nor are they intended as, an acknowledgment of the validity of AB XI 26 and AB 1484 or such action by the Oversight Board and/or the California Department of Finance.

SECTION 3. The Executive Director of the Successor Agency is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the proposed administrative budget, including submitting the approved Administrative Budget to the Los Angeles County Auditor-Controller, and any other relevant governmental entity. In addition, the Oversight Board further authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Administrative Budget as may be necessary to submit the Administrative Budget, and the Administrative Budget as so modified shall thereupon constitute the Administrative Budget as approved by the Oversight Board pursuant to this Resolution.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 22nd day of August, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Kbjian, Oversight Board Secretary

EXHIBIT A

Administrative Budget -- Paid from Administrative Cost Allowance -- ROPS Line 2

	Total FY 13	ROPS II ***	ROPS III
Salaries	120,000.00	72,000.00	48,000.00
Benefits	41,000.00	24,600.00	16,400.00
Legal Services *	13,000.00	5,000.00	
Special Dept. Expense **	76,000.00	48,400.00	35,600.00
<hr/>			
Total	250,000.00	150,000.00	100,000.00

* Legal Services Expenses included with Special Dept. Expense on ROPS II

** Includes Overhead and Other Misc. Expenses

*** Payment for the Administrative Costs claimed on ROPS II received 6/1/12

ATTACHMENT 3
Successor Agency Resolution
Approving ROPS
January 1, 2013 to June 30, 2013

RESOLUTION NO. 7241 SA**A RESOLUTION OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA,
ADOPTING A RECOGNIZED OBLIGATION PAYMENT
SCHEDULE FOR THE PERIOD OF JANUARY-JUNE, 2013**

WHEREAS, pursuant to Health and Safety Code, Section 34173(d), the City of South Pasadena elected to become the successor agency to the South Pasadena Redevelopment Agency ("Successor Agency") on January 4, 2012 and the Successor Agency is a separate legal entity from the City of South Pasadena; and

WHEREAS, Health and Safety Code, Section 34177(I)(2), as modified by the Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, requires the Successor Agency to prepare a draft of the recognized obligation payment schedule ("ROPS") every six months covering forward looking six month time frame; and

WHEREAS, Health and Safety Code, Section 34177(I)(2), requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and simultaneously, the Successor Agency is required to submit a copy of the draft ROPS ("Draft ROPS") to the Los Angeles County Auditor-Controller, the Los Angeles County Administrator's Office, and the State of California Department of Finance (the "DOF"), and once approved by the oversight board ("Approved ROPS"), to post the Approved ROPS on the Successor Agency's website and resubmit the Approved ROPS to the DOF and the Los Angeles County Auditor-Controller; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, THE SUCCESSOR AGENCY TO THE SOUTH PASADENA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

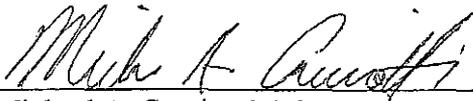
SECTION 2. Approval of the ROPS. The Successor Agency hereby approves and adopts the ROPS, for the period January 1, 2013 through June 30, 2013, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code, Section 34177.

SECTION 3. Transmittal of the ROPS. The Executive Director is hereby authorized to take all actions necessary under the Dissolution Act to post the Third ROPS

RESOLUTION NO. 7241 SA
Page 2

on the Successor Agency website, transmit the Third ROPS to the Auditor-Controller and the County Administrator of the County of Los Angeles and the DOF, submit the Third ROPS to the Oversight Board, and to take any other actions necessary to ensure the approval and validity of the Third ROPS and the validity of any enforceable obligation approved by the Successor Agency in this Resolution. In addition, the Successor Agency authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Third ROPS as may be necessary to submit the Third ROPS in any modified form required by the DOF, and the Third ROPS as so modified shall thereupon constitute the Third ROPS as approved by the Successor Agency pursuant to this Resolution.

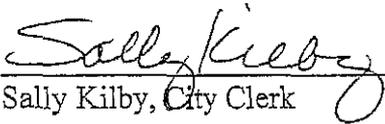
PASSED, APPROVED and ADOPTED on this 15th day of August, 2012.



Michael A. Cacciotti, Mayor

ATTEST:

APPROVED AS TO FORM:



Sally Kilby, City Clerk



Richard L. Adams II, City Attorney

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 15th day August, 2012, by the following vote:

AYES: Joe, Khubesrian, Putnam, Schneider and Mayor Cacciotti

NOES: None

ABSENT: None

ABSTAINED: None



Sally Kilby, City Clerk

EXHIBIT A

Name of Successor Agency: Successor Agency to the South Pasadena Community Redevelopment Agency
 County: Los Angeles

Oversight Board Approval Date: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)
 January 1, 2013 through June 30, 2013

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 2012-13	Funding Source						
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPITF	Other	Six-Month Total
	Grand Total						\$ 2,993,188	\$ 461,138	\$ -	\$ -	\$ -	\$ 100,000	\$ 154,569	\$ -	\$ 254,569
1	Tax Allocation Bonds Series 2000			Union Bank of California	Bonds Issued to Fund Downtown Revitalization Project	Downtown Revitalization Project Area	2,503,204.00	198,138.76					146,569		146,569
2	Administrative Costs			Employees / Contractors	Payroll / Adm. Overhead / Prof. Svcs.	Downtown Revitalization Project Area	250,000.00	250,000.00				100,000			100,000
3	Bond Reserve Fund			Union Bank of California	Maintain Reserve Fund per Bond Covenants	Downtown Revitalization Project Area	199,583.30	0.00							
4	Compensating Balance Account			Bank of America	Interest Compensation for Low-Mid Housing Loans	Downtown Revitalization Project Area	27,881.35	0.00							
5	Legal Services	10/1/2007	10/31/2012	Law Office of Jones & Mayer	Legal Services	Downtown Revitalization Project Area	13,000.00	13,000.00					8,000		8,000
6															
7															
8															
9															
10															
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															

P. 38

ATTACHMENT 4
Successor Agency Resolution
Approving Administrative Budget
January 1, 2013 to June 30, 2013

RESOLUTION NO. 7242 SA**A RESOLUTION OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA,
ADOPTING AN ADMINISTRATIVE BUDGET
FOR THE SUCCESSOR AGENCY
FOR THE PERIOD OF JANUARY-JUNE, 2013**

WHEREAS, AB IX 26 & AB 1484 requires the Successor Agency to the South Pasadena Community Redevelopment Agency ("Successor Agency") to adopt an administrative budget for the period of January 1, 2013 through June 30, 2013, to be approved by the Oversight Board of the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code, Section 34177(k), upon approval of the administrative budget by the oversight board, the Successor Agency is required to provide administrative cost estimates, from the approved administrative budgets, that are to be paid from property tax revenue deposited in the Redevelopment Property Tax Trust Fund to the Los Angeles County Auditor-Controller for each fiscal period covered by the administrative budget;

WHEREAS, the Successor Agency Executive Director has prepared the Successor Agency budget for the Board of Directors of the Successor Agency for its review; and

WHEREAS, the Successor Agency Board acknowledges its interest in enabling the Executive Director to conduct the Agency's business in the most efficient and effective manner possible; and

WHEREAS, all necessary changes and modifications have been made to said budget pursuant to AB1x26 and AB 1484; and

WHEREAS, the Successor Agency Board of Directors has examined the budget and finds that it is a sound plan for the operations of the Successor Agency.

NOW THEREFORE, THE SUCCESSOR AGENCY TO THE SOUTH PASADENA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Board of Directors has studied the Administrative Budget and finds that it is a sound plan for the operations of the Successor Agency and the Administrative Budget is hereby approved and adopted in substantially the form attached hereto as "Exhibit A" and made a part hereof as required by Health & Safety Code § 34177.

RESOLUTION NO. 7242 SA
Page 2

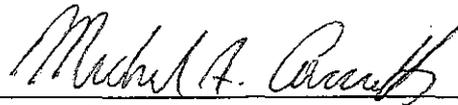
SECTION 2. Successor Agency staff is hereby authorized to administratively amend the Administrative Budget in order to remove therefrom line items which are subsequently disapproved by the Oversight Board and/or the California Department of Finance and also to make corresponding adjustments based on changes to the ROPS, provided, however, that none of such authorization, removal or adjustment shall be deemed to be, nor are they intended as, an acknowledgment of the validity of ABX I 26 and AB 1484 or such action by the Oversight Board and/or the California Department of Finance.

SECTION 3. The Successor Agency reserves all rights of the Successor Agency to challenge the validity and/or application of any or all provisions of AB XI 26 and AB 1484 in any administrative or judicial proceeding, without prejudice to the Successor Agency's right to list any such removed item on this or a future ROPS. The Successor Agency reserves the right to pursue any and all appeals and any available legal or equitable remedy provided or available by law to obtain the correction of any erroneous decision regarding the ROPS.

SECTION 4. The Executive Director of the Successor Agency is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the proposed administrative budget, including submitting the proposed administrative budget to the Successor Agency's oversight board; and upon oversight board approval of the administrative budget, the provision of administrative cost estimates, from the approved administrative budget, that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund to the Los Angeles Auditor-Controller.

SECTION 5. The Clerk of the Successor Agency shall certify as to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED on this 15th day of August, 2012.



Michael A. Cacciotti, Mayor

ATTEST:

APPROVED AS TO FORM:



Sally Kilby, City Clerk



Richard L. Adams II, City Attorney

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 15th day August, 2012, by the following vote:

AYES: Joe, Khubesrian, Putnam, Schneider and Mayor Cacciotti

NOES: None

ABSENT: None

ABSTAINED: None

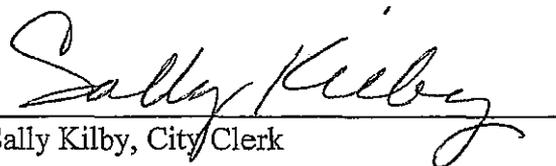

Sally Kilby, City Clerk

EXHIBIT A

Administrative Budget -- Paid from Administrative Cost Allowance -- ROPS Line 2

	Total FY 13	ROPS II ***	ROPS III
Salaries	120,000.00	72,000.00	48,000.00
Benefits	41,000.00	24,600.00	16,400.00
Legal Services *	13,000.00	5,000.00	
Special Dept. Expense **	76,000.00	48,400.00	35,600.00
<hr/>			
Total	250,000.00	150,000.00	100,000.00

* Legal Services Expenses included with Special Dept. Expense on ROPS II

** Includes Overhead and Other Misc. Expenses

*** Payment for the Administrative Costs claimed on ROPS II received 6/1/12

This page intentionally left blank.