



AGENDA

MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

January 31, 2017
4:30 P.M.

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

Gerald M. Caton, Chair
Leighton Anderson, Vice Chair
Mike Foley, Board Member
Thaddeus McCormack, Board Member
Darryl R. Pedigo, Board Member
Harry Stone, Board Member
Noorali Delawalla, Board Member

Public Comment: The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the Oversight Board, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. The Oversight Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Oversight Board will hear public comment on matters not listed on the agenda during the Oral Communications period.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Please Note: Agendas are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and alternate Fridays. Telephone (562) 868-0511.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PLEDGE OF ALLEGIANCE**

4. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Oversight Board.

Approval of Minutes

A. Minutes of the September 21, 2016 Regular Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

NEW BUSINESS

5. Resolution No. OB-2017-001 – Approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS 17-18) for the Period July 1, 2017 through June 30, 2018

Recommendation: That the Oversight Board adopt Resolution No. OB-2017-001.

6. Resolution No. OB-2017-002 – Approving the Successor Agency's Administrative Budget for the Period July 1, 2017 through June 30, 2018.


Recommendation: That the Oversight Board adopt Resolution No. OB-2017-002.

7. **ORAL COMMUNICATIONS**

This is the time when comments may be made by interested persons on matters not on the agenda having to do with Oversight Board business.

8. **ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.



Janet Martinez, CMC, City Clerk
Santa Fe Springs - Oversight Board

January 27, 2017
Date

**MINUTES OF THE REGULAR MEETING
OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT
COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF
SANTA FE SPRINGS**

September 21, 2016

1. CALL TO ORDER

Chair Caton called the meeting to order at 4:31 p.m.

2. ROLL CALL

MEMBERS PRESENT: Board Members: Foley, Garcia, McCormack (Arrived 4:33 p.m.), Stone, Vice Chair Andersen, and Chair Caton

MEMBERS ABSENT: Board Members Delawalla

3. PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Chair Caton

4. CONSENT AGENDA

Approval of Minutes

A. Minutes of the April 20, 2016 Regular Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

On motion by Vice Chair Anderson and second by Board Member Foley, approved the minutes of the April 20, 2016 Regular Oversight Board Meeting by the following vote:

AYES: Foley, Garcia, Stone, Andersen, Caton

NAYES: None

ABSENT: Board Members Delawalla, McCormack

NEW BUSINESS

- 5. Resolution No. OB-2016-007 – Approving an Amendment to the Successor Agency's Recognized Obligation Payment Schedule (ROPS 16-17) for the Period July 1, 2016 through June 30, 2017**

Recommendation: That the Oversight Board adopt Resolution No. OB-2016-007.

Travis Hickey, Director of Fiscal Services provided a brief presentation on item no. 5.

On motion by Vice Chair Anderson and second by Board Member Stone, approved Resolution No. OB-2016-007.

Minutes of the Regular Oversight Board Meeting of September 21, 2016

AYES: Foley, Garcia, Stone, Andersen, Caton

NAYES: None

ABSENT: Board Members Delawalla, McCormack

Board Member McCormack joined the meeting at 4:33 p.m.

6. Resolution No. OB-2016-008 – Finding that a Loan Made from the General Fund of the City of Santa Fe Springs to the Former CDC/Redevelopment Agency was for Legitimate Redevelopment Purposes and Approving a Schedule for the Repayment of Such Loan

Recommendation: That the Oversight Board adopt Resolution No. OB-2016-008.

Steve Skolnik, City Attorney and Travis Hickey, Director of Fiscal Services provided a brief presentation on item no. 6.

On motion by Board Member Stone and second by Vice Chair Anderson, approved Resolution No. OB-2016-008.

AYES: Foley, Garcia, McCormack, Stone, Andersen, Caton

NAYES: None

ABSENT: Board Member Delawalla

7. **ORAL COMMUNICATIONS**

No Oral Communications received.

8. **ADJOURNMENT**

The regular meeting of the Oversight Board adjourned at 4:45 p.m.

Janet Martinez, Clerk
Santa Fe Springs - Oversight Board

NEW BUSINESS**Oversight Board
January 31, 2017**

TO: Oversight Board Members

FROM: Successor Agency to the Santa Fe Springs CDC

ORIGINATED BY: Jose Gomez, Assistant City Manager/Finance Director

SUBJECT: Resolution No. OB-2017-001 Approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS 17-18) for the Period July 1, 2017 through June 30, 2018

RECOMMENDED ACTION

That the Oversight Board adopt Resolution No. OB-2017-001.

BACKGROUND

State legislation, ABX1 26 and AB 1484, created Successor Agencies, which are tasked with the responsibility of winding down former Redevelopment Agencies. As a requirement of the wind down process, the Successor Agencies were originally required to provide a Recognized Obligation Payment Schedule ("ROPS") every six months identifying overall outstanding debt for all enforceable obligations with the Agency, as well as the estimated amount needed for each of those obligations during the six-month period covered by that ROPS. Effective July 1, 2016, the ROPS period changed from semi-annual to annual.

The ROPS is required to be considered and approved by the Successor Agency Board and Oversight Board ("OB"). Once approved, the ROPS and OB Resolution are submitted to the California Department of Finance ("DOF") for subsequent review and final approval. The approved ROPS is then used by Los Angeles County to distribute property tax funds from the Redevelopment Property Tax Trust Fund ("RPTTF") to the Successor Agency in order to pay the approved obligations. The RPTTF deposits consist of the tax increment formerly allocated the Community Development Commission. Any RPTTF deposits in excess of the approved obligations are distributed to various taxing agencies, including the City.

Attached for approval is the annual ROPS covering the period of July 1, 2017 through June 30, 2018. The ROPS has been prepared using the format mandated by DOF. In addition to listing the enforceable obligations, the ROPS includes a summary, as well as a table detailing the available balances retained by the Successor Agency.

The obligations reported on this ROPS are consistent with prior periods and include bond debt service payments, repayment of the General Fund advance to the Washington Blvd. project area, pension and other post-employment benefit obligations, professional services, property management, and administrative costs.

In addition, the ROPS also includes for the first time, a \$1.3 million request representing the first repayment installment of the advance from the General Fund, which is the subject of the lawsuit against the DOF. As this case is currently stayed, pending the appeals of other cases currently in the courts, the Successor Agency provided direction to Staff to begin the repayment process. The principal balance of the advance totals \$8.8 million. As required by dissolution laws, 20% of the amount received must be transferred to the Low and Moderate Income

Housing Fund ("LMIHF"). In accordance with dissolution laws, interest on the loan is recalculated at 3% simple interest from the date of the original loan in September 2010. Interest of approximately \$2.2 million is expected to be received over the next 4 years. The maximum loan repayment each year is limited, based on the residual taxes distributed to the various taxing agencies, including the City.

Estimated obligations to be funded with distributions from the RPTTF, reserves, and other miscellaneous revenues during fiscal year 2017-18 are summarized as follows:

Bonded Debt Payments (Sept 2017)	\$10,437,013
Bonded Debt Payments (March/Sept 2018)	5,845,263
General Fund Advance Repayment (New)	1,307,856
Wash. Blvd. Loan Repayment	1,270,782
Unfunded Pension/OPEB Obligation	375,500
Administrative Cost Allowance	251,480
Professional Fees	24,130
Property Management Costs	22,500
Total	<u>\$19,534,524</u>

The September 2017 bond payments (\$10,437,013) include \$5,005,750 which has already been received by the City. However, the amount is required to be included on the ROPS in order to reflect the distribution which will be made from fiscal agent accounts in September 2017. This amount will not be included in the RPTTF distribution to be received in June 2017.

The ROPS must be submitted to the Department of Finance by February 1, 2017. The Successor Agency is asked to approve the ROPS at its meeting of January 26, 2017.

FISCAL IMPACT

As detailed in the ROPS, the funding for listed obligations in the amount of \$19,514,524 will be from the RPTTF, reserves, and other funds on hand.



Jose Gomez
Assistant City Manager/Finance Director

Attachments:

Resolution No. OB-2017-001

Exhibit A – ROPS for July 1, 2017 through June 30, 2018 (ROPS 17-18)

RESOLUTION NO. OB-2017-001

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE
SPRINGS APPROVING THE SUCCESSOR AGENCY'S RECOGNIZED
OBLIGATION PAYMENT SCHEDULE (ROPS) FOR JULY 1, 2017 THROUGH
JUNE 30, 2018 (ROPS 17-18)**

THE OVERSIGHT BOARD OF THE (SANTA FE SPRINGS) SUCCESSOR
AGENCY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to its responsibility set forth in Section 34180(g) of the California Health and Safety Code, the Oversight Board hereby approves the Successor Agency's Recognized Obligation Payment Schedule (ROPS), attached hereto as Exhibit "A", as described in Sections 34171 and 34177 of the aforesaid Code, for July 1, 2017 through June 30, 2018.

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The Oversight Board hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 3. The Oversight Board's Clerk shall certify to the adoption of this Resolution.

SECTION 4. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

PASSED AND ADOPTED, by the Oversight Board of the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs on January 31st, 2017.

Gerald M. Caton, Chair

ATTEST:

Oversight Board Clerk

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Santa Fe Springs

County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 5,103,445	\$ -	\$ 5,103,445
B	Bond Proceeds	-	-	-
C	Reserve Balance	5,005,750	-	5,005,750
D	Other Funds	97,695	-	97,695
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 8,260,321	\$ 6,170,758	\$ 14,431,079
F	RPTTF	8,134,581	6,045,018	14,179,599
G	Administrative RPTTF	125,740	125,740	251,480
H	Current Period Enforceable Obligations (A+E):	\$ 13,363,766	\$ 6,170,758	\$ 19,534,524

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named successor
agency.

Name Title
/s/_____
Signature Date

Santa Fe Springs Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet.

A	B	C	D	E	F	G	H	I
	Cash Balance Information by ROPS Period	Fund Sources						Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
ROPS 15-16B Actuals (01/01/16 - 06/30/16)								
1	Beginning Available Cash Balance (Actual 01/01/16)	13,893,544		600		2,389	48,055	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016	27,795				1,308	13,016,691	Interest, 2005 ERAF Excess Funds, RPTTF
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)					420	12,970,328	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	13,921,339						
5	ROPS 15-16B RPTTF Balances Remaining	No entry required						
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ 600	\$ -	\$ 3,277	\$ 94,418	

NEW BUSINESS

**Oversight Board
January 31, 2017**

TO: Oversight Board Members

FROM: Successor Agency to the Santa Fe Springs CDC

ORIGINATED BY: Jose Gomez, Assistant City Manager/Finance Director

**SUBJECT: Resolution No. OB-2017-002 Approving the Successor Agency's
Administrative Budget for the Period July 1, 2017 through June
30, 2018**

RECOMMENDED ACTION

That the Oversight Board adopt Resolution No. OB-2017-002.

BACKGROUND

Health and Safety Code ("HSC") Section 34177 requires the Successor Agency to prepare an Administrative Budget that covers the administrative costs to comply with the Dissolution Bills. It is important to point out that the Administrative Budget that is presented here is also included in the Recognized Obligation Payment Schedule ("ROPS") 17-18 (July 2017 – June 2018). However, the Administrative Budget itemizes the administrative costs whereas the ROPS identifies it as a single line item. As with the ROPS, the Department of Finance ("DOF") requires the Successor Agency to prepare an Administrative Budget every year, whereas previously it was every six months. The proposed resolution sets forth the Successor Agency's Administrative Budget for the period July 1, 2017 through June 30, 2018.

The proposed Administrative Budget (attached) consists of the Successor Agency's personnel and non-personnel city support service costs anticipated for Fiscal Year 2017-18. The Successor Agency personnel for which salaries and benefits are listed include the City/Successor Agency Attorney, City Manager, Assistant City Manager/Director of Finance, Director of Planning, Director of Fiscal Services, Accounting Manager, Accountant, and City/Successor Agency Clerk, all of whom will spend a significant amount of their time working on Successor Agency matters. Non-personnel costs include legal counsel and liability insurance for the Oversight Board, auditing and other professional services, and travel and meeting costs.

Under HSC Section 34171(b), the annual administrative cost allowance is the greater of 3% of property taxes allocated to the Successor Agency in the prior year or \$250,000. The amount claimed on the ROPS 17-18 is based on the property tax allocation method.

The legislation requires that the Administrative Budget be approved by both the Successor Agency and the Oversight Board before any distributions from the County's property tax trust fund are made to the Successor Agency. The distributions of property tax trust funds by Los Angeles County for this period are scheduled for June 1, 2017 and January 2, 2018.

FISCAL IMPACT

The administrative budget will be funded with a distribution from the Redevelopment Property Tax Trust Fund ("RPTTF").



Jose Gomez
Assistant City Manager/Finance Director

Attachments:

Resolution No. OB-2017-002

Exhibit A – Successor Agency Administrative Budget for July 2017 – June 2018

RESOLUTION NO. OB-2017-002

A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE
SPRINGS APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE
BUDGET FOR THE FISCAL YEAR OF JULY 1, 2017 TO JUNE 30, 2018
PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

THE OVERSIGHT BOARD OF THE (SANTA FE SPRINGS) SUCCESSOR
AGENCY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Oversight Board hereby approves the Successor Agency's Administrative Budget, attached hereto as Exhibit "A", as described in Section 34171 of the California Health and Safety Code, for the fiscal year of July 1, 2017 to June 30, 2018.

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The Oversight Board hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 3. The Oversight Board's Clerk shall certify to the adoption of this Resolution.

SECTION 4. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

PASSED AND ADOPTED, by the Oversight Board of the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs on January 31st, 2017.

Gerald M. Caton, Chair

ATTEST:

Oversight Board Clerk

CITY OF SANTA FE SPRINGS
Successor Agency to the Santa Fe Springs Community Development Commission
Administrative Budget
Fiscal Period July 1, 2017 – June 30, 2018

Description	Jul 2017 – Jun 2018
Salaries	\$ 63,400
Applied Benefits	<u>90,400</u>
Total Personnel Costs	153,800
 City Support Services (Overhead)	 76,900
Independent Audit Services	13,000
Oversight Board Legal Services	2,500
Professional Services	2,080
Oversight Board Insurance Coverage	1,700
Travel/meetings/training	<u>1,500</u>
Total Non-Personnel Costs	97,680
 Total Budget	 <u>\$ 251,480</u>