

CITY OF SOLANA BEACH

ACTION AGENDA

The Action Agenda of the Oversight Board Meeting is a document provided immediately following the Meeting in order to communicate the business transacted that resulting in actions taken by Board. This is a preliminary draft and not a public record. The meeting's legal record is the Minutes approved by the Board.

Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency
SPECIAL MEETING
Thursday, August 23, 2012
4:30 P. M.

City Hall, 635 S. Highway 101, Solana Beach, California

AGENDA MATERIALS

A full City Council agenda packet including relative supporting documentation is available at City Hall, the Solana Beach Branch Library (157 Stevens Ave.), La Colonia Community Ctr., Fletcher Cove Lifeguard station, and online www.cityofsolanabeach.org. Agendas are posted at least 72 hours prior to the meeting. Writings and documents regarding an agenda of an open session meeting, received after the official posting, and distributed to the Council for consideration, will be made available for public viewing at the same time. In addition, items received at least 1 hour 30 minutes prior to the meeting time will be uploaded online with the courtesy agenda posting. Materials submitted for consideration should be forwarded to the City Clerk's department 858-720-2400. The designated location for viewing public documents is the City Clerk's office at City Hall during normal business hours.

SPEAKERS

Please submit a speaker slip to the City Clerk prior to the meeting, or the announcement of the Section/Item, to provide public comment. Allotted times for speaking are outlined on the speaker's slip for each agenda section: Oral Communications, Consent, Public Hearings and Staff Reports.

AMERICAN DISABILITIES ACT TITLE 2

In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office (858) 720-2400 at least 72 hours prior to the meeting.

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the Council Chambers.

BOARD MEMBERS

Timothy P. Coughlin
San Diego County Board of Supervisors

Jeanne Deaver
Santa Fe Irrigation District

Doug Sheres, Vice Chair
San Diego County Board of Supervisors

Thomas Golich, Chair
City of Solana Beach

James Austin
California Community Colleges / MiraCosta

Carlos Estrella
San Diego County Board of Education

David Ott, City Manager
City of Solana Beach

Kendall Berkey, General Counsel

Angela Ivey, City Clerk

SPEAKERS:

Please submit your speaker slip to the City Clerk prior to the meeting or the announcement of the Item. Allotted times for speaking are 3 minutes.

CALL TO ORDER AND ROLL CALL:

APPROVAL OF AGENDA:

ACTION: Approved 6/0/1 (Absent: Carlos Estrella).

CHAIR AND BOARDMEMBERS' COMMENTS

PUBLIC COMMENT (limited to 3 minutes per speaker)

This portion of the agenda provides an opportunity for members of the public to address the Oversight Board of the Successor Agency on items relating to the Board's subject matter and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

BOARD BUSINESS

1. Waive reading of text of resolutions.

ACTION: Approved 6/0/1 (Absent: Carlos Estrella).

2. Minutes of the Oversight Board.

Recommendation: That the City Council

- a. Approve the Minutes of the Oversight Board held April 12, 2012.

ACTION: Approved 5/1/1 (Absent: Carlos Estrella, Abstain: Austin).

3. Approval of Second Loan Agreement between the City and the Successor Agency to assist in payment of the Successor Agency's enforceable obligations through December 31, 2012

Recommended Action:

- a. Adopt **Resolution OBSA-008** approving the Second Loan Agreement between the City and the Successor Agency to the Solana Beach Redevelopment Agency.

ACTION: Approved 6/0/1 (Absent: Carlos Estrella).

4. Approving the Successor Agency Administrative Budget and Recognized Obligation Payment Schedule for the Period Ending June 30, 2013 and Making Related Findings and Declarations and Taking Related Actions in Connection Therewith.

Recommended Action:

- a. Adopt **Resolution OBSA-009** approving the Successor Agency Administrative Budget for the period January 1, 2013 to June 30, 2013 and making related findings and declarations and taking related actions in connection therewith.

ACTION: Approved 6/0/1 (Absent: Carlos Estrella).

- b. Adopt **Resolution OBSA-10** approving Recognized Obligation Payment Schedule for the period January 1, 2013 to June 30, 2013 and making related findings and declarations and taking related actions in connection therewith.

ACTION: Approved 6/0/1 (Absent: Carlos Estrella).

ADJOURN:

AFFIDAVIT OF POSTING:

*STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
CITY OF SOLANA BEACH*

I, Angela Ivey, City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the August 23, 2012 Special Meeting was called by Oversight Board to the Successor Agency for the Redevelopment Agency of Solana Beach was provided and posted on August 22, 2012 at 4:15 p.m. on the City Bulletin Board at the entrance to the City Council Chambers. Said meeting is held at 4:30 p.m., August 23, 2012, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, City Clerk
City of Solana Beach, CA

WAIVE TEXT READING OF ORDINANCES AND RESOLUTIONS

Recommendation: Approve waiving the text reading of ordinances and resolutions on this agenda pursuant to Solana Beach Municipal Code Section 2.04.460.



STAFF REPORT OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE SOLANA BEACH REDEVELOPMENT AGENCY

TO: Honorable Chair and Members of the Oversight Board
FROM: David Ott, Executive Director
MEETING DATE: August 23, 2012
ORIGINATING DEPT: Successor Agency of the Solana Beach Redevelopment Agency
SUBJECT: **Approval of Second Loan Agreement between the City and the Successor Agency to assist in payment of the Successor Agency's enforceable obligations through December 31, 2012**

BACKGROUND:

Based on information provided by the County Auditor-Controller, the Successor Agency will not have sufficient funds to pay the approved enforceable obligations through the end of 2012. The Successor Agency requests that the Oversight Board approve a second loan from the City in the amount not to exceed \$374,669.22 in order that it may meet the approved enforceable obligations on the Recognized Obligation Payment Schedule for the period July 1, 2012 to December 31, 2012.

DISCUSSION:

On April 12, 2012, the Successor Agency requested the Oversight Board to approve a proposed loan agreement between the City and the Successor Agency (the "First Loan Agreement") as an enforceable obligation under the Dissolution Act. The First Loan Agreement contemplated that the City would advance funds to the Successor Agency in the total amount not to exceed \$278,215 (the "First Loan") for the purpose of the Successor Agency paying debt service and costs on the 2006 Tax Allocation Bond due in May and June of 2012 as set forth in Items 1 through 4 on the first Recognized Obligation Payment Schedule of the Successor Agency for the period ending June 30, 2012 (the "First ROPS"), and certain administrative costs due in May and June of 2012 as set forth in Items 5 through 12 on the First ROPS.

In addition and in connection with the First Loan Agreement, the Oversight Board approved the Successor Agency's repayment of the First Loan from the City in each six

CITY COUNCIL ACTION:

(6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund ("RPTTF"). The interest rate on the First Loan was established as that equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund. The Oversight Board approved the repayment of the First Loan as set forth in Item 16 on the Recognized Obligation Payment Schedule of the Successor Agency for the period ending December 31, 2012 (the "Second ROPS").

The City and the Successor Agency entered into the First Loan Agreement on April 25, 2012.

The Second ROPS as approved by the Oversight Board showed that the payment of all enforceable obligations of the Successor Agency, including repayment of the First Loan, would require the allocation of \$533,745 from the RPTTF to the Successor Agency, and the Successor Agency's administrative cost allowance would require the allocation of \$125,000 from the RPTTF to the Successor Agency, for a total allocation to the Successor Agency's Redevelopment Obligation Retirement Fund (the "RORF") of \$658,715. However, on May 1, 2012, the Successor Agency received from the San Diego County Auditor-Controller a document entitled "Estimated RPTTF Allocations and Distributions". The Auditor estimated that the Successor Agency's RORF would receive only \$5,860.78 from the RPTTF on June 1, 2012 to pay enforceable obligations and administrative costs shown on the Second ROPS. On June 1, 2012, the Successor Agency received from the RPTTF \$88,018.42 and not the estimated \$5,860.78. No other funds or revenues are anticipated until the next RPTTF distribution in December 2012. These funds are insufficient to meet the enforceable obligations on the Second ROPS.

In order to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, in particular the owners of the 2006 Tax Allocation Bonds, and for the Successor Agency to have adequate funds for administration, the Successor Agency recommends that the City loan to the Successor Agency an amount not to exceed \$374,669.22 (the "Second Loan") for the purpose of paying the following obligations shown on the Second ROPS:

- (a) a portion of the debt service due for 2006 Tax Allocation Bonds as set forth in Item 1 on the Second ROPS, to the extent that distributions from the RPTTF to the RORF are insufficient to make the required payments;
- (b) arbitrage services as set forth in Item 4 on the Second ROPS;
- (c) Oversight Board legal counsel as set forth in Item 17 on the Second ROPS; and
- (d) certain Successor Agency administrative costs as set forth in Items 5 through 12 on the Second ROPS.

The "Second Loan Agreement" provides for the Successor Agency's repayment of the Second Loan from the City in each six (6) month period with a pledge of property taxes

payable from the RPTTF, at an interest rate on such Second Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

OPTIONS:

- Approve staff recommendation.
- Provide Direction.

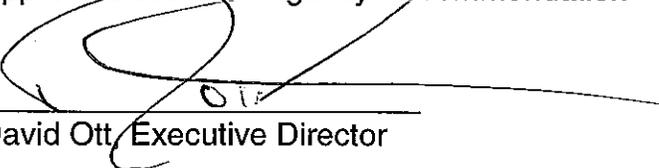
SUCCESSOR AGENCY RECOMMENDATION:

The Successor Agency recommends that the Oversight Board:

1. Adopt Resolution OBSA-008 approving the Second Loan Agreement between the City and the Successor Agency to the Solana Beach Redevelopment Agency.

EXECUTIVE DIRECTOR'S RECOMMENDATION:

Approve Successor Agency Recommendation



David Ott, Executive Director

Attachments:

1. OBSA-008

RESOLUTION OBSA-008

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY APPROVING THE SECOND LOAN AGREEMENT BETWEEN THE CITY OF SOLANA BEACH AND THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS DUE IN THE PERIOD ENDING DECEMBER 31, 2012.

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding Assembly Bill X1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Solana Beach Redevelopment Agency (the "Dissolved RDA"), were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, on January 11, 2012, the City Council (the "City Council") of the City of Solana Beach (the "City") adopted Resolution No. 2012-011 accepting for the City the role of Successor Agency to the Dissolved RDA (the "Successor Agency"); and

WHEREAS, under the Dissolution Act, an oversight board is established for each successor agency to a former redevelopment agency with the responsibility of overseeing the activities of the successor agency and approving certain actions of the successor agency in connection with the successor agency's wind down of the affairs of the former redevelopment agency; and

WHEREAS, the oversight board (the "Oversight Board") for the Successor Agency has been duly constituted pursuant to the Dissolution Act, and on April 12, 2012, the Oversight Board conducted its first duly noticed public meeting at which the Oversight Board members were duly sworn into office and certain other actions were taken; and

WHEREAS, on April 12, 2012, the Successor Agency requested the Oversight Board to approve a proposed loan agreement between the City and the Successor Agency (the "First Loan Agreement") as an enforceable obligation under the Dissolution Act, wherein the City would advance funds to the Successor Agency in the total amount not to exceed \$278,215 (the "First Loan") for the purpose of the Successor Agency paying debt service and costs on the

2006 Tax Allocation Bond due in May and June of 2012 as set forth in Items 1 through 4 on the first Recognized Obligation Payment Schedule of the Successor Agency for the period ending June 30, 2012 (the "First ROPS"), and certain administrative costs due in May and June of 2012 as set forth in Items 5 through 12 on the First ROPS; and

WHEREAS, in addition and in connection with the First Loan Agreement, the Oversight Board approved the Successor Agency's repayment of the First Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund ("RPTTF") maintained by San Diego County for the purpose of paying enforceable obligations of the Successor Agency, at an interest rate on such First Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund and further approved the repayment of the First Loan as set forth in Item 16 on the Recognized Obligation Payment Schedule of the Successor Agency for the period ending December 31, 2012 (the "Second ROPS"); and

WHEREAS, the City and the Successor Agency entered into the First Loan Agreement on April 25, 2012; and

WHEREAS, the Second ROPS as approved by the Oversight Board showed that the payment of all enforceable obligations of the Successor Agency, including repayment of the First Loan, would require the allocation of \$533,745 from the RPTTF to the Successor Agency, and the Successor Agency's administrative cost allowance would require the allocation of \$125,000 from the RPTTF to the Successor Agency, for a total allocation to the Successor Agency's Redevelopment Obligation Retirement Fund (the "RORF") of \$658,715; and

WHEREAS, on May 1, 2012, the Successor Agency received from the San Diego County Auditor-Controller a document entitled *Estimated RPTTF Allocations and Distributions*, which document estimated that the Successor Agency's RORF would receive only \$5,860.78 from the RPTTF on June 1, 2012 to pay enforceable obligations and administrative costs shown on the Second ROPS; and

WHEREAS, on June 1, 2012, the Successor Agency received from the RPTTF \$88,018.42 and not the estimated \$5,860.78; and

WHEREAS, to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, in particular the owners of the 2006 Tax Allocation Bonds, and for the Successor Agency to have adequate funds for administration, the Successor Agency desires to borrow from the City an amount not to exceed \$374,669.22 (the "Second Loan") for the purpose of paying the following obligations shown on the Second ROPS: (a) a portion of the debt service due for 2006 Tax Allocation Bonds as set forth in Item 1 on the Second ROPS, to the extent that distributions from the RPTTF to the RORF are

insufficient to make the required payments; (b) arbitrage services as set forth in Item 4 on the Second ROPS; (c) Oversight Board legal counsel as set forth in Item 17 on the Second ROPS; and (d) certain Successor Agency administrative costs as set forth in Items 5 through 12 on the Second ROPS; and

WHEREAS, the "Second Loan Agreement" attached hereto as "Exhibit A", provides for the Successor Agency's repayment of the Second Loan from the City in each six (6) month period with a pledge of property taxes payable from the RPTTF, at an interest rate on such Second Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund; and

WHEREAS, pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Oversight Board has the authority to approve the proposed Second Loan Agreement and the terms for repayment of the Loan; and

WHEREAS, after reviewing the terms of the proposed Second Loan Agreement between the City and the Successor Agency, the Second Loan from the City to the Successor Agency, and the Successor Agency's repayment of such Second Loan as presented to and recommended for approval to the Oversight Board by the Successor Agency, and after reviewing any written and oral comments from the public relating thereto, the Oversight Board desires to approve the terms of the Second Loan and the proposed Second Loan Agreement and to make the following accompanying findings, resolutions and determinations.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency for the Dissolved RDA hereby finds, resolves, and determines as follows:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Oversight Board has the authority to approve (i) the proposed Second Loan Agreement between the City and the Successor Agency as an enforceable obligation under the Dissolution Act, wherein the City would advance funds to the Successor Agency in the total amount not to exceed \$374,669.22 for the purpose of the Successor Agency paying certain enforceable obligations listed on the second Recognized Obligation Payment Schedule of the Successor Agency for the period ending December 31, 2012 and (ii) the Successor Agency's repayment of the Second Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund maintained by San Diego County for the purpose of paying enforceable obligations of the Successor Agency, at an interest rate on such

Second Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 3. The Oversight Board hereby finds and determines that the proposed Second Loan Agreement and Second Loan are necessary for the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations: (a) a portion of the debt service due for 2006 Tax Allocation Bonds as set forth in Item 1 on the Second ROPS, to the extent that distributions from the RPTTF to the RORF are insufficient to make the required payments; (b) arbitrage services as set forth in Item 4 on the Second ROPS; (c) Oversight Board legal counsel as set forth in Item 17 on the Second ROPS; and (d) certain Successor Agency administrative costs as set forth in Items 5 through 12 on the Second ROPS.

SECTION 4. The Oversight Board hereby approves (i) the proposed Second Loan Agreement as an enforceable obligation under the Dissolution Act, wherein the City will provide the Second Loan (defined above) to the Successor Agency for the purpose of the Successor Agency paying a portion of the debt service due for 2006 Tax Allocation Bonds as set forth in Item 1 on the Second ROPS, to the extent that distributions from the RPTTF to the RORF are insufficient to make the required payments; (b) arbitrage services as set forth in Item 4 on the Second ROPS; (c) Oversight Board legal counsel as set forth in Item 17 on the Second ROPS; and (d) certain Successor Agency administrative costs as set forth in Items 5 through 12 on the Second ROPS and (ii) the Successor Agency's repayment of the Second Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on such Second Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 5. The Oversight Board hereby authorizes the Successor Agency to execute the proposed Second Loan Agreement with the City consistent with the terms of the Second Loan Agreement and the Second Loan approved by this Resolution, including without limitation the City's advance of the Loan in the amount not to exceed \$374,669.22 for the purpose of the Successor Agency paying certain enforceable obligations listed on the Second ROPS and the Successor Agency's repayment of the Second Loan to the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on such Second Loan equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 6. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

PASSED AND ADOPTED this 23rd day of August, 2012, at a special scheduled meeting of the Oversight Board for the Successor Agency of the Solana Beach Redevelopment Agency by the following vote:

AYES: Board of Directors –
NOES: Board of Directors –
ABSENT: Board of Directors -
ABSTAIN: Board of Directors -

Thomas Golich, Chair

APPROVED AS TO FORM:

ATTEST:

KENDALL D. BERKEY, General Counsel

ANGELA IVEY, City Clerk

EXHIBIT A

SECOND LOAN AGREEMENT (Second City Advance to Successor Agency)

This Second Loan Agreement (the "Second Loan Agreement") is made and entered into as of June 13, 2012, by and between the City of Solana Beach, a municipal corporation (the "City"), and the City of Solana Beach acting in its capacity as the Successor Agency to the former Solana Beach Redevelopment Agency ("Successor Agency").

RECITALS

WHEREAS, on February 1, 2012, pursuant to AB1x 26 (the "Dissolution Act"), the Solana Beach Redevelopment Agency (the "Dissolved RDA"), along with all redevelopment agencies in the State of California, was dissolved, and all assets and obligations of the Redevelopment Agency were transferred by operation of law to the Successor Agency; and

WHEREAS, on January 11, 2012, the City Council (the "City Council") of the City adopted a resolution accepting for the City the role of Successor Agency to the Dissolved RDA; and

WHEREAS, the Dissolution Act requires that the Successor Agency prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month period setting forth all enforceable obligations (as defined in the Dissolution Act) of the Successor Agency; and

WHEREAS, the Successor Agency prepared a ROPS for the period between January 1, 2012 and June 30, 2012 (the "First ROPS") and for the period between July 1, 2012 and December 31, 2012 (the "Second ROPS"); and

WHEREAS, the Dissolution Act creates an oversight board for each redevelopment agency to oversee the wind down of the redevelopment agency ("Oversight Board"); and

WHEREAS, on April 12, 2012, the Oversight Board for the Successor Agency approved the First ROPS and the Second ROPS; and

WHEREAS, the Oversight Board on April 12, 2012 by a unanimous vote further authorized the Successor Agency to enter into a "First Loan Agreement" with the City pursuant to the authority granted by Health & Safety Code Sections 34178(a) and 34180(h), wherein the City would advance funds to the Successor Agency in an amount

not to exceed \$278,215 (the "First Loan") for the purpose of paying the following obligations shown on the First ROPS: (a) a portion of the debt service and costs for the payments due in May 2012 for 2006 Tax Allocation Bonds as set forth in Items 1 through 4 on the First ROPS; and (b) certain Successor Agency administrative costs as set forth in Items 5 through 12 on the First ROPS, to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, in particular the holders of the 2006 Tax Allocation Bonds, and for the Successor Agency to have adequate funds for administration, in that the Successor Agency had inadequate reserves to pay these obligations unless funds were advanced by the City; and

WHEREAS, the City and the Successor Agency entered into the First Loan Agreement on April 25, 2012; and

WHEREAS, the Second ROPS as approved by the Oversight Board showed that the payment of all enforceable obligations of the Successor Agency, including repayment of the First Loan, would require the allocation of \$533,745 from the Redevelopment Property Tax Trust Fund ("RPTTF"), containing all property tax increment previously allocated to the Dissolved RDA, to the Successor Agency, and the Successor Agency's administrative cost allowance would require the allocation of \$125,000 from the RPTTF to the Successor Agency, for a total allocation to the Successor Agency's Redevelopment Obligation Retirement Fund (the "RORF") of \$658,715; and

WHEREAS, on May 1, 2012, the Successor Agency received from the San Diego County Auditor-Controller a document entitled *Estimated RPTTF Allocations and Distributions*, which document estimated that the Successor Agency's RORF would receive only \$5,860.78 from the RPTTF on June 1, 2012 to pay enforceable obligations and administrative costs shown on the Second ROPS; and

WHEREAS, on June 1, 2012, the Successor Agency received from the RPTTF \$88,018.42 and not the estimated \$5,860.78; and

WHEREAS, to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations, in particular the owners of the 2006 Tax Allocation Bonds, and for the Successor Agency to have adequate funds for administration, the City desires to loan to the Successor Agency an amount not to exceed \$374,669.22 (the "Second Loan") for the purpose of paying the following obligations shown on the Second ROPS: (a) a portion of the debt service due for 2006 Tax Allocation Bonds as set forth in Item 1 on the Second ROPS, to the extent that distributions from the RPTTF to the RORF are insufficient to make the required payments; (b) arbitrage services as set forth in Item 4 on the Second ROPS; (c) Oversight Board legal counsel as set forth in Item 17 on the Second ROPS; and (d) certain Successor Agency administrative costs as set forth in Items 5 through 12 on the Second ROPS; and

WHEREAS, the City and the Successor Agency have determined that entering into this Second Loan Agreement is in the best interests of the City and the Successor Agency.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows. The foregoing recitals are hereby incorporated by reference and made part of this Second Loan Agreement.

ARTICLE I.

SECOND LOAN PROVISIONS

Section 1.01 Second Loan. The City hereby agrees to lend to the Successor Agency the principal amount of Three Hundred Seventy-Four Thousand Six Hundred Sixty-Nine Dollars and Twenty Two Cents (\$374,669.22) (the "Second Loan") for the purposes set forth in Section 1.03.

Section 1.02 Interest.

(a) Interest. Interest on the Second Loan shall accrue as of the Effective Date, continuing until such time as the Second Loan is repaid in full, at a rate equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund, compounded annually.

(b) Default Interest. In the event of a Default, interest on the Second Loan shall begin to accrue as of the date of Default and continuing until such time as the Second Loan is repaid in full or the Default is cured, at the default rate of the lesser of eight percent (8%) per annum, compounded annually (the "Default Rate") or the highest rate permitted by law.

Section 1.03 Use of Second Loan Funds.

The Successor Agency shall use the Second Loan for the for the purpose of paying the following obligations shown on the Second ROPS: (a) a portion of the debt service due for 2006 Tax Allocation Bonds as set forth in Item 1 on the Second ROPS, to the extent that distributions from the RPTTF to the RORF are insufficient to make the required payments; (b) arbitrage services as set forth in Item 4 on the Second ROPS; (c) Oversight Board legal counsel as set forth in Item 17 on the Second ROPS; and (d) certain Successor Agency administrative costs as set forth in Items 5 through 12 on the Second ROPS.

Section 1.04 Repayment of Second Loan.

(a) The Second Loan is an enforceable obligation of the Successor Agency and is payable on June 1 and January 16 of each year from the RPTTF maintained by the San Diego County Auditor-Controller for the purpose of paying enforceable obligations of the Successor Agency.

(b) The Second Loan shall be set forth in full as an enforceable obligation of the Successor Agency on the ROPS for the period from January 1, 2013 through June 30, 2013 (the "Third ROPS"). It shall be due and payable in full from the Successor Agency's RORF following the January 16, 2013 payment to the RORF by the San Diego County Auditor-Controller. However, should the Successor Agency receive insufficient funds from the RPTTF to pay all costs shown on the Third ROPS, then the amount due and payable on the Second Loan shall equal the amount deposited into the RORF less all other costs shown on the Third ROPS, and the balance of any principal and interest due on the Second Loan shall be due and payable in full on the next ROPS. All principal and interest due on the First Loan shall be repaid in full before payment of principal and interest due on the Second Loan.

(c) The procedure described in subsection (b) of this Section shall continue to be followed for each ROPS until the principal and interest due on the Second Loan are paid in full. Any remaining principal and interest due on the Second Loan shall continue to be shown as an enforceable obligation on each ROPS until the Successor Agency has received sufficient funds to pay all principal and interest due on the Second Loan.

(d) All Second Loan payments shall first be used to pay all accrued interest and then to reduce the principal balance.

Section 1.05 Optional Prepayment of the Second Loan. The Successor Agency shall have the right to prepay the unpaid principal and interest of the Second Loan at any time.

Section 1.06 Books and Accounts; Financial Statements. The Successor Agency will keep, or cause to be kept, proper books of record and accounts showing the use of the Second Loan funds, interest due on the Second Loan, Second Loan repayments, and principal and interest outstanding.

ARTICLE II.

DEFAULT AND REMEDIES

Section 2.01 Event of Default. Failure by the Successor Agency to pay the principal or interest on the Second Loan when due and payable shall constitute a Default.

Section 2.02 **No Waiver.** A waiver of any Default by the City shall not affect any subsequent Default or impair any rights or remedies on the subsequent default.

Section 2.03 **Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

ARTICLE III.

MISCELLANEOUS

Section 3.01 **No Merger.** In entering into this Second Loan Agreement, the City is acting in its capacity as a municipal corporation, while the Successor Agency is acting in its capacity as the successor to the Dissolved RDA; and both the City and the Successor Agency are acting pursuant to the specific authority granted by the Oversight Board and by Health & Safety Code Sections 34178(a) and 34180(h) authorizing agreements between the City and the Successor Agency. In consequence, the parties to this Second Loan Agreement are not merged.

Section 3.02 **Successor is Deemed Included in All References to Predecessor.** Whenever in this Second Loan Agreement either the Successor Agency or the City is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Second Loan Agreement contained by or on behalf of the Successor Agency or the City shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 3.03 **Amendment.** This Second Loan Agreement may be amended by the parties hereto but only by a written instrument signed by both parties and with the approval of the Oversight Board.

Section 3.04 **Effective Date.** This Second Loan Agreement shall take effect upon approval by the Oversight Board and, following that approval, at the time and in the manner prescribed in Health & Safety Code Section 34179(h) (the "Effective Date").

Section 3.05 **Severability.** If any Section, paragraph, sentence, clause or phrase of this Second Loan Agreement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Second Loan Agreement. The City and the Successor Agency hereby declare that they would have adopted this Second Loan Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the Loan irrespective of

the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Second Loan Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the City of Solana Beach and the City of Solana Beach acting as the Successor Agency to the former Solana Beach Redevelopment Agency have caused this Second Loan Agreement to be signed by their respective officers all as of the day and year first above written.

**CITY OF SOLANA BEACH, CALIFORNIA,
a California municipal corporation ("CITY")**

Approved:

David Ott, City Manager

APPROVED AS TO FORM:

Johanna N. Canlas, City Attorney

**CITY OF SOLANA BEACH, CALIFORNIA,
a California municipal corporation
acting as the Successor Agency to the former Solana Beach
Redevelopment Agency ("SUCCESSOR AGENCY")**

Approved:

David Ott, City Manager and Designated Contact Official

APPROVED AS TO FORM:

Johanna N. Canlas, City Attorney



STAFF REPORT

Oversight Board of the Successor Agency to the Redevelopment Agency of Solana Beach

TO: Honorable Chairperson and Board of Directors
FROM: David Ott, Executive Director
MEETING DATE: August 23, 2012
ORIGINATING DEPT: Successor Agency
SUBJECT: **APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET AND RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD ENDING JUNE 30, 2013 AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH**

BACKGROUND:

As of February 1, 2012, pursuant to Health & Safety Code Section 34172, the Solana Beach Redevelopment Agency (Agency) was dissolved under AB 1x26, or the Dissolution Act, that was found to be constitutional by the California Supreme Court in its decision in the *California Redevelopment Association v. Matosantos* case. On January 11, 2012, the City Council adopted Resolution 2012-011, electing to become the successor agency (SA) to the Agency.

On June 27, 2012, as part of the FY 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, the primary purpose of which was to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing that act. As a budget "trailer bill," AB 1484 took immediate effect upon signature by the Governor. AB 1484 made several changes to the process and timing for preparation and approval of a SA's Recognized Obligation Payment Schedule (ROPS).

Under AB1x26, the duties and responsibilities of the Oversight Board (Board) include the following:

BOARD OF DIRECTORS ACTION:

- Approve the administrative budget of the Successor Agency.
- Certify the Recognized Obligation Payment Schedule (ROPS).

It is recommended for the Board to adopt Resolution OBSA-009 approving the Successor Agency Administrative Budget (the "Third Administrative Budget") for the period January 1, 2013 to June 30, 2013 and Resolution OBSA-010 approving the Recognized Obligation Payment Schedule for the period January 1, 2013 to June 30, 2013 (the "Third ROPS") and making related findings and declarations and taking related actions in connection therewith.

DISCUSSION:

Section 34177(j) of Health & Safety Code requires the Successor Agency to prepare an Administrative Budget for each six-month fiscal period and submit the Administrative Budget to the Oversight Board for approval. The Administrative Budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming six-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity.

Health & Safety Code Section 34177(k) requires the Successor Agency to provide to the San Diego County Auditor-Controller for each six-month fiscal period the administrative cost estimates from its approved Administrative Budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency.

Under Health and Safety Code Section 34180(g), establishment of a ROPS for the Successor Agency must be approved by the Oversight Board. Under Health and Safety Code Section 34177(j), the administrative budget must be submitted by the Successor Agency for approval by the Oversight Board.

AB 1484 requires that a SA submit to the Department of Finance (DOF) and the County Auditor and Controller (CAC) the Third Administrative Budget and the Third ROPS, both approved by the Oversight Board, no later than September 1, 2012.

On July 25, 2012, the City Council, in its capacity as the governing board of the Successor Agency, approved the Third ROPS on forms used for the First and Second ROPS. The DOF is requiring that the ROPS be completed on a DOF-approved form which was not available at the time the Third ROPS was approved by the City Council. The DOF-approved form is now available and the Third ROPS being presented to the OB has been prepared using the approved form.

The Administrative Budget was approved by the City Council on June 27, 2012, as part of the approval of the Adopted Budget for FY2013.

AB 1484 now requires SA staff to submit an electronic copy of the Third ROPS to the county administrative officer, the CAC, and the DOF at the same time as the proposed ROPS is submitted to the Oversight Board for approval. The ROPS was submitted to these agencies on August 22, 2012.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

Approval of the Third Administrative Budget of the Successor Agency and the Third ROPS for period January 1, 2013 to June 30, 2013 are necessary for the Successor Agency to meet fiduciary duties to holders of enforceable obligations.

WORKPLAN: N/A

OPTIONS:

- Approve staff recommendation.
- Approve staff recommendation with alternative amendments / modifications.
- Deny staff recommendation.

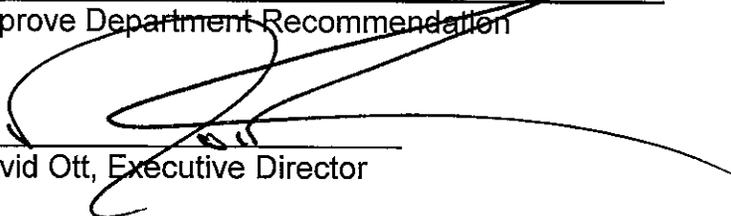
DEPARTMENT RECOMMENDATION:

Staff recommends the Board of Directors

1. Adopt Resolution OBSA-009 approving the Successor Agency Administrative Budget for the period January 1, 2013 to June 30, 2013 and making related findings and declarations and taking related actions in connection therewith.
2. Adopt Resolution OBSA-10 approving Recognized Obligation Payment Schedule for the period January 1, 2013 to June 30, 2013 and making related findings and declarations and taking related actions in connection therewith.

EXECUTIVE DIRECTOR'S RECOMMENDATION:

Approve Department Recommendation



David Ott, Executive Director

Attachments:

1. Administrative Budget for the period January 1, 2013 to June 30, 2013
2. ROPS for the period January 1, 2013 to June 30, 2013
3. Resolution OBSA-009
4. Resolution OBSA-10

**CITY OF SOLANA BEACH, ACTING IN ITS CAPACITY AS THE SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY OF THE CITY OF SOLANA BEACH**

**ADMINISTRATIVE BUDGET
January 1, 2013 to June 30, 2013**

Expenditure Category	Payee	Description	Amount
Salary/Benefits	Various	Employee Salaries and Benefits	54,500
Legal Services	McDougal, Love, et al	Contract for Professional Services-Legal	25,000
Legal Services	Goldfarb & Lipman	Contract for Professional Services-Legal	20,000
Audit	Lance, Sol	Contract for Professional Services-Audit	5,900
Material, Supplies, & Services	Various	Costs - material, supplies and services expenditure categories	8,400
Administrative Charges	City of Solana Beach	Successor Agency share of City's overhead costs	7,500
Claims Liability Charges	City of Solana Beach	Successor Agency share of City's self-insured liability	2,100
Workers Comp Charges	City of Solana Beach	Successor Agency share of City's workers comp liability	1,600
TOTAL			\$ 125,000

1. The Successor Agency has arranged with the City of Solana Beach to provide the staff, material, and equipment needed to administer the Successor Agency. The City will draw upon services of outside consultants to provide special services for the dissolution of the RDA to the extent that City staff lack the necessary expertise or capacity.
2. Activities may be added, revised, or deleted from this listing as needed during the RDA dissolution process.
3. Costs shown for each activity are estimates only. Actual costs required for each activity may be higher or lower than the amount shown, not to exceed the maximum amount shown.

Successor Agency Contact Information

Name of Successor Agency:	Successor Agency of the Redevelopment Agency of the City of Solana Beach
County:	San Diego
Primary Contact Name:	David Ott
Primary Contact Title:	City Manager
Address	635 South Highway 101, Solana Beach, CA 92075
Contact Phone Number:	858-720-2430
Contact E-Mail Address:	dott@cosb.org
Secondary Contact Name:	Marie Marron Berkuti
Secondary Contact Title:	Finance Manager/Treasurer
Secondary Contact Phone Number:	858-720-2463
Secondary Contact E-Mail Address:	mberkuti@cosb.org

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

Name of Successor Agency: Successor Agency of the Redevelopment Agency of the City of Solana Beach

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		\$ 6,461,309
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	-
B	Anticipated Enforceable Obligations Funded with RPTTF	670,066
C	Anticipated Administrative Allowance Funded with RPTTF	125,000
D	Total RPTTF Requested (B + C = D)	795,066
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>		\$ 795,066
E	Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller) *</i>	
F	Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$(795,066)
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>	120,253
H	Enter Actual Obligations Paid with RPTTF	22,384
I	Enter Actual Administrative Expenses Paid with RPTTF	108,996
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-
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>	\$ 795,066

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 _____

* not available from the county auditor-controller

Name of Successor Agency:
County:

Successor Agency of the Redevelopment Agency of the City of Solana Beach
San Diego

Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 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
		Grand Total				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1/C	1	2006 Tax Allocation Bond	Wells Fargo Bank	Bonds to fund Public Improvements	Solana Beach Redevelopment Project					129,264	130,185			100,560	20,494		
1/C	2	Trustee Services	Wells Fargo Bank	Contract for Professional Services-Trustee Services	Solana Beach Redevelopment Project									2,000	1,900		
1/C	3	Continuing Disclosure	Urban Futures	Contract for Professional Services-Continuing Disclosure	Solana Beach Redevelopment Project									2,300			
1/C	4	Consultant	Fraser & Associates	Contract for Professional Services	Solana Beach Redevelopment Project									2,500		2,475	
1/C	5	Legal Services (Admin)	McDougal, Love, et al	Contract for Professional Services-Legal	Solana Beach Redevelopment Project							100,000	12,410			70,007	
1/C	6	Legal Services (Admin)	Goldfrab & Lipman	Contract for Professional Services-Legal	Solana Beach Redevelopment Project							71,200	19,057			11,162	
1/C	7	Audit (Admin)	Ceporick & Larson	Contract for Professional Services-Audit	Solana Beach Redevelopment Project							10,000	3,214			9,076	
1/C	8	Salary/Benefits (Admin)	Various	Employee Salaries and Benefits	Solana Beach Redevelopment Project							45,000	53,208			14,585	
1/C	9	Material, Supplies, & Services (Admin)	Various	Costs - material, supplies and services expenditure categories	Solana Beach Redevelopment Project							10,000	1,907			12,790	
1/C	10	Administrative Charges (Admin)	City of Solana Beach	Successor Agency share of City's overhead costs	Solana Beach Redevelopment Project							10,750	15,000			2,150	
1/C	11	Claims Liability Charges (Admin)	City of Solana Beach	Successor Agency share of City's self-insured liability	Solana Beach Redevelopment Project							1,750	2,400			350	
1/C	12	Workers Comp. Charges (Admin)	City of Solana Beach	Successor Agency share of City's workers comp liability	Solana Beach Redevelopment Project							1,300	1,800			260	

RESOLUTION OBSA-009

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY THIRD ADMINISTRATIVE BUDGET FOR THE PERIOD JANUARY 1, 2013 TO JUNE 30, 2013, AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH.

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Solana Beach Redevelopment Agency (the "Dissolved RDA"), were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, on January 11, 2012, the City Council (the "City Council") of the City of Solana Beach (the "City") adopted Resolution 2012-011 accepting for the City the role of Successor Agency to the Dissolved RDA (the "Successor Agency"); and

WHEREAS, under the Dissolution Act, the City, in its capacity as Successor Agency, must prepare an administrative budget for its general administrative costs and expenses during the period from January 1 through June 30, 2013 (the "Third Administrative Budget"), from which is documented the Successor Agency's administrative cost allowance (the "Administrative Cost Allowance") for Fiscal Year 2012-13; and

WHEREAS, on June 27, 2012, the City Council approved an administrative budget as part of its approval of the City of Solana Beach Adopted Budget for FY 2012-13, which documents a FY 2012-13 Administrative Cost Allowance in the minimum amount authorized under the Dissolution Act of \$250,000; and

WHEREAS, under the Dissolution Act, the Third Administrative Budget must be submitted to the Oversight Board for approval; and

WHEREAS, pursuant to the Dissolution Act, the duly constituted Oversight Board met at a duly noticed public meeting on August 23, 2012 to consider

approval of the Third Administrative Budget and the Administrative Cost Allowance among other approvals; and

WHEREAS, after reviewing the Third Administrative Budget presented to and recommended for approval to the Oversight Board by the Successor Agency, and after reviewing any written and oral comments from the public relating thereto, the Oversight Board desires to approve the Third Administrative Budget and the Administrative Cost Allowance.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency for the Dissolved RDA hereby finds, resolves, and determines as follows:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Under Health and Safety Code Section 34177(j), the Third Administrative Budget must be submitted by the Successor Agency for approval by the Oversight Board.

SECTION 3. Under Health and Safety Code Section 34171(b), the Administrative Cost Allowance prepared by the Successor Agency is subject to the approval of the Oversight Board.

SECTION 4. The Oversight Board hereby approves the Third Administrative Budget in the amount of \$125,000 and in the form presented to the Oversight Board and attached hereto as Exhibit A and consents to the Successor Agency's costs for the general administrative activities and functions described in the Third Administrative Budget.

SECTION 5. The Oversight Board hereby approves the Administrative Cost Allowance proposed by the Successor Agency in the amount of \$125,000.

SECTION 6. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the Third Administrative Budget on the Successor Agency website, to transmit the Third Administrative Budget to the Auditor-Controller of the County of San Diego, the State Controller, the State Department of Finance and the County Administrative Officer of the County of San Diego, and to transmit the Administrative Cost Allowance to the Auditor-Controller of the County of San Diego.

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SECTION 7. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

PASSED AND ADOPTED this 23th day of August, 2012, at a special scheduled meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

THOMAS GOLICH, Chair

APPROVED AS TO FORM:

ATTEST:

KENDALL BERKEY, General Counsel

ANGELA IVEY, City Clerk

**CITY OF SOLANA BEACH, ACTING IN ITS CAPACITY AS THE SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY OF THE CITY OF SOLANA BEACH**

**ADMINISTRATIVE BUDGET
January 1, 2013 to June 30, 2013**

Expenditure Category	Payee	Description	Amount
Salary/Benefits	Various	Employee Salaries and Benefits	54,500
Legal Services	McDougal, Love, et al	Contract for Professional Services-Legal	25,000
Legal Services	Goldfarb & Lipman	Contract for Professional Services-Legal	20,000
Audit	Lance, Sol	Contract for Professional Services-Audit	5,900
Material, Supplies, & Services	Various	Costs - material, supplies and services expenditure categories	8,400
Administrative Charges	City of Solana Beach	Successor Agency share of City's overhead costs	7,500
Claims Liability Charges	City of Solana Beach	Successor Agency share of City's self-insured liability	2,100
Workers Comp Charges	City of Solana Beach	Successor Agency share of City's workers comp liability	1,600
TOTAL			\$ 125,000

1. The Successor Agency has arranged with the City of Solana Beach to provide the staff, material, and equipment needed to administer the Successor Agency. The City will draw upon services of outside consultants to provide special services for the dissolution of the RDA to the extent that City staff lack the necessary expertise or capacity.
2. Activities may be added, revised, or deleted from this listing as needed during the RDA dissolution process.
3. Costs shown for each activity are estimates only. Actual costs required for each activity may be higher or lower than the amount shown, not to exceed the maximum amount shown.

RESOLUTION OBSA-010

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY APPROVING THE THIRD RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 1, 2013 TO JUNE 30, 2013 AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH.

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Solana Beach Redevelopment Agency (the "Dissolved RDA"), were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, on January 11, 2012, the City Council (the "City Council") of the City of Solana Beach (the "City") adopted Resolution 2012-011 accepting for the City the role of Successor Agency to the Dissolved RDA (the "Successor Agency"); and

WHEREAS, under the Dissolution Act, the City, in its capacity as Successor Agency, must prepare a "Recognized Obligation Payment Schedule" ("ROPS") that enumerates the enforceable obligations and expenses of the Successor Agency for the six-month period ending June 30, 2013; and

WHEREAS, on July 25, 2012, the City Council, in its capacity as the governing board of the Successor Agency, approved the ROPS for the six-month period ending June 30, 2013 (the "Third ROPS"); and

WHEREAS, under the Dissolution Act, the Third ROPS must be approved by the Successor Agency's oversight board (the "Oversight Board") to enable the Successor Agency to continue to make payments on enforceable obligations; and

WHEREAS, pursuant to the Dissolution Act, the duly constituted Oversight Board met at a duly noticed public meeting on August 23, 2012 to consider approval of the Third ROPS among other approvals; and

WHEREAS, after reviewing Third ROPS presented to and recommended for approval to the Oversight Board by the Successor Agency, and after reviewing any written and oral comments from the public relating thereto, the Oversight Board desires to approve the Third ROPS and to make the following accompanying findings, resolutions and determinations.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency for the Dissolved RDA hereby finds, resolves, and determines as follows:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Under Health and Safety Code Section 34180(g), establishment of a ROPS for the Successor Agency must be approved by the Oversight Board.

SECTION 3. The Oversight Board hereby approves the Third ROPS in the form presented to the Oversight Board and attached hereto as Exhibit A which includes the approval of the agreements and obligations described in the Third ROPS, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act in connection with the Third ROPS.

SECTION 4. The Oversight Board has examined the items contained on the Third ROPS and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition and liquidation, the continued administration of the enforceable obligations herein approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.

SECTION 5. The Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to implement the agreements and obligations in the Third ROPS and herein approved by the Oversight Board unless Oversight Board approval of such Successor Agency action is otherwise required pursuant to the Dissolution Act.

SECTION 6. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the Third ROPS on the Successor Agency website, transmit the Third ROPS to the Auditor-Controller of the County of San Diego, the State Controller, the State Department of Finance and the Chief Operating Officer of the County of San Diego, and take any other actions necessary to ensure the validity of the Third ROPS and the validity of any enforceable obligation approved by the Oversight Board in this Resolution.

SECTION 7. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

PASSED AND ADOPTED this 23rd day of August, 2012, at a special scheduled meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

THOMAS GOLICH, Chair

APPROVED AS TO FORM:

ATTEST:

KENDALL BERKEY, General Counsel

ANGELA IVEY, City Clerk

Successor Agency Contact Information

Name of Successor Agency:	Successor Agency of the Redevelopment Agency of the City of Solana Beach
County:	San Diego
Primary Contact Name:	David Ott
Primary Contact Title:	City Manager
Address	635 South Highway 101, Solana Beach, CA 92075
Contact Phone Number:	858-720-2430
Contact E-Mail Address:	dott@cosb.org
Secondary Contact Name:	Marie Marron Berkuti
Secondary Contact Title:	Finance Manager/Treasurer
Secondary Contact Phone Number:	858-720-2463
Secondary Contact E-Mail Address:	mberkuti@cosb.org

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

Name of Successor Agency: Successor Agency of the Redevelopment Agency of the City of Solana Beach

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		\$ 6,461,309
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	-
B	Anticipated Enforceable Obligations Funded with RPTTF	670,066
C	Anticipated Administrative Allowance Funded with RPTTF	125,000
D	Total RPTTF Requested (B + C = D)	795,066
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>		\$ 795,066
E	Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller) *</i>	
F	Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	-(795,066)
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>	120,253
H	Enter Actual Obligations Paid with RPTTF	22,394
I	Enter Actual Administrative Expenses Paid with RPTTF	108,996
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-
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>	\$ 795,066

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

* not available from the county auditor-controller

Name of Successor Agency:
County:

Successor Agency of the Redevelopment Agency of the City of Solana Beach,
San Diego

Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 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
		Grand Total				\$ -	\$ -	\$ -	\$ -	\$ 129,264	\$ 130,185	\$ 250,000	\$ 109,996	\$ 107,380	\$ 22,394	\$ 122,855	\$ -
1/C	1	2006 Tax Allocation Bond	Wells Fargo Bank	Bonds to fund Public Improvements	Solana Beach Redevelopment Project					129,264	130,185			100,560	20,494		
1/C	2	Trustee Services	Wells Fargo Bank	Contract for Professional Services-Trustee Services	Solana Beach Redevelopment Project									2,000	1,900		
1/C	3	Continuing Disclosure	Urban Futures	Contract for Professional Services-Continuing Disclosure	Solana Beach Redevelopment Project									2,300			
1/C	4	Consultant	Fraser & Associates	Contract for Professional Services	Solana Beach Redevelopment Project									2,500		2,475	
1/C	5	Legal Services (Admin)	McDougal, Lowe, et al	Contract for Professional Services-Legal	Solana Beach Redevelopment Project						100,000	12,410				70,007	
1/C	6	Legal Services (Admin)	Goldfarb & Ljrmann	Contract for Professional Services-Legal	Solana Beach Redevelopment Project						71,200	19,057				11,162	
1/C	7	Audit (Admin)	Capricorn & Lanson	Contract for Professional Services-Audit	Solana Beach Redevelopment Project							10,000	3,214			9,076	
1/C	8	Salary/Benefits (Admin)	Various	Employee Salaries and Benefits	Solana Beach Redevelopment Project						45,000	53,208				14,585	
1/C	9	Material, Supplies & Services (Admin)	Various	Costs - material, supplies and services expenditure categories	Solana Beach Redevelopment Project							10,000	1,907			12,790	
1/C	10	Administrative Charges (Admin)	City of Solana Beach	Successor Agency share of City's overhead costs	Solana Beach Redevelopment Project							10,750	15,000			2,150	
1/C	11	Claims Liability Charges (Admin)	City of Solana Beach	Successor Agency share of City's self-insured liability	Solana Beach Redevelopment Project							1,750	2,400			350	
1/C	12	Workers Comp. Charges (Admin)	City of Solana Beach	Successor Agency share of City's workers comp liability	Solana Beach Redevelopment Project							1,300	1,600			260	