AGENDA



Oversight Board of the Successor Agency to the former Capitola Redevelopment Agency

Friday, October 2, 2015 4:00 PM

1. CALL TO ORDER/ROLL CALL

Katie Cattan – Employee Representative of the Former Capitola Redevelopment Agency Zach Friend – Santa Cruz County Board of Supervisors

Mary Hart – Santa Cruz County Office of Education

Jeff Maxwell – Central Fire Protection District

Gayle Ortiz – Santa Cruz County Board of Supervisors' Appointment

Gary Reece – Cabrillo College Appointment

Michael Termini – Mayor's Appointment

2. CONSENT CALENDAR

A. Approve Minutes – February 2, 2015

3. PUBLIC HEARINGS

General Government items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each General Government item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.

A. Approval of the Successor Agency Recognized Obligation Payment Schedule for the period from January 1, 2016 to June 30, 2016 (ROPS 15-16B) and associated Resolution 2015-02. RECOMMENDED ACTION: Approve ROPS 15-16B and adopt Resolution 2015-02.

4. PUBLIC COMMENT

Oral Communications allows time for members of the Public to address the City Council on any item not on the Agenda. Presentations will be limited to three minutes per speaker. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the minutes.

5. ADJOURNMENT

Adjourn to the next meeting of the Oversight Board of the City of Capitola, as Successor Agency to the former Capitola Redevelopment Agency, to be determined.

Oversight Board of the Capitola Successor Agency Agenda Friday October 2, 2015

Agenda and Agenda Packet Materials: The Oversight Board for the Capitola Successor Agency Agenda and the complete agenda packet are available on the Internet at the City's website: www.cityofcapitola.org. Agendas are also available at the City Hall located at 420 Capitola Avenue, Capitola.

Agenda Document Review: The complete agenda packet is available at City Hall prior to the meeting. If you need more information, contact the Finance Department at 831-475-7300.

Agenda Materials Distributed after Distribution of the Agenda Packet: Pursuant to Government Code §54957.5, materials related to an agenda item submitted after distribution of the agenda packet are available for public inspection at the Reception Office at City Hall, 420 Capitola Avenue, Capitola, California, during normal business hours.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24-hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

MINUTES

OVERSIGHT BOARD OF THE CITY OF CAPITOLA, AS SUCCESSOR AGENCY TO FORMER CAPITOLA REDEVELOPMENT AGENCY

FEBRUARY 17, 2015

1. CALL TO ORDER/ROLL CALL

PRESENT:

Chairperson Michael Termini (late)

Board Members: Gayle Ortiz, Zach Friend, Mary Hart, Jeff

Maxwell, and Gary Reece

ABSENT:

Board Member: Katie Cattan

2. CONSENT CALENDAR

A. Approval of Minutes - September 30, 2014

ACTION: The minutes were approved unanimously by all Board Members present. This motion was approved unanimously. Michael Termini was late and was not present for this item.

3. GENERAL GOVERNMENT/PUBLIC HEARINGS

A. Approval of the Successor Agency Recognized Obligation Payment Schedule for the period from July 1, 2015 to December 31, 2015 (ROPS 15-16A) and associated Resolution 2015-01.

Staff recommended reducing the Administrative Allowance on ROPS 15-16A ftom \$75,000 to \$25,000.

ACTION: Resolution 2015-01 was approved with the following adjustment: ROPS 15-16A was amended to change the Administrative Allowance from \$75,000 to \$25,000. This motion was approved unanimously.

4. PUBLIC COMMENT

None

5. ADJOURNMENT

Adjourned to the next meeting, date to be determined.

Michael Termini, Chair



OVERSIGHT BOARD OF THE CITY OF CAPITOLA, AS SUCCESSOR AGENCY TO THE FORMER CAPITOLA REDEVELOPMENT AGENCY

MEETING OF OCTOBER 2, 2015

FROM:

FINANCE DEPARTMENT

SUBJECT:

PUBLIC HEARING TO CONSIDER APPROVAL OF THE RECOGNIZED OBLIGATION PAYMENTS SCHEDULE FOR JANUARY 1, 2016 TO JUNE 30, 2016 (ROPS 15-16B)

RECOMMENDED ACTION: Approve the Recognized Obligation Payment Schedule for the period from January 1, to June 30, 2016 (ROPS 15-16B).

BACKGROUND: In Accordance with ABX1 26, the City of Capitola Successor Agency is required to adopt a ROPS for each six-month period. AB 1484 requires the Successor Agency to submit ROPS 15-16B to the California Department of Finance by October 5, 2015. ROPS 15-16A was approved unanimously by the Successor Agency on September 10, 2015. The attached ROPS is now subject to approval by the Oversight Board. ROPS 15-16B has been updated to reflect the recently approved legislation under Senate Bill 107. The Oversight Board has included the Re-entered loan agreement obligation on every previous ROPS and ROPS 15-16B will begin the repayment process for the \$618,028. Consistent with previous Oversight Board direction, the interest rate on the \$618,028 loan has been reduced to the Local Agency Investment Fund (LAIF) rate. The updated ROPS will also increase the administrative allowance by \$10,000 to reflect the possibility of attorney fees related to a potential meet and confer process with the Department of Finance should the loan be contested by DOF. That administrative allowance still reflects a significant decrease from the statutory maximum allowance of \$250,000 a year.

<u>DISCUSSION</u>: The recommended submission for ROPS 15-16B is \$425,883. This includes continued funding of \$51,012 to the Housing Authority Rental Subsidy, \$50,000 for the Castle/Millennium Housing Project, \$114,871 for repayment of the \$618,028 City Loan and Repayment Agreement, and an administrative allowance of \$35,000. Additionally, ROPS 15-16B includes \$175,000 for ADA work related to the City/Successor Agency Settlement Agreement for Rispin/Peery Parks.

Funding for this ROPS includes use of \$45,939 of previously approved but undistributed ROPS 14-15B funds and a request for \$379,944 of current Redevelopment Property Tax Trust Fund (RPTTF) distributions. The existing balance of \$45,939 is primarily the result of unused funds from the prior ROPS period, consisting of \$29,428 of undistributed Castle Mobile Home Park/Millennium Housing funds and \$16,511 of surplus funding for the Library Trust Fund due to the interest earned in the Fund that reduced the City's overall obligation.

<u>FISCAL IMPACT</u>: Adoption of this ROPS allows the Successor Agency to make payments on listed obligations during the next six month time period. The full financial impact on the City and the Successor

10-2-15 AGENDA REPORT: RECOGNIZED OBLIGATION PAYMENTS SCHEDULE

Agency will not be known until after the Oversight Board and the Department of Finance completes the review and approval process in accordance with ABX1 26.

ATTACHMENT:

- Recognized Obligations Payment Schedule (ROPS 15-16B), January 1, 2016 June 30, 2016
 Resolution 2015-02 Recognized Obligation Payments Schedule, January 1, 2016 June 30, 2016

Report Prepared By: Mark C. Welch Finance Director

Reviewed and Forwarded By City Manager/Executive Director _____

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. 2015-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD BEGINNING JANUARY 1, 2016 AND ENDING JUNE 30, 2016, 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, on June 27, 2012, the California State Legislature enacted Assembly Bill AB 1484 ("AB 1484"), modifying many of the provisions of ABx1 26 and establishing several new procedural deadlines; and

WHEREAS, under the Dissolution Act, the Successor Agency to the Redevelopment Agency of the City of Capitola (the "Successor Agency") must prepare a "Recognized Obligation Payment Schedule" ("ROPS") that enumerates the enforceable obligations and expenses of the Successor Agency for specified six-month intervals; and

WHEREAS, Health and Safety Code Section 34177(1)((1) and (2)) was amended by AB1484, adding 34177(1)(3)(m), to require the Successor Agency to submit a Ninth Recognized Obligation Payment Schedule ("ROPS 15-16B") for the period beginning January 1, 2016 and ending June 30, 2016 to the State of California Department of Finance, and to make associated notifications and distributions after approval by the Oversight Board, no later than October 5, 2015; and

WHEREAS, on September 10, 2015, the Capitola City Council, in its capacity as the governing board of the Successor Agency, approved ROPS 15-16B for the six-month period ending June 30, 2016 (a copy of which is on file with the City Clerk); and

WHEREAS, under the Dissolution Act, ROPS 15-16B must be submitted to the Successor Agency's oversight board (the "Oversight Board") for Oversight Board approval; and

WHEREAS, pursuant to the Dissolution Act, the duly constituted Oversight Board met at a duly noticed public meeting on October 2, 2015 to consider approval of the ROPS 15-16B, among other approvals; and

WHEREAS, on April 12, 2012, the Oversight Board authorized and directed the Successor Agency to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in the First ROPS thereby reentering those agreements, including the re-entered agreement shown in Line 3 of ROPS 15-16B; and

WHEREAS, in accordance with Health & Safety Code Sections 34177(*I*)(2)(B) and 34179(f), the Successor Agency shall submit the approved ROPS 15-16B to the Santa Cruz County Chief Administrative Officer, the Santa Cruz County Auditor-Controller, and the State Department of Finance and posted the proposed ROPS 15-16B on its web site; and

WHEREAS, the accompanying staff report provides supporting information upon which the actions set forth in this Resolution are based.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD RESOLUTION NO. 2015-02

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds, resolves, and determines as follows:

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

SECTION 2. The Oversight Board hereby approves ROPS 15-16B for the period beginning January 1, 2016 and ending June 30, 2016 in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in ROPS 15-16B, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act.

SECTION 3. The Oversight Board has examined the items contained on ROPS 15-16B 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.

<u>SECTION 4.</u> The Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in ROPS 15-16B and herein approved by the Oversight Board.

SECTION 5. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the ROPS 15-16B on the Successor Agency website, transmit the ROPS15-16B to the Santa Cruz County Auditor-Controller, the State Controller, and the State Department of Finance, and to take any other administrative actions to ensure the validity of the ROPS 15-16B and the validity of any enforceable obligations approved by the Oversight Board in this Resolution.

SECTION 6. The Oversight Board approves the payment scheduled attached hereto as Exhibit B for ROPS 15-16B Line 3, the re-entered agreement for the \$618,028 Loan and Repayment Agreement.

<u>SECTION 7</u>. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34177(m).

PASSED AND ADOPTED this 2nd day of October 2015, by the Members of the Oversight Board of the Successor Agency for the Redevelopment Agency of the City of Capitola with the following vote, to wit:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	Michael Termini Chair

Mark C. Welch, Oversight Board Designated Communication Official

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary Filed for the January 1, 2016 through June 30, 2016 Period

Name (of Successor Agency:	Capitola			
lame (of County:	Santa Cruz			
Curren		nding for Outstanding Debt or Obligat		Six-	Month Tota
Α	Enforceable Obligation Sources (B+C+D):	ons Funded with Non-Redevelopment	Property Tax Trust Fund (RPTTF) Funding	\$	
В	Bond Proceeds Ful	nding (ROPS Detail)			
С	Reserve Balance F	unding (ROPS Detail)			
D	Other Funding (RO	PS Detail)			
E	Enforceable Obligation	ons Funded with RPTTF Funding (F+G):	\$	425,883
F	Non-Administrative	Costs (ROPS Detail)			390,883
G	Administrative Cos	ts (ROPS Detail)			35,000
Н	Total Current Period	Enforceable Obligations (A+E):		\$	425,883
ucces		rted Prior Period Adjustment to Currer s funded with RPTTF (E):	nt Period RPTTF Requested Funding	57	425,883
J	Less Prior Period Adjus	stment (Report of Prior Period Adjustmer	nts Column S)		(45,939
K	Adjusted Current Per	iod RPTTF Requested Funding (I-J)		\$	379,944
County	Auditor Controller Re	ported Prior Period Adjustment to Cur	rent Period RPTTF Requested Funding		
L		s funded with RPTTF (E):			425,883
М	Less Prior Period Adjus	stment (Report of Prior Period Adjustmen	nts Column AA)		
N	Adjusted Current Per	iod RPTTF Requested Funding (L-M)			425,883
	ation of Oversight Board		Michael Termini	Oversight Boar	d Chairman
		of the Health and Safety code, I a true and accurate Recognized	Name		Title
		or the above named agency.	le!		
			/s/Signature		Date

Capitola Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail January 1, 2016 through June 30, 2016 (Report Amounts in Whole Dollars)

			_		r	(Report Amounts in V	vilole Dollars)									
A	В	С	D	E	F	G	н	1	J	к	L	М	N	0		Р
											Funding Source					
										Non-Redev	relopment Property T (Non-RPTTF)		RPTT	F		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation \$ 4,076,113	Retired		Reserve Balance	Other Funds	Non-Admin \$ 390,883 \$	Admin 35,000	Six-N	Month Total 425,883
3	Loan and Repayment Agreement	City/County Loans On or Before 6/27/11	9/10/1981	10/5/2021	Capitola City Treasurer	\$618,028 Loan and Repayment Agreement	Capitola Project	633,911	N				114,871		\$	114,871
	Housing Rental Assistance Program	Miscellaneous		3/13/2021	Housing Authority of the County of Santa Cruz	\$,2627,100 Housing Rental Assistance Program Agreement	Area Capitola Project Area	561,132	N				51,012		\$	51,012
9	Millennium Housing	Miscellaneous	3/18/2011	3/18/2021	Millennium Housing of California, Inc.	\$2,000,000 Housing Loan Agreement	Capitola Project Area	588,070	N				50,000		\$	50,000
10	Administrative Allowance	Admin Costs	2/1/2012	6/30/2021	Capitola City Treasurer	\$250,000 Annual Administrative Allowance	Capitola Project Area	875,000	N					35,000	\$	35,000
11		Improvement/Infrastr ucture	4/6/2011	4/6/2017	Macerich	\$1,030,000 Mall Economic Development Project	Capitola Project Area	1,030,000	N				-		\$	
		Litigation	9/30/2014	6/30/2018	Subject to bid	ADA injunctive relief settlement	Capitola Project Area	388,000	N				175,000		\$	175,000
14 15									N						\$	
16									N N						\$	
17							1		N			-			\$	
18 19									N						\$	
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53 54					*				N N						\$	
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56									N	4					\$	
57									N						\$	
58	l								N						\$	

Capitola Recognized Obligation Payment Schedule (ROPS 15-16B) - 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 B C A D E G Н **Fund Sources Bond Proceeds RPTTF Reserve Balance** Other Prior ROPS Prior ROPS **RPTTF** period balances Bonds Issued on and DDR RPTTF distributed as Rent, Non-Admin or before Bonds Issued on balances reserve for future Grants, and or after 01/01/11 Cash Balance Information by ROPS Period 12/31/10 retained period(s) Interest, Etc. Admin Comments ROPS 14-15B Actuals (01/01/15 - 06/30/15) 1 Beginning Available Cash Balance (Actual 01/01/15) 6.847 2 Revenue/Income (Actual 06/30/15) Composed of \$308,517 approved on ROPS 14-RPTTF amounts should tie to the ROPS 14-15B distribution from the 15B less unspent prior RPTTF of \$3,829 for Item County Auditor-Controller during January 2015 304,688 |#9. 3 Expenditures for ROPS 14-15B Enforceable Obligations (Actual Reflects \$16,511.14 lower final payment for Item 06/30/15) #4, lower funds request of \$29,428 for Item #9, RPTTF amounts, H3 plus H4 should equal total reported actual and an \$88.43 higher interest expense for Item expenditures in the Report of PPA, Columns L and Q 262.666 #12 4 Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) 5 ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the No entry required Report of PPA, Column S 45,939 From PPA 6 Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)2,930 ROPS 15-16A Estimate (07/01/15 - 12/31/15) 7 Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)48,869 8 Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015 168,101 9 Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15) 168,101 10 Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) 11 Ending Estimated Available Cash Balance (7 + 8 - 9 -10) \$ \$ 48,869

Capitola Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments
Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller. С Т Non-RPTTF Expenditures **RPTTF Expenditures** Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B **Bond Proceeds** Reserve Balance Other Funds Non-Admin Requested RPTTF) Admin Available Available Difference **RPTTF RPTTF** (If total actual (ROPS 14-15B Difference (ROPS 14-15B exceeds total stributed + all other Net Lesser of (If K is less than L distributed + all other Net Lesser of authorized, the Project Name / available as of Authorized / the difference is available as of Authorized / **Net Difference** total difference is Debt Obligation Item # Authorized Authorized Actual Authorized Actual Authorized Actual 01/1/15) Available 01/1/15) Available zero) (M+R) **SA Comments** 75,000 233,517 233,517 233,517 187,666 \$ 45,939 75,000 \$ 75,000 75,000 45,939 2 Rispin Purchase 3 Loan and 4 76-126 Capitola 24,005 24,005 24,005 7,494 16,511 16,511 Library Trust 51,012 51,012 \$ 8 Housing Rental 51,012 51,012 \$ Assistance Program 9 Millennium Housing 50,000 50,000 \$ 50,000 20,572 \$ 29,428 29,428 10 Administrative Allowance 11 41st Avenue Mall Economic Development roject 12 City Settlement 88,500 88,500 \$ 88,500 88,588 \$ Loan to Successor Agency
13 Rispin/Peery Park 20,000 20,000 \$ 20,000 20,000

	Capitola Recognized Obligation Payment Schedule (ROPS 15-16B) - Notes January 1, 2016 through June 30, 2016						
Item #	Notes/Comments						

	LAIF	Interest	Principal Payment	Principal Balance	ROPS	Request
6/30/2010	0.56%			618,028.00		
6/30/2011	0.51%	3,151.94		618,028.00		
6/30/2012	0.38%	2,348.51		618,028.00		
6/30/2013	0.28%	1,730.48		618,028.00		
6/30/2014	0.23%	1,421.46		618,028.00		
6/30/2015	0.26%	1,606.87		618,028.00		
6/30/2016	0.26%	1,606.87	\$103,004.67	515,023.33	15-16B	\$ 114,870.80
6/30/2017	0.26%	1,339.06	\$103,004.67	412,018.67	16-17	\$ 104,343.73
6/30/2018	0.26%	1,071.25	\$103,004.67	309,014.00	17-18	\$ 104,075.92
6/30/2019	0.26%	803.44	\$103,004.67	206,009.33	18-19	\$ 103,808.10
6/30/2020	0.26%	535.62	\$103,004.67	103,004.67	19-20	\$ 103,540.29
6/30/2021	0.26%	267.81	\$103,004.67	<u> </u>	20-21	\$ 103,272.48
		15,883.32	618,028.00			633,911.32
ROPS 15-16	B Interest		\$ 11,866.14			
ROPS 15-16	B Principal		\$ 103,004.67			
			\$ 114,870.80	•		
		ä				

633,911.32

Total Obligation