



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 from \$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.

DISCUSSION: 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.

FISCAL IMPACT: 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:

1. Recognized Obligations Payment Schedule (ROPS 15-16B), January 1, 2016 – June 30, 2016
2. 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 _____

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 re-entering 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(1)(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:

SECTION 1. 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.

SECTION 4. 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.

SECTION 7. 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
Name of County: Santa Cruz

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ -
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 425,883
F Non-Administrative Costs (ROPS Detail)		390,883
G Administrative Costs (ROPS Detail)		35,000
H Total Current Period Enforceable Obligations (A+E):		\$ 425,883

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I Enforceable Obligations funded with RPTTF (E):		425,883
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		(45,939)
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 379,944

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L Enforceable Obligations funded with RPTTF (E):		425,883
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
N Adjusted Current Period RPTTF Requested Funding (L-M)		425,883

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.

Michael Termini Oversight Board Chairman

Name Title

/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)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
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	Funding Source					Six-Month Total 425,883 \$ 114,871
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					
										Bond Proceeds \$ -	Reserve Balance \$ -	Other Funds \$ -	Non-Admin \$ 114,871	Admin \$ 35,000	
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 Area	633,911	N						\$
8	Housing Rental Assistance Program	Miscellaneous	5/12/2011	3/13/2021	Housing Authority of the County of Santa Cruz	\$ 2627,100 Housing Rental Assistance Program Agreement	Capitola Project Area	561,132	N				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		\$
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	\$
11	41st Avenue Mail Economic Development Project	Improvement/Infrastructure	4/6/2011	4/6/2017	Macerich	\$1,030,000 Mail Economic Development Project	Capitola Project Area	1,030,000	N				-		\$
13	Rispin/Peery Park Improvements	Litigation	9/30/2014	6/30/2018	Subject to bid	ADA injunctive relief settlement	Capitola Project Area	388,000	N				175,000		\$
14									N						\$
15									N						\$
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Pursuant to Health and Safety Code section 34177 (l), 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	
		Fund Sources							
		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)				
Cash Balance Information by ROPS Period								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) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015							Composed of \$308,517 approved on ROPS 14-15B less unspent prior RPTTF of \$3,829 for Item #9.	
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q						304,688		
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)						262,666	Reflects \$16,511.14 lower final payment for Item #4, lower funds request of \$29,428 for item #9, and an \$88.43 higher interest expense for item #12	
5	ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	From PPA	
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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
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						48,869		
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)						168,101		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	48,869	

[illegible]

	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	-	20-21	\$ 103,272.48
		<u>15,883.32</u>	<u>618,028.00</u>			<u>633,911.32</u>

ROPS 15-16B Interest	\$	11,866.14
ROPS 15-16B Principal	\$	103,004.67
	\$	<u>114,870.80</u>

Total Obligation 633,911.32