

**AGENDA FOR THE REGULAR MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
RANCHO PALOS VERDES REDEVELOPMENT AGENCY**

**CITY OF RANCHO PALOS VERDES
CITY HALL COMMUNITY ROOM
30940 HAWTHORNE BOULEVARD
RANCHO PALOS VERDES, CALIFORNIA, 90275**

WEDNESDAY, JUNE 20, 2012 AT 1:00 P.M.

Members:

Larry Clark (Chair), Stefan Wolowicz (Vice-Chair), Lydia Cano, Ken Dyda, Kit Fox, Marvin Martinez, Michael Seth Schneider

AGENDA POSTED: June 14, 2012

WEBSITE: www.palosverdes.com/rpv/

CALL TO ORDER

1. Roll Call.
2. Approval of Agenda.

REGULAR BUSINESS

1. Chairman's Opening Remarks.
2. Consider Approval of minutes for June 6, 2012 meeting.
3. Receive update of pending legislation, Frequently Asked Questions, and other developments relevant to redevelopment agency dissolution. (Oral report)
4. Consider Adoption of Conflict of Interest Code.
5. Consider Adoption of Revision to Recognized Obligation Payment Schedule for the period July through December 2012.

MISCELLANEOUS

6. Public comment for items not on the agenda.

7. Member Suggested Agenda Items for Future Meetings.
8. Consider future meeting schedule.
9. Chairman's Closing Remarks.
10. Adjournment.

SUPPORTING DOCUMENTATION: Supporting documentation can be obtained at the following locations during normal business hours: Rancho Palos Verdes City Hall, Finance & Information Technology Department, 30940 Hawthorne Boulevard, Rancho Palos Verdes, CA 90275. You can also view the agenda and staff reports and related documents at the Successor Agency's website www.palosverdes.com/RPV.

AMERICAN WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's Office at (310) 544-5208 at least 48 hours prior to the meeting.

Written materials, including emails, submitted to the Oversight Board are public records and may be posted on the Successor Agency's website. Accordingly, you may wish to omit personal information from your oral presentation or written materials as it may become part of the public record regarding an agenda item.

Materials related to an item on this Agenda submitted to the Oversight Board after distribution of the agenda packet are available for public inspection at the front counter of the lobby of the City Hall Administration Building at 30940 Hawthorne Boulevard, Rancho Palos Verdes during normal business hours.

**MINUTES FOR THE SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
RANCHO PALOS VERDES REDEVELOPMENT AGENCY**

**CITY OF RANCHO PALOS VERDES
CITY HALL COMMUNITY ROOM
30940 HAWTHORNE BOULEVARD
RANCHO PALOS VERDES, CALIFORNIA, 90275**

WEDNESDAY, JUNE 6, 2012

CALL TO ORDER

Chair Clark called the meeting to order at approximately 1:03 p.m. in the Community Room at Rancho Palos Verdes City Hall for the purpose of conducting business pursuant to the Agenda.

1. ROLL CALL

Roll call was answered as follows:

PRESENT: Cano, Clark, Dyda, Fox, Schneider, Wolowicz
ABSENT: None

Also present were Deputy Director of Finance and Information Technology Downs, Deputy Successor Agency Attorney Harris, and Senior Administrative Analyst Mills.

2. APPROVAL OF AGENDA

Member Dyda moved to approve the agenda as presented, and Members Schneider seconded. Hearing no objection, Chair Clark ordered approval of the agenda.

REGULAR BUSINESS

1. CHAIRMAN'S OPENING REMARKS

Chair Clark stated that he followed up with the Community College District regarding the appointment of a replacement Oversight Board member.

2. APPROVAL OF MINUTES FOR MAY 16, 2012 MEETING

Member Schneider motioned to approve the minutes from the May 16, 2012 meeting. The motion was seconded by Member Dyda. Member Fox abstained from approval of the minutes, as he was not present at the May 16th meeting.

Hearing no objection, Chair Clark ordered approval of the motion, noting Member Fox's abstention.

3. RECEIVE UPDATE OF PENDING LEGISLATION RELEVANT TO REDEVELOPMENT AGENCY DISSOLUTION

Senior Analyst Mills distributed a summary of pending legislation as late correspondence, and noted that there has been no further action on AB 1585.

Deputy Attorney Harris offered that at a future meeting, she expects to provide a summary of the proposed legislation from the Department of Finance, which is not in bill form yet.

The update was received and filed.

4. RECEIVE UPDATE OF FREQUENTLY ASKED QUESTIONS PREPARED BY STATE AND COUNTY AGENCIES

Senior Analyst Mills offered that the most noteworthy change to FAQ posted by other agencies is the Department of Finance position that Housing Assets only include Notes Receivable for which the stream of future payments is encumbered for affordable housing.

The update was received and filed.

5. CONSIDER ADOPTION OF CONFLICT OF INTEREST CODE

The Board Members asked questions about the proposed Conflict of Interest Code. Deputy Attorney Harris indicated that she would need to look into the answers for the Board and report back at a later time.

Chair Clark motioned to continue the item to the next regular meeting. Member Fox seconded. Vice-Chair Wolowicz offered an amendment to the motion that representatives from the County and Deputy Attorney Harris look into the Board's questions and report back. Chair Clark and Member Fox accepted the amendment. Hearing no objection, Chair Clark ordered continuation of the item.

6. RECEIVE REPORT OF CALIFORNIA DEPARTMENT OF FINANCE APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULES

Staff noted that the June 1st distribution from the Redevelopment Property Tax Trust Fund was less than anticipated and will make an inquiry with the County Auditor-Controller.

The report was received and filed.

7. RECEIVE REPORTS FROM SUB-COMMITTEE, STAFF AND SUCCESSOR AGENCY LEGAL COUNSEL; AND DISCUSS RETENTION OF LEGAL COUNSEL FOR OVERSIGHT BOARD

Chair Clark and Vice-Chair Wolowicz reported that they are in the process of making their contacts at the Los Angeles division of the League of California Cities.

Vice-Chair Wolowicz requested that Staff compile a list of questions for him to submit to Steve Dills in writing.

Senior Analyst Mills reported that the staff contact at the League indicated that there is no process or policy for oversight board retention of legal counsel, and that she would raise the issue with Jeff Kiernan at the League.

Deputy Attorney Harris noted that there have been no developments in the discussion of legal counsel for oversight boards among her peers.

MISCELLANEOUS

8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There was no public comment.

9. MEMBER SUGGESTED AGENDA ITEMS FOR FUTURE MEETINGS

Staff was directed to include legislative updates and frequently asked question updates as standing items on the agenda.

10. CONSIDER FUTURE MEETING SCHEDULE

Chair Clark stated that on June 20, 2012, the Board would re-address the needs for future meetings. Chair Clark requested that Staff provide a timeline of future events to the Board, which may include consideration of Recognized Obligation Payment Schedules, bond payments, and property tax distributions.

11. CHAIRMAN'S CLOSING REMARKS

Chair Clark expressed his appreciation for the work of the Successor Agency Staff.

12. ADJOURNMENT

Member Dyda motioned to adjourn the meeting. Member Cano seconded the motion. Hearing no objection, Chair Clark ordered the meeting adjourned at approximately 1:52pm.

Larry Clark, Chair of the Oversight Board

ATTEST

Ryan Mills, Recording Person

DRAFT



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

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JOHN F. KRATTLI
Acting County Counsel

June 1, 2012

William T Fujioka, Chief Executive Officer
Chief Executive Office
713 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attention: Martin Zimmerman,
Assistant Chief Executive Officer

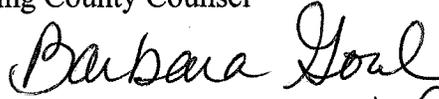
**Re: Personal Liability of County Appointees as Oversight Board
Members**

Dear Mr. Fujioka:

This letter is written in response to recent requests regarding the extent to which individuals appointed as County appointees to oversight boards created pursuant to ABx1 26 are personally liable for their actions as members of these bodies. Similar to other County commissions, the County will indemnify its appointees to the oversight boards to the extent that they are performing duties in the course and scope of their position on the board. Likewise, the County will not indemnify for acts of the individual's own wrongful conduct outside of the scope of their duties as an oversight board member.

Very truly yours,

JOHN F. KRATTLI
Acting County Counsel

By 
BARBARA Y. GOUL *by goul*
Principal Deputy County Counsel
Government Services Division

APPROVED AND RELEASED:


JOHN F. KRATTLI
Acting County Counsel

BYG:lr

HOA.888514.1



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JOHN F. KRATTLI
Acting County Counsel

June 5, 2012

William T Fujioka, Chief Executive Officer
Chief Executive Office
713 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attention: Martin Zimmerman,
Assistant Chief Executive Officer

Re: Personal Liability of County Appointees to Oversight Boards

Dear Mr. Fujioka:

This letter is a follow up to our June 1, 2012, letter written in response to inquiries regarding the extent to which County appointees to Oversight Boards created pursuant to ABx1 26 can be held personally liable for their actions as Oversight Board members.

It is important to note that ABx1 26 specifically provides personal immunity from liability to individual Oversight Board members for their actions taken within the scope of their responsibilities as Oversight Board members.

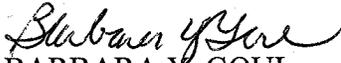
If suit is brought against County Oversight Board appointees, the County will defend and indemnify its appointees against claims or lawsuits arising out of acts or omissions occurring within the course and scope of their position on an Oversight Board, as authorized by, and consistent with the California Government Code. For example, the County will defend and indemnify its Oversight Board appointees against claims that the appointees committed an error or omission in their Oversight Board deliberations and votes, including situations where Oversight Board decisions are subsequently overturned by the Department of Finance or by a court.

June 5, 2012
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Please note that, consistent with the Government Code, the County will not indemnify its appointees for wrongful conduct occurring outside of the scope of their duties as Oversight Board members.

Very truly yours,

JOHN F. KRATTLI
Acting County Counsel

By 
BARBARA Y. GOUL
Principal Deputy County Counsel
Government Services Division

APPROVED AND RELEASED:


JOHN F. KRATTLI
Acting County Counsel

BYG:lr



MEMORANDUM

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES
REDEVELOPMENT AGENCY

FROM: DENNIS McLEAN, FINANCE OFFICER OF THE SUCCESSOR AGENCY

DATE: JUNE 20 2012

SUBJECT: CONFLICT OF INTEREST CODE

REVIEWED: CAROLYN LEHR, EXECUTIVE DIRECTOR OF THE SUCCESSOR
AGENCY

Staff Coordinators: Robin Harris, Legal Counsel for the Successor Agency to the Rancho Palos Verdes Redevelopment Agency; and Kathryn Downs, Deputy Director of Finance & Information Technology of the City of Rancho Palos Verdes

RECOMMENDATION

Adopt OB Resolution No. 2012- , A Resolution of the Oversight Board for the Successor Agency to the Rancho Palos Verdes Redevelopment Agency, adopting a Conflict of Interest Code containing designated positions and disclosure categories.

DISCUSSION

On May 16, 2012, the Oversight Board took action to defer consideration of a Conflict of Interest Code to a meeting when more Oversight Board Members would be present for the discussion. Each Oversight Board is individually taking action to create its own Conflict of Interest Code; therefore, the Board's discussion will benefit from the presence of all Members.

On June 6, 2012, the Oversight Board took action to defer consideration after requesting for several clarifications. The answers follow.

Is the City salary for Member Fox reportable on the Form 700?

Successor Agency legal counsel has concluded that salary from a government entity is exempt from the definition of "income" and is not reportable on a form 700.

CONFLICT OF INTEREST CODE

June 20, 2012

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The Oversight Board is independent and not answerable to the City or Successor Agency. Why is the City Council required to approve the Oversight Board's Conflict of Interest Code?

The Political Reform Act provides that conflict of interest codes are not effective unless and until the code as adopted by a local agency is subsequently forwarded to and then approved by what is referred to as the "code reviewing body." A code reviewing body is a government entity that is charged with reviewing and approving another entity's conflict of interest code. State law designates "code reviewing bodies" for each type of local governmental entity. For government entities having jurisdiction and operating solely within the geographic boundaries of one city, the code reviewing body for that government entity is the City Council of that city (Gov. Code Section 82011 (c)). The April 25, 2012 letter from the FPPC to the League states on page 5 that if a city serves as the successor agency, then the code reviewing body of the successor agency and its oversight board is the City Council of the City. (Government Code Section 82011 (c)). The Political Reform Act further provides that a conflict of interest code does not become effective unless and until it has been approved by the code reviewing body. (Gov. Code Section 87303).

In the case of the Oversight Board for the Successor Agency to the Rancho Palos Verdes Redevelopment Agency, the City Council of the City of Rancho Palos Verdes is the code reviewing body. This means that once the Oversight Board adopts the Resolution approving its conflict of interest code, the code is to be sent to the City Council of the City of Rancho Palos Verdes for approval, as required by the Political Reform Act (Government Code Section 87303). The City Council will then have to review and approve the Oversight Board's code in order for that code to take effect. Attached to this report is the April 25, 2012 FPPC Advice Letter to Patrick Whitnell of the League of California Cities providing additional information on this subject (see Attachment A).

What happens if the City Council does not approve the Oversight Board's Conflict of Interest Code?

As stated in Government Code Section 87303, the code reviewing body can take one of three actions: 1) Approve the code as submitted; 2) Revise the proposed code and approve it as revised; or 3) Return the proposed code to the Oversight Board for revision and resubmission.

Recommended Conflict of Interest Code – From June 6, 2012 Staff Report

On April 25, 2012, the California Fair Political Practices Commission ("FPPC") issued informal guidance to the League of California Cities ("League") advising that Oversight Boards are local agencies and should adopt their own conflict of interest codes. The Political Reform Act, Government Code Sections 81000, et seq., requires local governmental agencies to adopt a conflict of interest code and to review their conflict of interest codes biennially to determine if they are accurate and up-to-date.

By adopting the attached resolution, the Oversight Board for the Successor Agency is

CONFLICT OF INTEREST CODE

June 20, 2012

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adopting a Conflict of Interest Code that contains designated positions and disclosure categories.

The Fair Political Practices Commission's Model Code is attached to the proposed resolution as Exhibit "A" and is proposed to be adopted as the Oversight Board's Code. Appendix A to the Resolution sets forth the designated positions and the disclosure categories for each position of the Oversight Board.

Once adopted by the Oversight Board, this Conflict of Interest Code will be submitted to the Rancho Palos Verdes City Council for its approval as the "Code Reviewing Body" for the Oversight Board's Conflict of Interest Code.

Persons holding designated positions listed in Appendix A shall file Statements of Economic Interest pursuant to Section 5 of the Conflict of Interest Code with the information required for the disclosure category assigned to them. These statements, if not already filed, should be filed with the City Clerk no later than 30 days after adoption of this Code by the Oversight Board

The Secretary of the Oversight Board will coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years in accordance with the requirements of Government Code Sections 87306 and 87306.5. The revised Code should reflect any changes in employee designations. If no revisions to the Code are required, the Secretary of the Board shall submit a report no later than October 1st of the same year, stating that amendments to the Code are not required.

OB RESOLUTION NO. 2012-

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE
SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES
REDEVELOPMENT AGENCY ADOPTING A CONFLICT OF
INTEREST CODE CONTAINING DESIGNATED POSITIONS AND
DISCLOSURE CATEGORIES**

RECITALS:

A. The Political Reform Act, Government Code Section 81000, et seq., requires the Oversight Board for the Successor Agency to the Rancho Palos Verdes Redevelopment Agency ("Oversight Board") to adopt a Conflict of Interest Code; and

B. The Fair Political Practices Commission has adopted a Model Conflict of Interest Code (the "Model Code"). The Model Code, codified at 2 California Code of Regulations Section 18730, can be incorporated by reference by the Oversight Board as its conflict of interest code. That Model code will be amended by the Fair Political Practices Commission from time to time to conform to amendments to the Political Reform act; and

C. By this resolution, the Oversight Board is adopting a Conflict of Interest Code that contains designated positions and disclosure categories.

**THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
RANCHO PALOS VERDES REDEVELOPMENT AGENCY DOES HEREBY FIND,
RESOLVE AND ORDER AS FOLLOWS:**

Section 1. The Model Code, attached hereto as Exhibit "A" and any amendments to it duly adopted by the Fair Political Practices Commission, and Appendix A which sets forth the designated positions and the disclosure categories for each position of the Oversight Board are hereby incorporated by reference and shall constitute the Conflict of Interest Code for the Oversight Board for the Successor Agency to the Rancho Palos Verdes Redevelopment Agency.

Section 2. Persons holding designated positions listed in Appendix A shall file Statements of Economic Interest pursuant to Section 5 of the Conflict of Interest Code with the information required for the disclosure category assigned to them.

Section 3. Pursuant to the Political Reform Act (Government Code Sections 81000 through 91014), a person holding a designated position listed in this Code is subject to administrative, criminal and civil sanctions provided in the Political Reform Act. In addition, if a person who holds a designated positions makes, participates in making or otherwise attempts to use his or her official position to influence a decision of

the City in which he or she has a financial interest, he or she may also be subject to additional administrative, criminal and civil sanctions and the decision may be set aside and voided pursuant to Government Code Section 91003.

Section 4. The Oversight Board hereby directs the Secretary of the Board to coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years in accordance with the requirements of Government Code Sections 87306 and 87306.5. The revised code should reflect any changes in employee designations. If no revisions to the Code are required, the Secretary of the Oversight Board shall submit a report no later than October 1st of the same year, stating that amendments to the Code are not required; and

Section 5. The Secretary of the Oversight Board shall certify to the passage and adoption of this Resolution and shall submit the Oversight Board's Conflict of Interest Code to the City Council of the City of Rancho Palos Verdes for approval as Code Reviewing Body.

PASSED AND ADOPTED this 20th day of June 2012.

Chairperson

ATTEST:

Secretary

EXHIBIT A
CONFLICT OF INTEREST CODE

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict-of-Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict-of-interest code within the meaning of Section 87300 or the amendment of a conflict-of-interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict-of-interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict-of-interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict-of-interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict-of-interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict-of-interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories

are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict-of-interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making

of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the

previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$420.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$420 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she

vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

- a. The date the loan was made.

b. The date the last payment of \$100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect,

distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any

governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

¹Designated employees who are required to file statements of economic interests under any other agency's conflict-of-interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

²See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In

addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).
Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).

11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.

12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).

15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative

5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

APPENDIX A

DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES FOR THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Oversight Board Member	1, 2, 3, 4
Oversight Board Secretary	5

Disclosure Categories

1. Reportable interests in real property in the jurisdiction. (Form 700, Schedule B.)
2. Reportable income and business positions. (Form 700, Schedule C).
3. Reportable investments. (Form 700, Schedules A-1 and A-2).
4. Reportable gifts and travel gifts. (Form 700, Schedules D and E).
5. Persons holding designated positions which are assigned a disclosure category of "5" above are not required to prepare a separate Statement of Economic Interest (Form 700) for their position with the Oversight Board because they also hold positions which are already required to disclose and report under the Conflict of Interest Code of the City of Rancho Palos Verdes. Persons in this category should list their position with the Oversight Board in Section 1 of Form 700 that they file with the City Clerk of the City. Persons in this category "5" are, however, subject to the disqualification provisions of this Code when acting in their official capacity for the Oversight Board for the Successor Agency to the Rancho Palos Verdes Redevelopment Agency.



FAIR POLITICAL PRACTICES COMMISSION

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April 25, 2012

Patrick Whitnell
 General Counsel
 League of California Cities
 1400 K Street, Suite 400
 Sacramento, California 95814

Re: Your Request for Advice
Our File No. I-12-060

Dear Mr. Whitnell:

This letter responds to your request for advice on behalf of the California League of Cities regarding applicability of the conflict-of-interest code and financial disclosure provisions of the Political Reform Act (the “Act”)¹ to new local government agencies and officials holding positions in those agencies created by Assembly Bill 1X 26 (“AB 1X 26”), that was passed by the Legislature and signed into law in 2011. Because you have sought general guidance not limited to a particular public official or specific set of facts, we are treating your request as one for informal, rather than formal, assistance. (See Regulation 18329(b)(8)(B), (C) and (F).)²

FACTS

Since the 1950’s, California redevelopment agencies have functioned under the Community Redevelopment Law (Health and Saf. Code § 33000 et seq.). AB 1X 26 (Stats. 2011, 1st Ex. Sess. 2011-2012, ch. 5) made extensive amendments to the Community Redevelopment Law. You have provided a summary of the provisions of the legislation that you think are relevant to your questions and we rely partially on this, as well as our own reading of the legislation, to summarize the pertinent provisions. However, given the length and complexity of the legislation and the possibility of further litigation on its provisions, we caution that our advice could change if there emerges a subsequent alternative interpretation or version of the legislation that affects applicability of the Act.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Section 83114; Regulation 18329(c)(3).)

The legislation provides for the dissolution of redevelopment agencies and an administrative process to wind down agency activities and dispose of agency assets, including distribution of all unencumbered redevelopment agency assets to the cities, county and various special districts in the county entitled to receive property tax proceeds. (Health and Saf. Code § 34177(d).) It creates two new public entities: successor agencies and oversight boards.

Successor agencies are designated as the successor entities to the former redevelopment agencies. (Health and Saf. Code §§ 34171(j), 34173(a).) All authority, rights, duties, and obligations previously vested with the former redevelopment agency are now vested in the successor agency. (Health and Saf. Code Secs. 34173(b), 34177.) The entity that serves as the successor agency is determined in one of several ways:

1. The city, county, city and county, or entities forming the joint powers authority that created the redevelopment agency is, in your view, by implication under the statute, designated as the successor agency unless it adopts a resolution electing not to serve as the successor agency. (Health and Saf. Code Sec. 34173(d)(1).)

2. If an agency that created the redevelopment agency elects not to be the successor agency, then the local agency (defined as “any city, county, city and county, or special district in the county of the former redevelopment agency”) in the county that first adopts a resolution electing to become the successor agency, and submits the resolution to the county auditor-controller, is deemed the successor agency. (Health and Saf. Code § 34173(d)(2).) Thus, for example and however unlikely, it is possible that a school district or another city in the county of a city that originally formed the redevelopment agency could become the successor agency for that redevelopment agency.

3. If no local agency elects to serve as successor agency, a public body referred to as a “designated local authority” is formed, and has all the powers and duties of a successor agency. The Governor appoints three residents of the county to serve as the governing board of the authority. (Health and Saf. Code § 34173(d)(3).)

Each successor agency has an oversight board composed of seven members. (Health and Saf. Code §§ 34171(f), 34179(a).) The oversight board directs staff of the successor agency to perform work in furtherance of the oversight board’s duties and responsibilities. (Health and Saf. Code §§ 34177(e), 34179(c), 34180, 34181.) The board members are selected as follows: 1. One member appointed by the county board of supervisors; 2. One member appointed by the mayor for the city that created the redevelopment agency; 3. One member appointed by the largest special district; 4. One member appointed by the county superintendent of education; 5. One member appointed by the Chancellor of the California Community Colleges; 6. One member of the public appointed by the county board of supervisors; 7. One member representing the employees of the former redevelopment agency appointed by the mayor or the chair of the board of supervisors. (Health and Saf. Code § 34179(a)(1-7).) The Governor may appoint individuals to fill oversight board member seats not filled by May 15, 2012, or that remain

vacant for more than 60 days. (Health and Saf. Code c 34179(b).) For purposes of the Act, the oversight board is deemed to be a local entity. (Health and Saf. Code §§ 34179(e).) Oversight board members do not receive compensation or reimbursement for expenses. (Health and Saf. Code §§ 34179(c).) Also, under Health and Safety Code, section 34179(j), commencing on and after July 1, 2016, all oversight boards existing in a county are consolidated under one oversight board whose members are appointed by various entities similar to those who appoint members to the original oversight boards.

You state that the relationship of the successor agency to the city or county that created the redevelopment agency is “murky at best.” With respect to the successor agency, various sections of AB 1X 26 imply that the city or county that created the redevelopment agency is the successor agency (unless they affirmatively elect not to be). (See, e.g., Health and Saf. Code §§ 34171(j), 34173(a), 34173(d)(1).) But, in your view, other sections of the legislation may indicate that a different interpretation is required. For example, Health and Safety Code section, 34190(c) provides that the successor agency is a public agency for purposes of the Meyers-Milias-Brown Act (MMBA) and Health and Safety Code Section 34190(d) provides that the successor agency shall become the employer of all employees of the redevelopment agency as of the date of the agency’s dissolution. In your view, these sections seem to imply that the successor agency is a separate public agency. Further, proposed amendments to AB 1X 26 provide that a successor agency is a public entity separate from the entity or entities that authorized the creation of each redevelopment agency.

In contrast, you state that it appears clear from the legislation that the oversight board is a separate public agency from the city or county that created the redevelopment agency. As noted above, the oversight board is a local entity for purposes of the Act (as well as the Public Records Act (Sec. 6250 et seq. and the Brown Act (Sec. 54950 et seq.)). Further, the oversight board has a fiduciary duty to the taxing entities that benefit from the distributions of property tax, which would include cities and counties. (Health and Saf. Code § 34179(i).) This same section also provides that the provisions of Section 1090 apply to oversight boards. Thus, in your view, the legislation apparently makes clear that the oversight boards are separate legal entities from the cities and counties that created the redevelopment agencies.

GENERAL SUMMARY OF THE ACT’S PROVISIONS APPLICABLE TO FINANCIAL DISCLOSURE BY PUBLIC OFFICIALS AND CONFLICT-OF-INTEREST CODES

The Act requires specified public officials of state and local government agencies to periodically file Statements of Economic Interests (FPPC Form 700) disclosing defined financial interests. These officials fall into two categories: (1) Officials holding positions specified in Section 87200, who are required to disclose the broadest range of financial interests (Sections 87200 – 87210); and (2) Officials holding agency positions that involve participation in government decisions that have financial impacts. These positions are designated in the agency’s conflict-of-interest code and disclosure for each position is tailored to the scope of the official’s job duties. (Sections 87300 – 87313.)

Each government agency is required, within certain timelines, to adopt a conflict-of-interest code (Section 87300) and amend it to reflect changes in the decision-making positions in the agency (Section 87306). It is the Act's stated policy that conflict-of-interest codes are formulated at the most decentralized level possible, with issues of what should be deemed an "agency" resolved by the code reviewing body. (Section 87301.) The code reviewing body is the government agency charged with reviewing and approving an agency's conflict-of-interest code. No code is effective unless approved by the code reviewing body. (Section 87303.)

Section 82011 details which agencies are code reviewing bodies. As is pertinent to your questions, the following are the code reviewing bodies for local government agencies: (1) The Fair Political Practices Commission (the "Commission") for any local government agency with jurisdiction in more than one county (Section 82011(a)); (2) The county board of supervisors for any county agency and any other local government agency with jurisdiction wholly within the county, other than the board itself, an agency of the judicial branch or a city agency (Section 82011(b)); and (3), the city council for any city agency except for the council itself (Section 82011(c)).

Section 87500 states where public officials are required to file their Statements of Economic Interests. As is generally pertinent to your question, officials in local government agencies file as follows: (1) With the county clerk, if the person holds the office of chief administrative officer, district attorney, county counsel, county treasurer, or member of the board of supervisors (Section 87500(e)); (2) With the city clerk, if the person holds the office of city manager or chief administrative officer, city councilmember, city treasurer, city attorney, or mayor (Section 87500(f)); (3) With his or her own agency, if the person is a planning commissioner (Section 87500(g), head of a local government agency, or member of a local board or commission for which the Commission is the code reviewing body (Section 87500(l); and (4) With his or her own agency or the agency's code reviewing body as designated by the code reviewing body, if the person is not otherwise covered under (1) – (3) above (Section 87500(p)).

QUESTIONS AND CONCLUSIONS

1. **Who adopts the conflict-of-interest codes for the successor agency and the oversight board?**

Conclusion: Unless determined otherwise by their code reviewing body, the successor agency and the oversight board both adopt their own conflict-of-interest codes.

Analysis: As set forth in Section 87300, each agency is required to adopt its own conflict-of-interest code. Furthermore, the Act, in Section 87301, requires that each conflict-of-interest code be formulated at the most decentralized level possible, which indicates that it is desirable that an autonomous or semi-autonomous governmental entity be classified as an "agency" and adopt its own code because it is most familiar with the job duties of its officers and employees. However, Section 87301 ultimately leaves the determination of what constitutes an "agency," and thus the decision of which entity is obligated to adopt the code, to the code reviewing body.

For example, assume that a city elects to be the successor agency for either its own or another entity's redevelopment agency. Based on the conclusions and analysis in Questions 2 and 3 below, the city council would therefore be the code reviewing body for both the successor agency and its oversight board and, under Section 87301, could: (1) determine that the successor agency or oversight board, or both, are new "agencies" and require them to adopt new conflict-of-interest codes; or (2) determine that the city itself is the "agency" and amend its own conflict-of-interest code to cover designated employees in the successor agency and oversight board.

2. Who are the code reviewing bodies for the successor agency and the oversight board?

Conclusion: The code reviewing body for a successor agency and its oversight board (except for consolidated oversight boards formed pursuant to Health and Safety Code Sec. 34179(j), see below) are as follows:

If a city, or subdivision thereof, serves as a successor agency, the code reviewing body of the successor agency and its oversight board is the city council. (Section 82011(c).)

If a county, city and county, "designated local authority" or other local government agency with jurisdiction wholly within a county, or subdivision thereof, serves as a successor agency, the code reviewing body of the successor agency and its oversight board is the county, or city and county, board of supervisors. (Section 82011(b).)

If a "designated local authority" or other local government agency with jurisdiction in more than one county, or subdivision thereof, serves as a successor agency, the code reviewing body of the successor agency and its oversight board is the Commission. (Section 82011(a).)

The code reviewing body of an oversight board formed on or after July 1, 2016 pursuant to Health and Safety Code Section 34179(j) is the county board of supervisors.

Analysis: At the outset, we think that a successor agency and oversight board should have the same code reviewing body. One of the purposes of the Act is to require public officials to disclose information about their financial interests that can be materially affected by their official actions and to disqualify them from acting when they have conflicts of interest. (Section 81002(c).) As the agency with the primary duty of administering and implementing the Act (Section 83111), we are charged to liberally interpret its provisions to accomplish its purposes (Section 81003). While we recognize that under AB 1X 26, successor agencies and their oversight boards are governed by different authorities and may at times have conflicting goals and interests, they also have control and oversight over the same obligations, assets and property. Therefore, it is logical and also serves the Act's desire for accurate financial disclosure that the same code reviewing body assesses how these obligations, assets and property can be affected by decisions in both agencies.

Under AB 1X 26, there appear to be, for purposes of the Act, five general types of entities that can become successor agencies. These are a city, county, city and county, other non-

city local government agency (such as a joint powers authority), and a “designated local authority.” (Health and Saf. Code Sec. 34173(d); also see Health and Saf. Code Sec. 34173(c).)

As described above, subdivisions (a), (b) and (c) of Section 82011 are very explicit as to which agency is the code reviewing body for four of these entities, namely, a city, county, city and county, and other non-city local government agency. Thus, in our view, it is clear that if one of these entities becomes a successor agency, the code reviewing body for the successor agency is the code reviewing body for that entity set forth in Section 82011(a), (b), or (c). In addition, as discussed, we think it proper under the Act that the oversight board’s code reviewing body be the same.

A slightly more difficult question arises in relation to “designated local authorities.” These entities are created pursuant to Health and Safety Code, section 34173(d) when no other local government agency elects to serve as the successor agency. In that case, the “‘designated local authority’ shall be immediately formed . . . in the county and shall be vested with all the powers and duties of a successor agency” (Health and Saf. Code § 34173(d).) The “designated local authority,” is formed when the Governor appoints three residents of the county to serve as the successor agency. (*Ibid.*) Since this entity is formed in a county and is run by three gubernatorial appointees who are required to be from that county, it seems apparent that a “designated local authority” is a type of local government agency operating in a county that is not under the control of a city. Accordingly, we conclude that the code reviewing body for a “designated local authority,” and its oversight board, would be the board of supervisors of that county pursuant to Section 82011(b) or, if the entity operates in more than one county, the Commission pursuant to Section 82011(a).

Finally, as mentioned above, we must craft a special rule for oversight boards formed on or after July 1, 2016 pursuant to Health and Safety Code Section 34179(j). These boards represent a consolidation of all oversight boards existing in a county having more than one oversight board as of that date. These boards are clearly non-city local government agencies operating within a county and thus, under Section 82011(b), their code reviewing body is the county board of supervisors.

3. Should entities that adopted separate conflict-of-interest codes for their redevelopment agencies repeal those codes?

Conclusion and Analysis: If an entity that adopted a conflict-of-interest code for its redevelopment agency does not become a successor agency for the redevelopment agency, we suggest that it repeal the code once the redevelopment agency is dissolved. However, if the entity becomes a successor agency for the redevelopment agency and assumes the responsibility of adopting a conflict-of-interest code for the successor agency, it may: (1) repeal the redevelopment agency’s code and either adopt a new code or amend its own code to cover designated employees of the successor agency; or (2) amend the redevelopment agency’s code to apply, as appropriate, to the activities of the successor agency. (See Sections 82011, 87300, 87301, 87303 and 87306.)

As for the oversight boards, the code reviewing bodies may either add the oversight board to an existing conflict-of-interest code of the agency or adopt a new conflict-of-interest code for the oversight board. Since Section 87301 states that conflict-of-interest codes shall be formulated at the most decentralized level possible and that questions relating to the formation of a code are resolved by the code reviewing body, each code reviewing body makes this determination, not the Commission. (Also see Regulation 18329.5.)

Please note that, since Section 87302.6 requires members of new boards and commissions to file Statements of Economic Interests in the same manner as individuals who file under Section 87200, members of these boards, subject to certain exceptions (see Section 87202(a), must generally file assuming office Statements of Economic Interests within 30 days of assuming office and continue to file as if 87200 filers until the oversight board's conflict-of-interest code is in place. The timeline for adopting a new code or amending a code to reflect the addition of the oversight board is provided in Sections 87303 and 87306.

Regulation 18732.5 provides direction on the filing, processing and retention of Statements of Economic Interests for agencies that are to be dissolved. Statements filed for designated employees of the redevelopment agencies must be maintained for seven years.

- 4. Do 87200 filers appointed to the oversight board have to file an assuming office Statement of Economic Interests with the oversight board? If not, will they be required to file an amendment to their Statement of Economic Interests to include the board position?**

Conclusion and Analysis: If the agency for which the official files a Statement of Economic Interests under Section 87200 shares the same, or is wholly located within the same, geographical jurisdiction as the oversight board, the official does not have to file a Statement of Economic Interests with the oversight board. (Regulation 18754(a)(3)(A).) For example, a city councilmember serving on an oversight board for the city's former redevelopment agency would not have to file a Statement of Economic Interests with the city in connection with her service on the oversight board because the city and the oversight board share the same jurisdiction.

However, if this is not the case, the official must file Statements of Economic Interests with both agencies, although the official can expand his or her statements to cover reportable interests in both jurisdictions and file copies in both jurisdictions (so long as each filed statement is signed and verified by the official as if it were the original statement) if the oversight board adopts a conflict-of-interest code incorporating the provisions of Regulation 18730(b)(3), footnote 1. (See Regulation 18730(a).)

5. **Do designated employees employed by the successor agency or appointed to the oversight board have to file an assuming office statement? If not, will they be required to file an amendment to include their employment or their board position? What is the timing of any required filing or amendment?**

Conclusion and Analysis:

Successor Agencies:

If the successor agency is the entity that formed the redevelopment agency and the entity adopts a new conflict-of-interest code for the successor agency, the designated employees of the successor agency must file assuming office Statements of Economic Interests because the successor agency would be considered a new agency.³ (Sections 87300 and 87303.) Pending the effective date of the code, employees who make or participate in making agency decisions that may foreseeably have a material effect on any financial interest must file Statements of Economic Interests pursuant to Regulation 18734, and that regulation also governs treatment of these filings in relation to the filing requirements once the code becomes effective (see Regulation 18734(e)).

If the successor agency is the entity that formed the redevelopment agency and the entity instead amends the code of the former redevelopment agency to apply, as appropriate, to the activities of the successor agency (see Question 3 above), existing designated employees would file Statements of Economic Interests pursuant to the provisions of Regulation 18735 and employees in newly created positions would file pursuant to Regulation 18734.

If the successor agency is not the entity that formed the redevelopment agency, it must adopt a new conflict-of-interest code for that agency or incorporate designated employees in the successor agency into its existing conflict-of-interest code. In that case, until the new code or amendments become effective, employees who make or participate in making agency decisions that may foreseeably have a material effect on any financial interest must file Statements of Economic Interests pursuant to Regulation 18734 and, as mentioned above, that regulation also governs treatment of these filings in relation to the filing requirements once the code becomes effective (see Regulation 18734(e)).

Oversight Boards: As stated above, the oversight boards are new agencies and thus members of the boards must file assuming office and other Statements of Economic Interests pursuant to Section 87302.6 until the board or its code reviewing body adopts or amends a code to reflect addition of the oversight board.

³ In this instance, since the code reviewing body considers the successor agency a new agency, the designated employees of the former redevelopment agency must file leaving office Statements of Economic Interests in connection with their employment with the former redevelopment agency. (Section 87302(b).)

6. **Who is the filing officer? If only an amendment is required, is the filing officer the agency in which the board member filed the original statement? Who is the filing officer for statements filed by the governing board of a “designated local authority?”**

Conclusions and Analysis:

Successor Agencies:

The filing officer for the head of a successor agency, including the head of a “designated local authority,” and members of the board of a “designated local authority” is the Commission if the Commission is the successor agency’s or authority’s code reviewing body. (Section 87500(l).)

Otherwise, the filing officer for a successor agency’s, including a “designated local authority’s,” designated employees and board members, if any, is the successor agency or the successor agency’s code reviewing body as designated by the code reviewing body. (Section 87500(p).) For example, if a city becomes a successor agency and the city council is the successor agency’s code reviewing body, the city council must determine which city official or subdivision is the filing officer for the successor agency. (*Ibid.*)

Oversight Boards:

The filing officer for the head, or board member, of an oversight board is the Commission if the Commission is the oversight board’s code reviewing body. (Section 87500(l).)

Otherwise, the filing officer for the oversight board’s designated employees, including its board members, is the oversight board or the board’s code reviewing body as designated by the code reviewing body. (Section 87500(p).)

See Question 2 above to determine which agency is a successor agency’s or oversight board’s code reviewing body.

7. **Do members of the public appointed to a “designated local authority” or an oversight board have an obligation to file a Statement of Economic Interests? If so, who is deemed the filing officer?**

Conclusion and Analysis: Since the Act requires that conflict-of-interest codes be formulated at the most decentralized level possible (Section 87301), we normally defer to the judgment of the agency and its code reviewing body in determining which agency officials are required to be included in the code and, thus, file Statements of Economic Interests. Therefore, we decline to answer this question, although we note that, under AB 1X 26, all the board members of “designated local authorities” and oversight boards certainly appear to be making or participating in making agency decisions that may foreseeably affect financial interests.

8. What is the assuming office date for oversight board members?

Conclusion and Analysis: For purposes of this question and pursuant to Regulation 18722, an oversight board member assumes office on the earlier of the date he or she either is authorized to serve in the position, such as by being sworn in (Regulation 18722(a)(1)(A)), or begins to perform the duties of the position such as by making, participating in making, or using his or her official position to influence a government decision (Regulation 18722(a)(1)(B)).

9. What is the jurisdiction of a successor agency or oversight board?

Conclusions:

Except for oversight boards formed pursuant to Health and Safety Code Section 34179(j) (see Question 2 above and discussion below), the jurisdiction of a successor agency and its oversight board is the same.

If the successor agency is any type of local government agency other than a “designated local authority,” the jurisdiction of the successor agency and its oversight board is the same as that local government agency and includes any real property owned by the former redevelopment agency.

If the successor agency is a “designated local authority,” the jurisdiction of the successor agency and its oversight board is the county in which the successor agency operates and includes any real property owned by the former redevelopment agency.

Analysis: As previously discussed, successor agencies and their oversight boards are local government agencies under the Act. Section 82035 states that the jurisdiction of a local government agency is “the region, county, city, district or other geographical area in which it has jurisdiction” as well as, with respect to real property, any part of the property located within or not more than two miles outside the jurisdiction or within two miles of any land owned or used by the local government agency.

Thus, the jurisdiction of a successor agency is the jurisdiction, including the real property owned by the former redevelopment agency, of any local government agency that becomes the jurisdiction of the successor agency and, logically, the successor agency's oversight board. However, while it is relatively easy to determine the jurisdiction of an existing government agency such as a city or county, more explanation is required for newly formed “designated local authorities.” As discussed above, we think a “designated local authority” is a non-city local government agency whose code reviewing body is the county, pursuant to Section 82011(b). Accordingly, for the sake of consistency, we think the proper jurisdiction of a “designated local authority” and its oversight board should be the county in which it is located plus any real property owned by the former redevelopment agency.

Finally, in the case of an oversight board formed on or after July 1, 2016 pursuant to Health and Safety Code Section 34179(j), since its authority extends over any successor agency in a county, we conclude that its jurisdiction is the county in which it is located plus any real

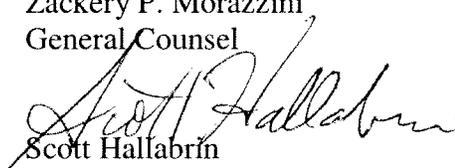
property owned by the successor agencies for which it has oversight (also see discussion under Question 2 above).

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Zackery P. Morazzini
General Counsel

By:


Scott Hallabrin

Counsel, Legal Division

By:


Sarah Olson

Political Reform Consultant
Technical Assistance Division



MEMORANDUM

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES
REDEVELOPMENT AGENCY

FROM: DENNIS McLEAN, FINANCE OFFICER OF THE SUCCESSOR AGENCY

DATE: JUNE 20, 2012

SUBJECT: ADOPTION OF A REVISION TO A RECOGNIZED OBLIGATION
PAYMENT SCHEDULE

REVIEWED: CAROLYN LEHR, EXECUTIVE DIRECTOR OF THE SUCCESSOR
AGENCY

Staff Coordinator: Kathryn Downs, Deputy Director of Finance & Information
Technology of the City of Rancho Palos Verdes

RECOMMENDATION

Adopt a resolution approving a revision to the Successor Agency to the Rancho Palos Verdes (RPV) Redevelopment Agency's Recognized Obligation Payment Schedule (ROPS) for the periods July 2012 through December 2012.

DISCUSSION

On May 16, 2012, the Oversight Board approved both ROPS for 2012. On May 26, 2012, the Successor Agency received notification that the California Department of Finance (DOF) had also approved both the First and Second ROPS for 2012.

The Los Angeles County Auditor-Controller took the position that the January 2012 property tax increment remittance (prior to dissolution) would be used to pay the enforceable obligations of the Successor Agency for January through June 2012, including the administrative allowance.

To date, Successor Agency Staff has used cash on hand to pay for the real property assessments and administrative expenses such as legal fees and insurance. Staff proposes a revision to the Second ROPS to reflect "cash on hand" as a funding source for real property assessments and various administrative obligations of the Successor Agency.

ADOPTION OF REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULES

June 20, 2012

Page 2 of 2

If the Oversight Board adopts the attached resolution, the revision to the ROPS will be submitted to the DOF.

BACKGROUND

Upon dissolution of the Rancho Palos Verdes Redevelopment Agency on February 1, 2012 pursuant to AB X1 26, the Successor Agency to the Rancho Palos Verdes Redevelopment Agency was constituted and is governed by a board of directors consisting of the members of the City Council of the City of Rancho Palos Verdes.

Pursuant to Health and Safety Code Section 34177, successor agencies are required to continue to make payments due for enforceable obligations of the former redevelopment agencies. The ROPS identifies these obligations, the anticipated timing and amount of funds required to meet these obligations over six-month periods, and the funding sources for each obligation.

The second ROPS was used by the County Auditor-Controller to allocate money from the Redevelopment Property Tax Trust Fund (RPTTF, formerly redevelopment tax increment), in order for the Successor Agency to make payments on enforceable obligations.

FISCAL IMPACT

Revision of the Second ROPS is in furtherance of allowing the Successor Agency to pay enforceable obligations of the former redevelopment agency.

RESOLUTION NO. OB 2012-

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING A REVISION TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JULY 1, 2012 AND ENDING DECEMBER 31, 2012 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. Health and Safety Code Section 34177 provides that before each six-month fiscal period, successor agencies to former redevelopment agencies must prepare a Recognized Obligation Payment Schedule ("ROPS") for the enforceable obligations of the former redevelopment agency in accordance with the requirements of Section 34177.

B. Accordingly, the Board of Directors of the Successor Agency to the Rancho Palos Verdes Redevelopment Agency on April 3, 2012 adopted Resolution No. SA 2012-08 approving a ROPS for the six-month fiscal period that commences on July 1, 2012 and ends on December 31, 2012 in accordance with Health and Safety Code Section 34177 (the "second ROPS").

C. Pursuant to Health and Safety Code Section 34180(g), establishment of a ROPS by the Successor Agency shall be approved by the Oversight Board.

D. On May 16, 2012, the Oversight Board adopted Resolution OB 2012-02 approving the second ROPS. On May 26, 2012, the Successor Agency received notification that DOF approved the second ROPS.

E. DOF may review an oversight board action taken pursuant to AB X1 26. All oversight board actions shall not be effective for three business days, pending a request for review by DOF. In the event that DOF requests review of a given oversight board action, DOF shall have ten days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and such oversight board action shall not be effective until approved by DOF. In the event that DOF returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for DOF approval and the modified oversight board action shall not become effective until approved by DOF.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY ("SUCCESSOR AGENCY"), HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34180(g).

Section 3. The Oversight Board hereby approves a revision to the second ROPS as shown on Exhibit A, attached hereto, and hereby directs the staff of the Successor Agency to post the revised second ROPS on the Successor Agency's Internet website (being a page on the Internet website of the City of Rancho Palos Verdes) and submit the revised second ROPS to the County Auditor-Controller and State Controller's Office ("SCO") and to the DOF, together with a copy of this Resolution and the telephone number and email contact information for the Finance Officer of the Successor Agency, the official designated by the Oversight Board to whom DOF may make a request for review in connection with ROPS. Unless the County Auditor-Controller, the SCO, or DOF directs otherwise, such submittal may be by mail or electronic means, and a notification providing the Internet website location of the posted documents will suffice.

Section 4. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

PASSED AND ADOPTED this 20th day of June, 2012.

Chair

ATTEST:

Secretary

EXHIBIT A

**SUCCESSOR AGENCY TO THE
RANCHO PALOS VERDES REDEVELOPMENT AGENCY
REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2012 through December 31, 2012)**

Name of Agency: Rancho Palos Verdes Redevelopment Agency
 Project Area(s) Project Area No. 1

Exhibit A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177

	Project Name / Debt Obligation	Payee	Description	Funding Source	Total Outstanding Debt or Obligation as of June 30, 2012	Total Due During Six-Month Period							Total
							Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	
1)	1997 Tax Increment Bond	County of Los Angeles	Restructured debt to abate active landslides within the Project Area	Redevelopment Property Tax Trust Fund	5,084,480.77	246,625.00	0.00	0.00	0.00	0.00	0.00	246,625.00	\$ 246,625.00
2)	1997 Deferred Interest Debt	County of Los Angeles	Accrued interest on original debt to abate active landslides in the Project Area	Redevelopment Property Tax Trust Fund	434,903.09	434,903.09	0.00	0.00	0.00	0.00	0.00	434,903.09	\$ 434,903.09
3)	Consolidated Loan from City	City of Rancho Palos Verdes	Loan from City to abate active landslides in the Project Area	Redevelopment Property Tax Trust Fund	19,290,240.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
4)	Abalone Cove Property Assessment	Abalone Cove Landslide Abatement District	Property assessment for parcels owned by Agency	Redevelopment Property Tax Trust Fund, or cash on hand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
5)	Klondike Canyon Property Assessment	Klondike Canyon Landslide Abatement District	Property assessment for parcels owned by Agency	Redevelopment Property Tax Trust Fund, or cash on hand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
6)	AMCAL Affordable Housing	City of Rancho Palos Verdes Affordable Housing Fund	Loan to RDA Housing Fund that was then loaned to AMCAL to fund project construction costs	Repayments from AMCAL	1,350,276.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
7)	Administration	Various	Administrative costs related to dissolution activities (staffing, legal, insurance, supplies, building & equipment, etc.)	Redevelopment Property Tax Trust Fund - Administrative Cost Allowance, or cash on hand	N/A	125,000.00	20,833.34	20,833.34	20,833.33	20,833.33	20,833.33	20,833.33	\$ 125,000.00
8)	County Deferral of Tax Increment	County of Los Angeles	County deferral of tax increment it would otherwise receive pursuant to a Settlement Agreement	Redevelopment Property Tax Trust Fund	Unknown	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
9)													\$ -
10)													\$ -
11)													\$ -
12)													\$ -
13)													\$ -
14)													\$ -
15)													\$ -
Totals					\$ 26,159,900.99	\$ 806,528.09	\$ 20,833.34	\$ 20,833.34	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 702,361.42	\$ 806,528.09

