AGENDA 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 DEVELOPMENT CONFERENCE ROOM
30940 HAWTHORNE BOULEVARD
RANCHO PALOS VERDES, CALIFORNIA, 90275

WEDNESDAY, SEPTEMBER 24, 2014 AT 1:00 P.M.

Members:
Stefan Wolowicz (Chair), Ken Dyda (Vice-Chair), Lydia Cano, Kit Fox, Gregory O'Brien, Jr., Michael Seth Schneider

AGENDA POSTED: September 18, 2014
WEBSITE: www.palosverdes.com/rpv/

CALL TO ORDER

1. Roll Call

2. Flag Salute

3. Approval of Agenda

REGULAR BUSINESS

4. Meeting Minutes for February 26, 2014

   Recommendation:
   Adopt the draft meeting minutes as presented

5. Developments Relevant to Redevelopment Agency Dissolution (oral report only)

   Recommendation:
   Receive and file oral report

6. Conflict of Interest Code

   Recommendation:
   Adopt Resolution No. OB 2014-____, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES

REDEVELOPMENT AGENCY ADOPTING A CONFLICT OF INTEREST CODE CONTAINING DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

7. Reestablishment Agreement for City's Consolidated Loan to Former Redevelopment Agency

   Recommendation:
   Adopt Resolution No. OB 2014-____, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING THE EXECUTION OF A REESTABLISHMENT AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY AND THE CITY OF RANCHO PALOS VERDES

8. Property Related Issues

   Recommendation:
   a. Discuss Staff's recommendation not to order appraisals of the eleven parcels that were owned by the former Redevelopment Agency;
   b. Provide direction to Staff about whether to order appraisals; and
   c. Receive and file this report.

9. Recognized Obligation Payment Schedule and Administrative Allowance Budget for January 2015 through June 2015

   Recommendation:
   a. Adopt Resolution No. OB 2014-____, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING AN ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2015 AND ENDING JUNE 30, 2015, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH
   b. Adopt Resolution No. OB 2014-____, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2015 AND ENDING JUNE 30, 2015 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

10. Public comment for items not on the agenda

11. Member suggested agenda items for future meetings

12. Consider future meeting schedule and updated timeline

13. 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 agendized 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, FEBRUARY 26, 2014

CALL TO ORDER

Chair Wolowicz called the meeting to order at approximately 1:04 p.m. in the Community Room at Rancho Palos Verdes City Hall for the purpose of conducting business pursuant to the Agenda.

A. ROLL CALL

Roll call was answered as follows:

PRESENT: Cano, Fox, Schneider, Vice-Chair Dyda, and Chair Wolowicz
ABSENT: O'Brien

Also present were Deputy Director of Finance and Information Technology Downs, and Successor Agency Legal Counsel Carol Lynch and Robin Harris (via conference phone) of Richards Watson and Gershon.

B. FLAG SALUTE

Member Schneider led the Board in the Pledge of Allegiance.

C. APPROVAL OF AGENDA

Member Schneider moved to approve the agenda, and Member Cano seconded.

Hearing no objection, Chair Wolowicz ordered approval of the agenda as presented.

REGULAR BUSINESS

1. CONSIDER APPROVAL OF MINUTES FOR DECEMBER 11, 2013 MEETING

Member Fox moved to approve the December 11, 2013 minutes as presented, and Member Cano seconded.

Vice-Chair Dyda and Member Schneider abstained, as they were not in attendance on December 11, 2013.

The motion passed on the following roll call vote:
AYES: Cano, Fox, and Chair Wolowicz
NOES: None

2. RECEIVE UPDATE OF PENDING LEGISLATION, FREQUENTLY ASKED QUESTIONS, AND OTHER DEVELOPMENTS RELEVANT TO REDEVELOPMENT AGENCY DISSOLUTION

Staff provided brief oral comments about relevant updates to the California Department of Finance website. Counselor Harris indicated that she had no new information regarding legislation or litigation.

3. DISCUSSION OF APPRAISALS OF PROPERTIES TO BE CONVEYED TO THE CITY

Counselor Lynch provided brief oral comments. Board discussion ensued, and Legal Counsel answered Board Member questions. Board Members appeared to be in agreement with Staff's recommendation to defer action on obtaining property appraisals until the Department of Finance approves the Long-Range Property Management Plan.

Chair Wolowicz requested that a resolution to memorialize deferral of property appraisals be presented on the next meeting agenda.

4. DISCUSSION OF INDEPENDENT LEGAL COUNSEL

Late correspondence (a Staff Report from Successor Agency Legal Counsel) was distributed for this item and became a part of the public record of this meeting. Legal Counsel and Staff provided brief oral comments and answered Member questions.

Deputy Director Downs indicated that she had contacted two County Staff persons to inquire about whether County Counsel had provided any guidance to Oversight Boards regarding retention of independent legal counsel; and that both contacts (Ivonne Umana and Rhonda Rangel) had indicated that they had not heard of any such guidance.

Mr. Esteban Padilla from the County Board of Supervisors Office introduced himself to the Board; and at the request of Chair Wolowicz, indicated that he would raise the topic of independent legal counsel with his office.

Chair Wolowicz requested that the Board be advised if a situation arises whereby it would be in the Board's interest to obtain outside legal counsel. Counselor Lynch agreed.

Counselor Lynch confirmed Vice-Chair Dyda's assertion that although there may not be a current need to retain outside legal counsel, the Board has the ability to do so in the future.

5. DISCUSSION OF AND CONSIDER ADOPTION OF RESOLUTION APPROVING REPAYMENT OF CITY CONSOLIDATED LOAN

Staff provided brief oral comments. Board discussion ensued, and both Staff and Legal Counsel answered Member questions.

Chair Wolowicz requested that the minutes reflect Legal Counsel's report that various agency disputes with the California Department of Finance have been related to the accrual of interest on sponsoring entity loans, and have not been related to the repayment formula outlined in dissolution law.

Chair Wolowicz also requested that the minutes reflect Staff's report that:

- The outstanding principal balance of the City's Consolidated Loan is $6.7 million;
- Considering the repayment amount listed on the Recognized Obligation Payment Schedule (ROPS) 14-15A of $36,458, it would likely be many years before the principal amount is repaid; and
- The question of interest accrual would not likely become relevant during the tenure of the Board.

Chair Wolowicz requested that the minutes reflect Vice-Chair Dyda's assertion that the actions of the Board will impact the Successor Agency long after the Board is dissolved in 2016.

Member Schneider moved to adopt the proposed resolution, and Member Cano seconded the motion.

The motion passed on the following roll call vote:
AYES: Cano, Fox, Schneider, Vice-Chair Dyda, and Chair Wolowicz
NOES: None

The Oversight Board adopted Resolution OB 2014-01, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING THE REPAYMENT OF THE CONSOLIDATED LOAN AGREEMENT BETWEEN THE FORMER RANCHO PALOS VERDES REDEVELOPMENT AGENCY AND THE CITY OF RANCHO PALOS VERDES IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4, AND TAKING CERTAIN RELATED ACTIONS.

6. DISCUSSION OF AND CONSIDER ADOPTION OF RESOLUTIONS APPROVING ROPS14-15A AND THE ADMINISTRATIVE ALLOWANCE BUDGET FOR JULY 2014 THROUGH DECEMBER 2014

Staff provided brief oral comments and answered Members' questions.

Chair Wolowicz requested that the minutes reflect that the self-reported adjusted ROPS funding request of $211,708 was calculated as follows:

- ROPS obligations totaling $361,708;
- Less budgeted administrative costs of $100,000 for the prior period reconciled with ROPS14-15A (July through December 2013) to be funded with cash on hand (line J on the ROPS Summary Schedule);
- Less budgeted administrative costs of $50,000 for the current period January through June 2014 to be funded with cash on hand (line C on the ROPS Summary Schedule).

Chair Wolowicz requested that a future agenda item be added for a presentation of the Successor Agency's financial statements and correlation to numbers that appear on the ROPS.

Member Schneider moved to adopt the proposed resolution to approve the administrative budget of $50,000 for July through December 2014, and Vice-Chair Dyda seconded the motion.

The motion passed on the following roll call vote:
AYES: Cano, Fox, Schneider, Vice-Chair Dyda, and Chair Wolowicz
NOES: None

The Oversight Board adopted Resolution OB 2014-02, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING AN ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JULY 1, 2014 AND ENDING DECEMBER 31, 2014, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH.

Member Cano moved to adopt the proposed resolution to approve ROPS14-15A, and Member Schneider seconded the motion.

The motion passed on the following roll call vote:
AYES: Cano, Fox, Schneider, Vice-Chair Dyda, and Chair Wolowicz
NOES: None

The Oversight Board adopted Resolution OB 2014-03, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JULY 1, 2014 AND ENDING DECEMBER 31, 2014 PURSUANT

TO HEALTH AND SAFETY CODE SECTION 34180, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH.

7. RECEIPT OF FINAL RESOLUTION MAKING THE FINDING THAT THE CITY'S CONSOLIDATED LOAN WAS MADE FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND DISCUSSION OF THE RESOLUTION PROCESS

The resolution was presented in final form, as Board edits were orally read into the public record on December 11, 2013. Staff agreed that resolutions for the permanent record should include signature of the Chair or Vice-Chair.

Counselor Lynch indicated that she would provide a letter to the Board that includes Legal Counsel's representation at the December 11, 2013 meeting that the Board had been provided with sufficient documentation to make a finding.

8. PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

None.

9. MEMBER SUGGESTED AGENDA ITEMS FOR FUTURE MEETINGS

During discussion of other items on the agenda, the following items were added:

- Chair Wolowicz requested that a resolution to memorialize deferral of property appraisals be presented on the next meeting agenda.
- Chair Wolowicz requested that a future agenda item be added for a presentation of the Successor Agency's financial statements and correlation to numbers that appear on the ROPS.

No additional items were identified.

10. CONSIDER FUTURE MEETING SCHEDULE AND UPDATED TIMELINE

Staff recommended the next meeting to be in September for the next ROPS approval cycle. Members agreed to tentatively schedule the next meeting for September 24, 2014.

Staff agreed that if the DOF contacts the Successor Agency regarding the Long-Range Property Management Plan, that Staff would contact the Board to consider an additional meeting date.

11. ADJOURNMENT

Hearing no objections, Chair Wolowicz ordered the meeting adjourned at approximately 2:09pm.

ATTEST:

Steve Wolowicz, Chair

Kathryn Downs, Recording Person

CITY OF RANCHO PALOS VERDES

MEMORANDUM

TO: HONORABLE CHAIR AND MEMBERS OF THE BOARD

FROM: CAROL W. LYNCH, COUNSEL TO THE SUCCESSOR AGENCY AND KATHRYN DOWNS, OVERSIGHT BOARD STAFF LIAISON

DATE: SEPTEMBER 24, 2014

SUBJECT: BIENNIAL REVIEW OF THE CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY

RECOMMENDATION

ADOPT RESOLUTION NO. OB 2014-___, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY, ADOPTING AN AMENDED CONFLICT OF INTEREST CODE AND REPEALING RESOLUTION NO. OB 2012-03.

INTRODUCTION

Adoption of this proposed resolution will update the Oversight Board of the Successor Agency to the Rancho Palos Verdes Redevelopment Agency's Conflict of Interest Code to reflect those changes that have occurred since the last update in June 2012 and incorporate changes made to the Fair Political Practices Commission's (FPPC) model code.

BACKGROUND

The Oversight Board of the Successor Agency to the Rancho Palos Verdes Redevelopment Agency, ("Oversight Board") adopted the FPPC's model Conflict of Interest Code in June 2012. Government Code Section 87306.5 requires that agencies amend their codes during even numbered years to reflect the creation of new positions, deletion of positions, changes in any titles, as well as any changes made to the Political Reform Act. Since the Oversight Board's code was adopted in June 2012, the following change has occurred in the Oversight Board's reporting schedule:

- The position of Oversight Board Staff Liaison has been added.

Since 2012, when the Oversight Board last updated its Conflict of Interest Code, the FPPC has made only two substantive changes to its model code. First, the gift limit has been raised from $420 dollars to $440 dollars. Second, additional language has been added to provide service members additional time to file annual statements if called to duty.

The revised model code is attached hereto as Exhibit “A”.

CONCLUSION

Since 2012, certain changes have occurred in the Agency’s job titles and in the FPPC’s model code that require the Agency’s Conflict of Interest Code be updated. The attached Resolution and Appendices have been reviewed by the Counsel to the Successor Agency.

Attachments:

Resolution No. OB 2014-___ - Adopting an Amended Conflict of Interest Code
Exhibit “A” to Resolution – FPPC Model Code
Appendix A to Resolution No. OB 2014-__

RESOLUTION NO. OB 2014-___

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY ADOPTING AN AMENDED CONFLICT OF INTEREST CODE AND REPEALING RESOLUTION NO. OB 2012-03.

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 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 for each department of the Oversight Board.

Section 2. The Fair Political Practices Commission ("FPPC") 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.

Section 3. Pursuant to Resolution No. OB 2012-03, the Oversight Board adopted a Conflict of Interest Code containing designated positions and disclosure categories. By this Resolution, the Oversight Board is adopting an updated Conflict of Interest Code with those same designated positions and disclosure categories, and the addition of three designated positions. Additionally, this amendment to the Oversight Board's Conflict of Interest Code is inclusive of the 2014 version of the Model Code, as updated by the FPPC, rather than the 2012 version of the Model Code.

Section 4. The Model Code, attached hereto as Exhibit "A" and any amendments to it duly adopted by the Fair Political Practices Commission from time to time, 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 5. Persons holding designated positions listed in Appendix A to this Resolution shall file Statements of Economic Interest pursuant to Section 5 of the Conflict of Interest Code (2 California Code of Regulations 18730(b)(5)) with the information required for the disclosure category assigned to them.

Section 6. The Oversight Board hereby directs the Secretary of the Oversight Board and the Oversight Board Counsel 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 department or 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.

Section 7. Resolution No. OB 2012-03 is hereby repealed in its entirety.

Section 8. The Secretary of the Oversight Board shall certify to the passage and adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 24th day of September 2014.

____
Chairman

Attest:

____
Oversight Board Staff Liaison

EXHIBIT A

(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. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(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 property[3] 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 $440.

(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 $440 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 $440 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.

1 Designated 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.

2 See 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.

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

4 Investments 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.

5 A 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.

6 Income 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.

RESOLUTION NO. OB 2014-__ - APPENDIX A

Conflict of Interest Code

Designated Positions and Disclosure Categories for the Oversight Board for the Successor Agency to the Rancho Palos Verdes Redevelopment Agency ("Oversight Board")

Designated Positions	Disclosure Categories
Oversight Board Member	1, 2, 3, 4
Oversight Board Secretary	5
Oversight Board Staff Liaison	5

Disclosure Categories

1. Reportable interests in real property in the jurisdiction. (Form 700, Schedule B.)

2. Reportable income, loans and business positions. (Form 700, Schedule C).

3. Reportable investments. (Form 700, Schedules A-1 and A-2).

4. Reportable gifts and travel payments. (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.

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CITY OF RANCHO PALOS VERDES

MEMORANDUM

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

FROM: DENNIS McLEAN, SUCCESSOR AGENCY FINANCE OFFICER

DATE: SEPTEMBER 24, 2014

SUBJECT: REESTABLISHMENT AGREEMENT FOR CITY'S CONSOLIDATED LOAN TO FORMER REDEVELOPMENT AGENCY

REVIEWED: CAROL LYNCH, SUCCESSOR AGENCY LEGAL COUNSEL

Staff Coordinator: Kathryn Downs, Deputy Director of Finance, City of Rancho Palos Verdes

RECOMMENDATION

Adopt Resolution No. OB 2014-___, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING THE EXECUTION OF A REESTABLISHMENT AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY AND THE CITY OF RANCHO PALOS VERDES.

BACKGROUND AND DISCUSSION

Recommended Action

Legal Counsel for the Successor Agency recommended that the City and the Successor Agency enter into a Loan Reestablishment Agreement expressly stating that the City's Consolidated Loan (Loan) is to be repaid under the requirements of redevelopment dissolution law. The Agreement would memorialize the reestablishment of the Loan in accordance with the repayment formula set forth in Health and Safety Code Section 34191.4, as described below. The City Council and the Successor Agency Board approved the Reestablishment Agreement on March 4, 2014.

The Oversight Board must approve the execution and delivery by the Successor Agency of the Reimbursement Agreement in order for the Agreement to be effective.

Approval History of the Loan

- On December 11, 2013, the Oversight Board made a finding that the Loan was made for legitimate redevelopment purposes.
- On January 27, 2014, Staff received notification that the DOF approved the Oversight Board's finding, and that the Loan may be added to the Recognized Obligation Payment Schedule (ROPS).
- On February 26, 2014, the Oversight Board approved repayment of the Loan in accordance with dissolution law that provides for a repayment formula.
- On April 3, 2014, Staff received notification that the DOF approved ROPS14-15A, including repayment of the Loan pursuant to the repayment formula.

RESOLUTION NO. OB 2014-_______

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING THE EXECUTION OF A REESTABLISHMENT AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY AND THE CITY OF RANCHO PALOS VERDES

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal.4th 231(2011)*, the Rancho Palos Verdes Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the successor agency to the Rancho Palos Verdes Redevelopment Agency (the "Successor Agency") was established, and an oversight board to the Successor Agency (the "Oversight Board") was established.

B. Pursuant to Health and Safety Code Section 34171(d)(2), enforceable obligations of the Former Agency do not include the Consolidated Loan Agreement between the City of Rancho Palos Verdes and the Former Agency, on file in the office of the Successor Agency Secretary (the "Loan Agreement").

C. Pursuant to Health and Safety Code Section 34191.4(b)(1), notwithstanding Health and Safety Code Section 34171(d)(2), upon the Successor Agency's receipt of a finding of completion from the California Department of Finance (the "DOF") pursuant to Health and Safety Code Section 34179.7 (the "Finding of Completion"), the Loan Agreement shall be deemed to be an enforceable obligation provided the Oversight Board makes a finding that the Loan Agreement was for legitimate redevelopment purposes.

D. The DOF issued a Finding of Completion to the Successor Agency on April 26, 2013.

E. By its Resolution No. OB 2013-09, the Oversight Board found that the Loan Agreement was for legitimate redevelopment purposes.

F. By its letter dated January 27, 2014, the DOF approved Oversight Board Resolution No. 2013-09, and stated that the Successor Agency may now place the Loan Agreement on a Recognized Obligation Payment Schedule ("ROPS") commencing with ROPS 14-15A, provided that the repayment of the Loan Agreement is subject to the repayment formula outlined in Health and Safety Code Section 34191.4.

G. Pursuant to Health and Safety Code Section 34191.4 (b)(2), the accumulated interest on the remaining principal amount of the Loan Agreement shall be recalculated from origination at the interest rate earned by funds deposited in the Local Agency Investment Fund ("LAIF"); the Loan Agreement shall be repaid to the City in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the LAIF; the maximum repayment amount authorized each fiscal year shall be equal to one-half of the increase between the amount distributed to taxing entities pursuant to Health and Safety Code Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to Section 34183(a)(4) in the 2012-13 base year; and twenty percent of each Loan Agreement repayment shall be deducted and transferred to the Low and Moderate Income Housing Asset Fund established by the City as the successor to the housing functions and assets of the Former Agency.

H. By its Resolution No. OB 2014-01, the Oversight Board (i) found that the Original Loan Agreement, as modified in accordance with the provisions of Health and Safety Code Section 34191.4, is reestablished and constitutes an enforceable obligation; (ii) approved the repayment of the Original Loan Agreement in accordance with a repayment schedule which meets the requirements of Health and Safety Code Section 34191.4 and which provides for the inclusion on each ROPS, commencing with ROPS 14-15A, of up to the maximum repayment amount, calculated in accordance with Health and Safety Code Section 34191.4, until the Original Loan Agreement has been paid in full, including all accumulated and accrued interest thereon; and (iii) found that repayment of the Original Loan Agreement in accordance with such repayment schedule provides for repayment over a reasonable term of years**.**

I. The Successor Agency and the City desire to enter into an agreement to evidence the reestablishment of the Original Loan in accordance with the requirements of Health and Safety Code Section 34191.4.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT 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. The Oversight Board hereby approves the execution and delivery by the Successor Agency of the Reimbursement Agreement, substantially in the form attached hereto as Exhibit A.

Section 3. The members of this Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Reimbursement Agreement.

PASSED, APPROVED, AND ADOPTED this 24th day of September, 2014

____
CHAIR

ATTEST:

____
SECRETARY

Exhibit A

REESTABLISHMENT AGREEMENT

This **REESTABLISHMENT AGREEMENT** (this "Reestablishment Agreement"), dated as of March 4, 2014, is entered into by and between the CITY OF RANCHO PALOS VERDES (the "City") and the SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY (the "Successor Agency," and together with the City, the "Parties," with each being a "Party").

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal.4th 231(2011)*, the Rancho Palos Verdes Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency was established, and an oversight board to the Successor Agency (the "Oversight Board") was established.

B. Pursuant to Health and Safety Code Section 34171(d)(2), enforceable obligations of the Former Agency do not include the Consolidated Loan Agreement between the City of Rancho Palos Verdes and the Former Agency, on file in the office of the Successor Agency Secretary (the "Original Loan Agreement" or "Original Loan").

C. Pursuant to the Health and Safety Code Section 34191.4(b)(1), notwithstanding Health and Safety Code Section 34171(d)(2), the Original Loan Agreement shall be deemed to be an enforceable obligation provided the State Department of Finance (the "DOF") has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7 (the "Finding of Completion") and the Oversight Board makes a finding that the Original Loan Agreement was for legitimate redevelopment purposes.

D. The DOF issued a Finding of Completion to the Successor Agency on April 26, 2013.

E. By its Resolution No. OB 2013-09, the Oversight Board found that the Original Loan Agreement was for legitimate redevelopment purposes.

F. By its letter dated January 27, 2014, the DOF approved Oversight Board Resolution No. 2013-09, and stated that the Successor Agency may now place the Original Loan Agreement on a Recognized Obligation Payment Schedule ("ROPS") commencing with ROPS 14-15A, provided that the repayment of the Loan Agreement is subject to the repayment formula outlined in Health and Safety Code Section 34191.4.

G. Pursuant to Health and Safety Code Section 34191.4(b)(2), the accumulated interest on the remaining principal amount of the Original Loan shall be recalculated from origination at the interest rate earned by funds deposited in the Local Agency Investment Fund ("LAIF"). The Original Loan shall be repaid to the City in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the LAIF; the maximum repayment amount authorized each fiscal year shall be equal to one-half of the increase between the amount distributed to taxing entities pursuant to Health and Safety Code Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to Section 34183(a)(4) in the 2012-13 base year; and twenty percent of each Original Loan Agreement repayment shall be deducted and transferred to the Low and Moderate Income Housing Asset Fund established by the City as the successor to the housing functions and assets of the Former Agency.

H. As of the dated date of this Reestablishment Agreement, the remaining principal amount of the Original Loan is $6,742,776.

I. By its Resolution No. OB 2014-01, the Oversight Board (i) found that the Original Loan Agreement, as modified in accordance with the provisions of Health and Safety Code Section 34191.4, is reestablished and constitutes an enforceable obligation; (ii) approved the repayment of the Original Loan Agreement in accordance with a repayment schedule which meets the requirements of Health and Safety Code Section 34191.4 and which provides for the inclusion on each ROPS, commencing with ROPS 14-15A, of up to the maximum repayment amount, calculated in accordance with Health and Safety Code Section 34191.4, until the Original Loan Agreement has been paid in full, including all accumulated and accrued interest thereon; and (iii) found that repayment of the Original Loan Agreement in accordance with such repayment schedule provides for repayment over a reasonable term of years**.**

J. The Successor Agency and the City are entering into this Reestablishment Agreement to evidence the reestablishment of the Original Loan in accordance with the requirements of Health and Safety Code Section 34191.4.

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

<u>Section 1.</u> The above recitals are true and correct and are a substantive part of this Reestablishment Agreement.

<u>Section 2.</u> This Reestablishment Agreement shall not become effective until it has been approved by the Oversight Board by resolution and the Department of Finance has approved such resolution or the resolution is deemed approved by the Department of Finance pursuant to Health and Safety Code Section 34179(h).

<u>Section 3.</u> The Parties acknowledge and agree that the Original Loan is reestablished in accordance with the requirements of Health and Safety Code Section 34191.4 and the provisions of this Reestablishment Agreement.

<u>Section 4.</u> The Successor Agency agrees to repay the Original Loan in accordance with the requirements of Health and Safety Code Section 34191.4, and as described herein, until the Original Loan has been paid in full, including all accumulated and accrued interest on the Original Loan. The Successor Agency agrees to include up to the maximum authorized repayment amount, as described herein for the repayment of the Original Loan on each Recognized Obligation Payment Schedule (“ROPS”),

commencing with ROPS 14-15A, and to remit to the City such amounts within a reasonable time after each distribution of moneys to the Successor Agency from the Redevelopment Property Tax Trust Fund.

Section 5. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Reestablishment Agreement.

Section 6. The Parties shall maintain records of all the repayments of the Original Loan made by the Successor Agency to the City and the City shall maintain records of all deductions from the City Loan repayments transferred to the Low and Moderate Income Housing Asset Fund. Such records will be available for inspection by the Parties at all reasonable times.

Section 7. This Reestablishment Agreement may be amended at any time, and from time to time, in writing by the Parties.

Section 8. This Reestablishment Agreement shall terminate when the Original Loan has been paid in full, including all accumulated and accrued interest thereon.

Section 9. Except as expressly set forth herein or as required by Health and Safety Code Section 34191.4, the provisions of the Original Loan Agreement remain in full force and effect. In the event of a conflict between the provisions of the Original Loan Agreement and Health and Safety Code Section 34191.4, the provisions of Section 34191.4 shall prevail.

Section 10. If any one or more of the covenants or agreements provided in this Reestablishment Agreement on the part of the City or the Successor Agency to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Reestablishment Agreement.

Section 11. All the covenants, promises and agreements in this Reestablishment Agreement contained by or on behalf of the Successor Agency or the City shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 12. This Reestablishment Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

IN WITNESS WHEREOF, the Parties have caused this Reestablishment Agreement to be executed by their duly authorized representatives.

CITY OF RANCHO PALOS VERDES

By: ______________________________
Mayor

Attest:

By: ______________________________
City Clerk

SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY

By: ______________________________
Chair

Attest:

By: ______________________________
Secretary

APPROVED:

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY

By ______________________________
Chair

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CITY OF RANCHO PALOS VERDES

MEMORANDUM

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

FROM: CAROL W. LYNCH AND ROBIN HARRIS, COUNSEL TO THE SUCCESSOR AGENCY, AND
KATHRYN DOWNS, STAFF LIAISON TO THE OVERSIGHT BOARD

DATE: SEPTEMBER 24, 2014

SUBJECT: PROPERTY RELATED ISSUES

RECOMMENDATIONS

1. Discuss Staff's recommendation not to order appraisals of the eleven parcels that were owned by the former Redevelopment Agency;
2. Provide direction to Staff about whether to order appraisals; and
3. Receive and file this report.

INTRODUCTION

The purpose of this report is to provide an update to the Board about several issues pertaining to properties that were owned by the former Redevelopment Agency and to request direction from the Board about whether the Board concurs with Staff's recommendation not to obtain appraisals of those properties before they are approved to be conveyed to the City in accordance with the provisions of the Long Range Property Management Plan.

BACKGROUND

As the Board will recall, the Successor Agency, the Oversight Board, and the Department of Finance have approved the Long Range Property Management Plan ("LRPMP") that was prepared in connection with the eleven properties that were owned by the former Redevelopment Agency ("RDA").

On August 28, 2013, the Board toured these properties. All but one of the properties are located in the active landslide area of the City, and many of them show distress caused by the landslides. The one property that is not within the active landslide area is part of Abalone Cove Shoreline Park. The Board will recall that all of the lots that comprise Abalone Cove Shoreline Park are subject to deed restrictions that prevent their use for other than park or open space purposes.

Some of the other properties have public improvements located on them, such as Palos Verdes Drive South and City storm drain facilities, and others have private streets and structures owned by private individuals located on them. It is for these reasons, that the

LRPMP characterized the eleven properties for governmental use, since they realistically cannot be developed or used for other purposes. (In addition, title insurance will be extremely difficult if not impossible to obtain with respect to the properties in the active landslide area.)

City Staff also has been investigating whether there are any other interests in property that were owned by the former RDA that also need to be conveyed to the City. The list that has been developed so far includes easements across private properties that were conveyed to the RDA so the RDA could construct the Abalone Cove sewer system, which was a landslide abatement project. The former RDA also owned some dewatering wells and drainage lines from those wells, which also should be conveyed to the City. There also may be some storm drain easements that were owned by the RDA. Staff still is looking into that issue, since the storm drain easements typically are owned by the City. When Staff has compiled a complete list, Staff will present an agenda item to the City Council, the Successor Agency and the Oversight Board to accomplish the conveyance of all those interests to the City.

DISCUSSION

Early in the Redevelopment wind-down process a question arose regarding whether the Oversight Board should order appraisals of the 11 properties owned by the former RDA. At that time, Staff advised that it was premature to order appraisals for two reasons. First, it was uncertain how long it would take the Department of Finance to review the LRPMP, and appraisals become stale after approximately six to nine months. Second, we did not know whether the Department of Finance ("DOF") would approve the eleven properties for governmental use, and, if so, whether the DOF would require the City to pay compensation for the properties.

At this time, the Department of Finance has approved the LRPMP, and all 11 of the properties owned by the former RDA are categorized in the LRPMP for governmental use. The Dissolution Law is being interpreted by DOF as not requiring the payment of compensation for governmental use properties, in the absence of a pre-dissolution agreement between the City and the RDA requiring such compensation. In this case, no such agreements exist. Therefore, the properties may be conveyed to the City for no compensation. Accordingly, it is Staff's recommendation that the properties be conveyed to the City for no compensation, and that the Oversight Board not order appraisals of the 11 properties because that would be an unnecessary expenditure of money that can be distributed to the taxing entities.

Staff would like to point out that Richards, Watson & Gershon serves as counsel to a number of other successor agencies, and the Firm has been involved with a number of transfers of governmental use properties to cities. In none of those cases did the city pay for the properties or did the oversight board order an appraisal of the properties.

If the Board agrees with Staff's recommendation the next steps will be:

1. Staff finish compiling the list of the other property-related interests (easements, dewatering wells, etc.).
2. The Successor Agency Board and City Council approve the conveyance of the parcels and the property-related interests to the City.
3. The Oversight Board approve the conveyance of the properties and property-related interests to the City.
4. The actions of the Oversight Board regarding the properties and property-related interests are submitted to DOF for its review.

On the other hand, if the Board wishes to obtain appraisals, that will need to be accomplished prior to step 2 above. There is no deadline in the Dissolution Law by when the properties must be conveyed.

CONCLUSION

Given all of the physical constraints and deed restrictions that affect all eleven properties, they have been approved as "governmental use" properties to be conveyed to the City. Not obtaining appraisals is likely to save approximately $50,000, which is estimated to be the cost to obtain eleven appraisals, so that this money can be distributed to the taxing entities. Staff's recommendation not to obtain appraisals is consistent with the approach taken by other cities that have obtained "governmental use" properties from former redevelopment agencies.

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CITY OF RANCHO PALOS VERDES

MEMORANDUM

TO:	**HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY**
FROM:	**DENNIS McLEAN, SUCCESSOR AGENCY FINANCE OFFICER**
DATE:	**SEPTEMBER 24, 2014**
SUBJECT:	**RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR JANUARY 2015 THROUGH JUNE 2015**
REVIEWED:	**CAROL LYNCH, SUCCESSOR AGENCY LEGAL COUNSEL**
Staff Coordinator:	Kathryn Downs, Deputy Director of Finance, City of Rancho Palos Verdes

RECOMMENDATION

1. Adopt Resolution No. OB 2014-____, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING AN ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2015 AND ENDING JUNE 30, 2015, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH.
2. Adopt Resolution No. OB 2014-____, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2015 AND ENDING JUNE 30, 2015 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH.

BACKGROUND

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 Recognized Obligation Payment Schedule (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 ROPS will be used by the Los Angeles County Auditor-Controller to allocate money from the Redevelopment Property Tax Trust Fund (RPTTF), in order for the Successor Agency to make payments on enforceable obligations. Ultimate approval of each ROPS is granted once it is approved by the Oversight Board and reviewed by the California Department of Finance (DOF).

An Oversight Board approved ROPS 14-15B must be submitted to the state and county by October 1, 2014. Staff utilized the ROPS template issued by the DOF for period 14-15B. The attached ROPS14-15B has been test-uploaded to the state's system, and has passed the state's metrics for identifying errors within the schedule.

DISCUSSION

Total Obligations

The obligations for ROPS14-15B total $222,633 for the scheduled 1997 Tax Allocation Bond debt service payment, a payment of the City's consolidated loan (pursuant to dissolution law formula), parcel assessments, and administrative costs (see resolution Exhibit A ROPS14-15B, Page 3). Of that amount, $24,878 is to be funded with "Other Funds" (cash on hand), and $197,755 is to be funded with RPTTF.

Administrative Budget

The proposed $50,000 administrative budget for January 2015 through June 2015 provides for continued support of the Oversight Board. However, the proposed budget does not include an allocation for outside independent legal counsel. To date, Successor Agency Legal Counsel has been able to provide factual information to the Oversight Board and expects to continue to do so for the remaining tasks that are expected to come before the Board. Successor Agency Legal Counsel has agreed to advise the Oversight Board if a situation arises whereby it would be in the Board's interest to obtain outside legal counsel; which the Board may do so at any time.

Actual Historical Activity

At the February 26, 2014 meeting, Chair Wolowicz requested a presentation of the Successor Agency financial statements, along with a reconciliation to the ROPS.

The following documents are attached to this report.

1. Excerpt from the City of Rancho Palos Verdes Comprehensive Annual Financial Report dated June 30, 2013. The financial statements contained within the Report

were audited by the City's independent auditor, and received a clean opinion. The Successor Agency fund is reported as a fiduciary (private-purpose trust) fund. Staff expects the financial statements dated June 30, 2014 will be released in December 2014.

2. Cash Basis Summary by ROPS Period. This schedule includes both the cash account of the Successor Agency, and the impounded property tax account held by Los Angeles County. Both assets are used to pay obligations of the Successor Agency. The ending cash balance of the ROPS3 column ties to the cash balance in the June 30, 2013 financial statements. The ending impound account balance of the ROPS3 column is the primary amount included in the prepaid account balance in the June 30, 2013 financial statements. Additional prepaid amounts at June 30, 2013 include property assessments paid in June 2013 for the fiscal year that began in July 2013. The schedule includes all Successor Agency periods since dissolution. The columns for period 14-15A and 14-15B (the current fiscal year) are estimates only, based upon amounts submitted in the ROPS schedules.
3. Financial Statement Reconciliation to ROPS Amounts. This schedule reconciles amounts from the Cash Basis Summary by ROPS Period to the Change in Net Position financial statement dated June 30, 2013.
4. Schedule of City's Consolidated Loan FY12-13. This schedule details the accrued interest write-off that occurred during FY12-13 (reduction of interest rate per dissolution law), and the FY12-13 interest accrual at the reduced rate. Amounts in this schedule can be traced to the Financial Statement Reconciliation to ROPS Amounts, as well as the June 30, 2013 financial statements.

Staff will be prepared to answer Board Member questions, and to walk through the numbers during the meeting, if requested.

FISCAL IMPACT

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

RESOLUTION NO. OB 2014-

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING AN ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2015 AND ENDING JUNE 30, 2015, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. Health and Safety Code Section 34177(j) provides that a successor agency to a former redevelopment agency must prepare an administrative budget in accordance with the requirements of the Section 34177(j), with each administrative budget to include estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period; proposed sources of payment for the administrative costs; and proposals for arrangements for administrative and operations services provided by the city or another entity.

B. The Successor Agency to the Rancho Palos Verdes Redevelopment Agency (Successor Agency) has submitted to the Oversight Board of the Successor Agency to the Rancho Palos Verdes Redevelopment Agency (Oversight Board) an administrative budget for the six-month fiscal period that commences on January 1, 2015 and ends on June 30, 2015, attached hereto as Exhibit A and incorporated herein by reference ("Administrative Budget 14-15B").

C. Pursuant to Health and Safety Code Section 34177(k), the Successor Agency is required to provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County Auditor-Controller for each applicable six-month fiscal period.

D. The California Department of Finance (DOF) may review an oversight board action taken pursuant to AB X1 26. All oversight board actions shall not be effective for five 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 forty-five days from the date the oversight board action was transmitted to the DOF 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 that 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 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 34177(j).

Section 3. The Board hereby approves Administrative Budget 14-15B and hereby directs the staff of the Successor Agency to post the foregoing document on the Successor Agency's Internet website (being a page on the City's Internet website) and to submit the foregoing document to DOF. Unless 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 24th day of September, 2014.

____
Chair

ATTEST:

____
Secretary

EXHIBIT A

SUCCESSOR AGENCY TO THE
RANCHO PALOS VERDES REDEVELOPMENT AGENCY
ADMINISTRATIVE BUDGET
(January 1, 2015 through June 30, 2015)

Description	Amount
Staffing Costs	12,000
Legal Fees	12,000
Liability Insurance	10,000
Printing, Audits, Other Professional Services & Direct Charges	16,000
Total	**50,000**

RESOLUTION NO. OB 2014-

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE RANCHO PALOS VERDES REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2015 AND ENDING JUNE 30, 2015 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. Pursuant to Health and Safety Code Section 34180(g), establishment of a ROPS by the Successor Agency shall be approved by the Oversight Board.

C. Pursuant to Health and Safety Code Section 34177(m), a ROPS approved by the Oversight Board must be submitted to the California Department of Finance (DOF) by October 1, 2014 for the period January 1, 2015 through June 30, 2015 (ROPS 14-15B).

D. DOF may review an oversight board action taken pursuant to Health and Safety Code Sections 34177(m) and 34177(h). All oversight board actions shall not be effective for five business days after appropriate notice of the oversight board action is submitted to the DOF, pending a request for review by DOF. In the event that DOF requests review of a given oversight board action, DOF shall have forty-five days from the date of notification to the DOF 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 the ROPS 14-15B as presented in the attached Exhibit A; and hereby directs the staff of the Successor Agency to post the ROPS 14-15B on the Successor Agency's Internet website (being a page on the Internet website of the City of Rancho Palos Verdes); and submit the ROPS 14-15B 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 24th day of September, 2014.

____

Chair

ATTEST:

____

Secretary

EXHIBIT A

SUCCESSOR AGENCY TO THE
RANCHO PALOS VERDES REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(January 1, 2015 through June 30,2015)

Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary

Filed for the January 1, 2015 through June 30, 2015 Period

Name of Successor Agency: **Rancho Palos Verdes**

Name of County: Los Angeles

	Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
A	**Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):**	**$ 24,878**
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	24,878
E	**Enforceable Obligations Funded with RPTTF Funding (F+G):**	**$ 197,755**
F	Non-Administrative Costs (ROPS Detail)	172,633
G	Administrative Costs (ROPS Detail)	25,122
H	**Current Period Enforceable Obligations (A+E):**	**$ 222,633**

	Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I	Enforceable Obligations funded with RPTTF (E):	197,755
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
K	**Adjusted Current Period RPTTF Requested Funding (I-J)**	**$ 197,755**

	County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L	Enforceable Obligations funded with RPTTF (E):	197,755
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	**Adjusted Current Period RPTTF Requested Funding (L-M)**	**197,755**

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

Name Title

/s/

Signature Date

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail
January 1, 2015 through June 30, 2015
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation
								$ 16,827,185
1	1997 Tax Increment Bond	Bonds Issued On or	12/2/1997	12/2/2027	County of Los Angeles	Restructured debt to abate active	Project Area 1	4,655,000
2	1997 Deferred Interest Debt	City/County Loans On or Before 6/27/11	11/1/1997	12/2/2027	County of Los Angeles	Accrued interest on original debt to abate active landslides in the Project Area	Project Area 1	-
3	Consolidated Loan from City	City/County Loans On or Before 6/27/11	12/1/2003	11/27/2034	City of Rancho Palos Verdes	Loan from City to abate active landslides in the Project Area	Project Area 1	12,102,385
4	Abalone Cove Property Assessment	Miscellaneous	1/1/2014	6/30/2014	Abalone Cove Landslide Abatement District	Property assessment for parcels owned by Agency	Project Area 1	8,200
5	Klondike Canyon Property Assessment	Miscellaneous	1/1/2014	6/30/2014	Klondike Canyon Landslide Abatement District	Property assessment for parcels owned by Agency	Project Area 1	11,600
6	AMCAL Affordable Housing Project	Miscellaneous	3/20/2009	12/18/2065	City of Rancho Palos Verdes Affordable Housing Fund	Loan to RDA Housing Fund that was then loaned to AMCAL to fund project construction costs	N/A	
7	Administration	Admin Costs	1/1/2014	6/30/2014	Various	Administrative costs related to dissolution activities (staffing, legal, insurance, supplies, building & equipment, etc.)	N/A	50,000
8	County Deferral of Tax Increment	Miscellaneous	11/1/1997	11/27/2034	County of Los Angeles	County deferral of tax increment it would otherwise receive pursuant to a Settlement Agreement	N/A	

A	B	J	K	L	M	N	O	P
			Funding Source					
			Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
			$ -	$ -	$ 24,878	$ 172,633	$ 25,122	$ 222,633
1	1997 Tax Increment Bond	N				116,375		116,375
2	1997 Deferred Interest Debt	N						-
3	Consolidated Loan from City	N				36,458		36,458
4	Abalone Cove Property Assessment	N				8,200		8,200
5	Klondike Canyon Property Assessment	N				11,600		11,600
6	AMCAL Affordable Housing Project	N						-
7	Administration	N			24,878		25,122	50,000
8	County Deferral of Tax Increment	N						-

Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments
ROPS 13-14B Actuals (01/01/14 - 06/30/14)								
1	**Beginning Available Cash Balance (Actual 01/01/14)**					114,716	190,539	
2	**Revenue/Income (Actual 06/30/14)** RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014					25,420	70,220	
3	**Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14)** RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q					54,187		
4	**Retention of Available Cash Balance (Actual 06/30/14)** RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B							
5	**ROPS 13-14B RPTTF Prior Period Adjustment** RPTTF amount should tie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S	No entry required					-	
6	**Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)**	-	-	-	-	**85,949**	**260,759**	
ROPS 14-15A Estimate (07/01/14 - 12/31/14)								
7	**Beginning Available Cash Balance (Actual 07/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)**	-	-	-	-	**85,949**	**260,759**	
8	**Revenue/Income (Estimate 12/31/14)** RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014					25,402	182,144	Col G = monthly receipts of $4,167 for note receivable installments; plus $400 estimated interest earnings on cash.
9	**Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)**					86,458	275,250	
10	**Retention of Available Cash Balance (Estimate 12/31/14)** RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A							
11	**Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**	-	-	-	-	**24,893**	**167,653**	

Recognized Obligation Payment Sched
Reported for the ROPS 13-14B (January 1, 2014 through June
(Report A

ROPS 13-14B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14B (January throug
14-15B (January through June 2015) period will be offset by the SA's self-reported ROPS 13-14B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) an

A	B	C	D	E	F	G	H	I	J	K	L	M	N
		Non-RPTTF Expenditures						RPTTF Expendi					
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					
Item #	Project Name / Debt Obligation	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 13-14B distributed + all other available as of 01/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized
		$ -	$ -	$ -	$ -	$ 76,634	$ 54,187	$ 104,668	$ 262,481	$ 104,668	$ 120,250	$ -	$ -
1	1997 Tax Increment Bond	-	-	-	-	15,582	-	104,668	262,481	104,668	120,250	-	
2	1997 Deferred Interest	-	-	-	-	-	-	-	-	-	-	-	
3	Consolidated Loan from City	-	-	-	-	-	-	-	-	-	-	-	
4	Abalone Cove Property Assessment	-	-	-	-	7,584	7,584	-	-	-	-	-	
5	Klondike Canyon Property Assessment	-	-	-	-	10,968	10,968	-	-	-	-	-	
6	AMCAL Affordable Housing Project	-	-	-	-	-	-	-	-	-	-	-	
7	Administration	-	-	-	-	42,500	35,635	-	-	-	-	-	
8	County Deferral of Tax Increment	-	-	-	-	-	-	-	-	-	-	-	

lule (ROPS 14-15B) - Report of Prior Period Adjustments
: 30, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
Amounts in Whole Dollars)

ROPS 13-14 June 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROP 14-15B (Jand the State Controlle

A	O	P	Q	R	S	T
	tures					
	Admin				**Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 14-15B Requested RPTTF)**	
Item #	**Available RPTTF** (ROPS 13-14B distributed + all other available as of 01/1/14)	**Net Lesser of Authorized / Available**	**Actual**	**Difference (If total actual exceeds total authorized, the total difference is zero)**	**Net Difference (M+R)**	**SA Comments**
	$ -	$ -	$ -	$ -	$ -	
1					-	Actual bond payment was $120,250; however, that amount was not paid from RPTTF distributed to SA. It was paid from RPTTF withheld by County prior to distributing RPTTF to SA.
2					-	
3					-	
4					-	
5					-	
6					-	
7					-	
8					-	

Recognized Obligation Payment Schedule (ROPS 14-15B) - Notes

January 1, 2015 through June 30, 2015

Item #	Notes/Comments
3	The Successor Agency continues to disagree with the DOF interpretation regarding the rate of interest accrual on City loans. Using the historical LAIF rate, the Successor Agency calculates the outstanding loan balance at June 30, 2014 (including accrued interest) is $12,088,604. If the current LAIF rate is earned for July through December 2014, then the estimated outstanding balance at December 31, 2014 would be $12,102,385. Per the DOF interpretation, the outstanding loan balance at December 31, 2014 would be $7,076,021.

CITY OF RANCHO PALOS VERDES

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2013

	Successor Agency to the Rancho Palos Verdes Redevelopment Agency Private-Purpose Trust Fund
ASSETS	
Cash and investments	$ 364,713
Receivables:	
Interest	161
Notes	154,940
Prepaid items	770,648
Land	166,296
TOTAL ASSETS	1,456,758
LIABILITIES:	
Accounts payable and accrued liabilities	233
Short-term liability:	
Due within one year - bond payable	135,000
Long-term liabilities:	
Due beyond one year - Portuguese Bend	8,606,181
Due beyond one year - Abalone Cove	3,452,397
Due beyond one year - deferred interest debt	62,294
Due beyond one year - bond payable	4,810,000
TOTAL LIABILITIES	17,066,105
NET POSITION (DEFICIT) HELD IN TRUST	$ (15,609,347)

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the year ended June 30, 2013

	Successor Agency to the Rancho Palos Verdes Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Taxes	$ 1,604,114
Use of money and property	1,283
TOTAL ADDITIONS	1,605,397
DEDUCTIONS:	
Administration	526,951
Debt Interest and fiscal charges	287,396
TOTAL DEDUCTIONS	814,347
EXTRAORDINARY GAIN ON DISSOLUTION OF REDEVELOPMENT AGENCY	7,267,627
CHANGE IN NET POSITION	8,058,677
NET POSITION (DEFICIT) - BEGINNING OF YEAR	(23,668,024)
NET POSITION (DEFICIT) - END OF YEAR	$ (15,609,347)

See accompanying notes to financial statements

Cash Basis Summary by ROPS Period	ROPS1 Feb-Jun 2012 Actual	ROPS2 Jul-Dec 2012 Actual	ROPS3 Jan-Jun 2013 Actual	ROPS13-14A Jul-Dec 2013 Actual	ROPS13-14B Jan-Jun 2014 Actual	ROPS14-15A Jul-Dec 2014 Estimate	ROPS14-15B Jan-Jun 2015 Estimate
Beginning Cash Balance	**546,494**	**625,260**	**438,142**	**364,713**	**305,255**	**528,852**	**467,796**
RPTTF Distributed to Successor Agency (1)	118,818		273,017		252,364		197,755
PBCHOA Repayments of Note Receivable (2)	20,835	20,844	29,166	25,002	25,002	25,002	25,002
Interest Income		394	738	397	418	400	400
Administrative Costs (staff, printing, insurance, etc.)	(38,527)	(41,790)	(40,764)	(64,042)	(26,049)	(38,000)	(38,000)
Legal Costs	(5,072)	(11,721)	(4,546)	(20,696)	(9,307)	(12,000)	(12,000)
Parcel Assessments	(17,288)	(113)	(17,505)	(119)	(18,831)		(19,800)
City's Consolidated Loan Repayment						(36,458)	(36,458)
Remit Excess Cash to State		(154,732)	(313,535)				
Ending Cash Balance	**625,260**	**438,142**	**364,713**	**305,255**	**528,852**	**467,796**	**584,695**
Beginning County Impound Account Balance	**291,532**	**546,560**	**306,806**	**753,144**	**432,225**	**419,963**	**144,713**
RPTTF Impounded (1)	381,653	379,481	569,963		935,713		400,000
1997 Tax Allocation Bond Interest	(126,625)	(126,625)	(123,625)	(123,625)	(120,250)	(120,250)	(116,375)
1997 Tax Allocation Bond Principal		(120,000)		(135,000)		(155,000)	
Deferred Interest Debt (paid-off in Nov 2013)		(372,610)		(62,294)			
Return to RPTTF for Distribution to Taxing Agencies (3)					(827,725)		(400,000)
Ending County Impound Account Balance	**546,560**	**306,806**	**753,144**	**432,225**	**419,963**	**144,713**	**28,338**

(1) Actual amounts in the ROPS14-15B column will include RPTTF distribution and impound for both ROPS14-15B (on January 2, 2015) and ROPS15-16A (on June 2, 2015). At this time, only the ROPS14-15B distribution and estimated impound is listed in this column.

(2) The Successor Agency holds a note receivable from the Portuguese Bend Club Homeowners Association. The outstanding balance at June 30, 2013 was $154,940. Staff expects that PBCHOA will pay-off the note in August 2016.

(3) As described in previous reports, the County's formulaic method for impounding RPTTF for 1997 Tax Allocation Bond payments results in more property tax being impounded than what is necessary to make the bond payments. During the ROPS13-14B period, the County released a large amount of previously impounded property tax back into the RPTTF account for distribution to taxing agencies. Staff expects the County may do the same for the ROPS 14-15B period.

Financial Statement Reconciliation to ROPS Amounts			**FY12-13**
Description	**Period**	**Amount**	**Change in Net Position**
RPTTF Received	ROPS3	273,017	
RPTTF Impounded	ROPS1	381,653	
RPTTF Impounded	ROPS2	379,481	
RPTTF Impounded	ROPS3	569,963	
Taxes			**1,604,114**
Interest Income	ROPS2	394	
Interest Income	ROPS3	738	
Interest Receivable	6/30/2012	(10)	
Interest Receivable	6/30/2013	161	
Use of Money & Property			**1,283**
Administrative Costs	ROPS2	(41,790)	
Administrative Costs	ROPS3	(40,764)	
Legal Costs	ROPS2	(11,721)	
Legal Costs	ROPS3	(4,546)	
Property Assessments	ROPS2	(113)	
Property Assessments	ROPS3	(17,505)	
Remit Excess Cash to State	ROPS2	(154,732)	
Remit Excess Cash to State	ROPS3	(313,535)	
Accounts Payable	6/30/2012	57,772	
Accounts Payable	6/30/2013	(233)	
Prepaid Assessments	6/30/2012	(17,288)	
Prepaid Assessments	6/30/2013	17,505	
Rounding		(1)	
Administration			**(526,951)**
1997 Tax Allocation Bond Interest	ROPS2	(126,625)	
1997 Tax Allocation Bond Interest	ROPS3	(123,625)	
City's Consolidated Loan Interest Accrual	FY12-13	(37,146)	
Debt Interest and fiscal charges			**(287,396)**
City's Consolidated Loan Accrued Interest Write-Off	FY12-13	7,267,627	
Extraordinary Gain			**7,267,627**
Change In Net Position			**8,058,677**

Schedule of City's Consolidated Loan FY12-13	**Portuguese Bend**	**Abalone Cove**	**Total**
City's Consolidated Loan June 30, 2012	14,510,123	4,778,936	19,289,059
Interest Accrual	26,511	10,635	37,146
Accrued Interest Write-Off	(5,930,453)	(1,337,174)	(7,267,627)
City's Consolidated Loan June 30, 2013	**8,606,182**	**3,452,397**	**12,058,578**

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DRAFT OVERSIGHT BOARD MILESTONES

		Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Recognized Obligation Payment Schedules																								
OB Meetings twice annually to consider ROPS	*14-15B due to DOF by Oct 1, 2014. 15-16A due to DOF by Mar 1, 2015.*																							
Disposition of Real Property																								
OB Meeting to consider conveyance of real property to City	*After property conveyance approved by Successor Agency Board. Unknown timing.*																							
Cessation of Local Oversight Board	*Jul 1, 2016, local Oversight Board to be replaced with county-wide Board.*																							