

STAFF REPORT

**OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY**

MEETING OF JANUARY 26, 2018

To: Honorable Chair and Members of the Oversight Board to the Successor Agency to the South Tahoe Redevelopment Agency

From: Debbie McIntyre, Finance Director

Re: Last and Final Recognized Obligation Payment Schedule

RECOMMENDATION:

Adopt Resolution approving the Last and Final Recognized Obligation Payment Schedule ("**LFROPS**") and taking related actions.

BACKGROUND:

Pursuant to Section 34177(o) of the Health and Safety Code ("**HSC**"), the Successor Agency must prepare and submit a Recognized Obligation Payment Schedule ("**ROPS**") every year, specifying the anticipated payments for enforceable obligations from July 1 of such year to June 30 of the following year. Each ROPS must be submitted to the Oversight Board and the State Department of Finance (the "**DOF**"). The Successor Agency may only make those payments for obligations that are listed on a DOF-approved ROPS.

SB 107 (enacted in September 2015) added HSC Section 34191.6, which permits a Last and Final Recognized Obligation Payment Schedule (the "**LFROPS**"). Once the Successor Agency's LFROPS is approved by the Oversight Board and the DOF, then among other things, the Successor Agency will no longer have to prepare a ROPS each year. Furthermore, most Oversight Board resolutions shall no longer be submitted to the DOF for review or approval. Oversight Board resolutions for authorization of refunding bonds, amendments to the LFROPS and the final Oversight Board resolutions pursuant to HSC Section 34187 (relating to termination of the Successor Agency after retirement of all enforceable obligations) are still subject to DOF review and approval.

With the completion of the latest bond refunding in September 2017, the Successor Agency expects no further significant changes to the Successor Agency's enforceable obligations. The submission of the LFROPS to the DOF would be a major step toward fulfilling the Successor Agency's task of winding down the former Redevelopment Agency's affairs.

ISSUE AND DISCUSSION:

Pursuant to Section 34191.6(a), the Successor Agency may submit the LFROPS to the Oversight Board and the DOF for approval, if the following conditions are met:

- (1) The remaining debt of the Successor Agency is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts;
- (2) All remaining obligations have been previously listed on a ROPS and approved for payment by the DOF; and
- (3) The Successor Agency is not a party to outstanding or unresolved litigation.

The Successor Agency is not a party to any outstanding or resolved litigation.

The Successor Agency has prepared the LFROPS to include all of the Successor Agency's expected remaining enforceable obligation payments, including repayment for outstanding bonds and the outstanding loan owed to the City of South Lake Tahoe (the "City Loan"). The Successor Agency's obligations with respect to the City Loan was recognized per Oversight Board Resolution No. 2014-5, adopted on July 15, 2014, and approved by the DOF on September 8, 2014.

Because the 2017 bond refunding was completed in September 2017, the 2017 bonds were not listed as a line item on ROPS 17-18 (*i.e.*, the ROPS most recently approved by the DOF for the period from July 2017 through June 2018) or any other prior ROPS. Nonetheless, the Successor Agency plans to submit Oversight Board-approved ROPS 18-19 (*i.e.*, the ROPS for the period from July 2018 through June 2019) concurrently with its submission of the LFROPS. The line item for the 2017 bonds which appears in both ROPS 18-19 and the LFROPS effectively replaces the line item in the prior DOF-approved ROPS for the 2007 bonds that were refunded by the 2017 bonds. Furthermore, it is expected that the DOF will review ROPS 18-19 and the LFROPS concurrently or otherwise approve the LFROPS after having first approved ROPS 18-19. As such, the LFROPS will consist only of obligations approved by the DOF on a ROPS. Per informal discussion with DOF staff, that would be sufficient.

After the LFROPS is submitted to the DOF for approval, the DOF will have 100 days to review. The DOF may make changes to the LFROPS, upon agreement by the Successor Agency in writing. The attached Resolution authorizes the Successor Agency to negotiate with the DOF regarding any such changes and execute any related agreement.

After DOF approval, the LFROPS will become effective on the first day of the subsequent Redevelopment Property Tax Trust Fund ("RPTTF") distribution period (*i.e.*, June 1 or January 2); provided, if the LFROPS is approved less than 15 days before the date of a RPTTF distribution date, the LFROPS will not be effective until the subsequent RPTTF distribution period.

Upon DOF's approval of the LFROPS, the LFROPS will establish the maximum amount of moneys that the Successor Agency will receive from the RPTTF for each fiscal year. The Successor Agency may make no more than two requests to the DOF to amend LFROPS.

FINANCIAL AND/OR POLICY IMPLICATIONS:

The adoption of the LFROPS is a major step toward fulfilling the Successor Agency's task of winding down the former Redevelopment Agency's affairs. With an approved LFROPS, the Successor Agency and the Oversight Board will be spared the time and resources required with respect to the preparation, review and approval of the future annual ROPS.

Debbie McIntyre, Director of Finance
Successor Agency to South Tahoe Redevelopment Agency

Attachments:

1. Resolution
2. Exhibit A to Resolution – Last and Final Recognized Obligation Payment Summary Schedule – The LFROPS substantially and in form is on file with the Secretary of the Successor Agency.

RESOLUTION NO. _____

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE SOUTH TAHOE
REDEVELOPMENT AGENCY APPROVING A LAST AND
FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE
AND TAKING RELATED ACTIONS**

WHEREAS, the former South Tahoe Redevelopment Agency (the "**Former Agency**") was a redevelopment agency constituted pursuant to the provisions of the Community Redevelopment Law set forth in Section 33000 *et seq.* of the Health and Safety Code ("**HSC**") of the State of California (the "**State**"); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012; the Successor Agency to the South Tahoe Redevelopment Agency (the "**Successor Agency**") as the successor to the Former Agency was constituted; and an Oversight Board to the Successor Agency (the "**Oversight Board**") was established; and

WHEREAS, the Successor Agency is tasked with the wind down of the Former Agency's affairs; and

WHEREAS, pursuant to HSC Section 34177(o), the Successor Agency must prepare and submit an Oversight Board-approved Recognized Obligation Payment Schedule (the "**ROPS**") to the State Department of Finance (the "**DOF**") by February 1 of each year listing the anticipated payments for enforceable obligations to be made by the Successor Agency from July 1 of such year to June 30 of the following year; and

WHEREAS, the Successor Agency has submitted a ROPS for the period from July 1, 2018 through June 30, 2019 ("**ROPS 18-19**") to the Oversight Board for approval; and

WHEREAS, pursuant to HSC Section 34191.6, the Successor Agency may submit a Last and Final Recognized Obligation Payment Schedule (the "**LFROPS**") for approval by the Oversight Board and the DOF, if the following conditions are met:

(1) The remaining debt of the Successor Agency is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts;

(2) All remaining obligations have been previously listed on a ROPS and approved for payment by the DOF; and

(3) The Successor Agency is not a party to outstanding or unresolved litigation; and

WHEREAS, the Successor Agency is not a party to any outstanding or unresolved litigation; and

WHEREAS, the Successor Agency has prepared an LFROPS listing the payment schedules through June 30, 2041, for the Successor Agency's administrative expenses and enforceable obligations, including repayment for outstanding bond notes and the outstanding loan owed to the City of South Lake Tahoe (which was re-established pursuant to HSC Section 34191.4, and approved per Oversight Board Resolution No. 2014-5, adopted on July 15, 2014, and further approved by the DOF on September 8, 2014); and

WHEREAS, upon the Oversight Board's approval of ROPS 18-19 and the LFROPS, the Successor Agency intends to submit ROPS 18-19 and the LFROPS to the DOF concurrently; and

WHEREAS, a line item that appears on both on ROPS 18-19 and the LFROPS is the Successor Agency's obligations relating to bond notes issued in September 2017 (the "**2017 Notes**") to refund notes previously issued in 2007 (the "**2007 Notes**"); and

WHEREAS, the line item for the 2017 Bonds did not appear in ROPS 17-18 (*i.e.*, the ROPS most recently approved by the DOF for the period from July 2017 through June 2018) or any other prior ROPS, it is effectively a replacement for the line items in the prior DOF-approved ROPS for the 2007 Notes; and

WHEREAS, furthermore, because it is expected that the DOF will review ROPS 18-19 and the LFROPS concurrently or otherwise approve the LFROPS after having first approved ROPS 18-19, the LFROPS will consist only of obligations approved by the DOF on a ROPS; and

WHEREAS, pursuant to HSC Section 34191.6(c), commencing on the effective date of the LFROPS after the DOF's approval, among other things:

(1) The Successor Agency will no longer have to prepare a ROPS each year; and

(2) Oversight Board resolutions (except for any necessary for refunding bonds, long range property management plans, amendments to the LFROPS and the final Oversight Board resolutions pursuant to HSC Section 34187) shall not be submitted to the DOF for review or approval;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE 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 LFROPS, substantially in the form on file with the Secretary of the Successor Agency. Staff of the Successor Agency is hereby authorized and directed to: (i) submit a copy of the Oversight Board-approved LFROPS to the DOF, the Office of the State Controller, and the County Auditor-Controller and (ii) post a copy of the Oversight Board-approved LFROPS on the Successor Agency's Internet website (being a page on the Internet website of the City of South Lake Tahoe).

Section 3. The Staff of the Successor Agency is hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to negotiating with the DOF and executing related agreements regarding amendments or changes to the LFROPS pursuant to HSC Section 34191.6(c), and any such actions previously taken are hereby ratified and confirmed.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency at a duly noticed meeting held on January 26, 2018, by the following vote:

AYES: Board Member(s) _____

NOES: Board Member(s) _____

ABSENT: Board Member(s) _____

ABSTAIN: Board Member(s) _____

ATTEST:

Secretary

Chair

Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary
Filed for the July 1, 2018 through June 30, 2046 Period

Successor Agency:	South Lake Tahoe
County:	El Dorado
Initial ROPS Period	ROPS 18-19A
Final ROPS Period	ROPS 45-46B

Requested Funding for Enforceable Obligations	Total Outstanding Obligation
A Enforceable Obligations Funded as Follows (B+C):	\$ -
B Bond Proceeds	-
C Other Funds	-
D Redevelopment Property Tax Trust Fund (RPTTF) (E+F):	\$ 114,854,978
E RPTTF	109,104,978
F Administrative RPTTF	5,750,000
G Total Outstanding Enforceable Obligations (A+D):	\$ 114,854,978

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) 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

South Lake Tahoe Last and Final Recognized Obligation Payment Schedule (ROPS) - ROPS Detail
July 1, 2018 through June 30, 2046

A Period					
July - December					
ROPS Period	Fund Sources				Six-Month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	
	\$	\$	\$	\$	\$
ROPS 18-19A	-	-	3,571,802	125,000	3,696,802
ROPS 19-20A	-	-	3,746,553	125,000	3,871,553
ROPS 20-21A	-	-	3,845,128	125,000	3,970,128
ROPS 21-22A	-	-	3,900,653	125,000	4,025,653
ROPS 22-23A	-	-	3,963,328	125,000	4,088,328
ROPS 23-24A	-	-	4,027,953	125,000	4,152,953
ROPS 24-25A	-	-	4,099,403	125,000	4,224,403
ROPS 25-26A	-	-	4,166,503	125,000	4,291,503
ROPS 26-27A	-	-	4,237,802	125,000	4,362,802
ROPS 27-28A	-	-	4,310,303	125,000	4,435,303
ROPS 28-29A	-	-	4,365,303	125,000	4,490,303
ROPS 29-30A	-	-	4,445,731	125,000	4,570,731
ROPS 30-31A	-	-	4,537,219	125,000	4,662,219
ROPS 31-32A	-	-	4,627,022	125,000	4,752,022
ROPS 32-33A	-	-	4,706,647	125,000	4,831,647
ROPS 33-34A	-	-	4,786,047	125,000	4,911,047
ROPS 34-35A	-	-	4,872,322	125,000	4,997,322
ROPS 35-36A	-	-	4,955,297	125,000	5,080,297
ROPS 36-37A	-	-	5,049,609	125,000	5,174,609
ROPS 37-38A	-	-	5,118,750	125,000	5,243,750
ROPS 38-39A	-	-	787,500	125,000	912,500
ROPS 39-40A	-	-	787,500	125,000	912,500
ROPS 40-41A	-	-	787,500	125,000	912,500
ROPS 41-42A	-	-	-	-	-
ROPS 42-43A	-	-	-	-	-
ROPS 43-44A	-	-	-	-	-
ROPS 44-45A	-	-	-	-	-
ROPS 45-46A	-	-	-	-	-

B Period						
January - June						
ROPS Period	Fund Sources				Six-Month Total	Twelve-Month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		
	\$	\$	\$	\$	\$	\$
ROPS 18-19B	-	-	1,451,553	125,000	1,576,553	5,273,355
ROPS 19-20B	-	-	1,400,128	125,000	1,525,128	5,396,681
ROPS 20-21B	-	-	1,340,653	125,000	1,465,653	5,435,781
ROPS 21-22B	-	-	1,278,328	125,000	1,403,328	5,428,981
ROPS 22-23B	-	-	1,212,953	125,000	1,337,953	5,426,281
ROPS 23-24B	-	-	1,144,403	125,000	1,269,403	5,422,356
ROPS 24-25B	-	-	1,076,503	125,000	1,201,503	5,425,906
ROPS 25-26B	-	-	1,007,803	125,000	1,132,803	5,424,306
ROPS 26-27B	-	-	935,303	125,000	1,060,303	5,423,105
ROPS 27-28B	-	-	875,303	125,000	1,000,303	5,435,606
ROPS 28-29B	-	-	795,731	125,000	920,731	5,411,034
ROPS 29-30B	-	-	707,219	125,000	832,219	5,402,950
ROPS 30-31B	-	-	617,022	125,000	742,022	5,404,241
ROPS 31-32B	-	-	536,647	125,000	661,647	5,413,669
ROPS 32-33B	-	-	456,047	125,000	581,047	5,412,694
ROPS 33-34B	-	-	372,322	125,000	497,322	5,408,369
ROPS 34-35B	-	-	315,297	125,000	440,297	5,437,619
ROPS 35-36B	-	-	244,609	125,000	369,609	5,449,906
ROPS 36-37B	-	-	193,750	125,000	318,750	5,493,359
ROPS 37-38B	-	-	1,058,710	125,000	1,183,710	6,427,460
ROPS 38-39B	-	-	787,500	125,000	912,500	1,825,000
ROPS 39-40B	-	-	787,500	125,000	912,500	1,825,000
ROPS 40-41B	-	-	813,819	125,000	938,819	1,851,319
ROPS 41-42B	-	-	-	-	-	-
ROPS 42-43B	-	-	-	-	-	-
ROPS 43-44B	-	-	-	-	-	-
ROPS 44-45B	-	-	-	-	-	-
ROPS 45-46B	-	-	-	-	-	-