

**STAFF REPORT**

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

MEETING OF JUNE 16, 2017

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

From: Nancy Kerry, Successor Agency Executive Director

Re: Resolution of the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency Approving the Use of Moneys Received from Fiscal Year 2017-18 Redevelopment Property Tax Trust Fund Disbursements for Refunding Debt Service and Taking Certain Related Actions

**RECOMMENDATION:**

Adopt recommends that the Oversight Board adopt the attached Resolution (Attachment 1).

**ISSUE AND DISCUSSION:**

Pursuant to Health and Safety Code Section 34177, the Successor Agency prepared a Recognized Obligation Payment Schedule for fiscal year 2017-18 ("ROPS 17-18"), listing the estimated payments for enforceable obligations during the fiscal year, and the sources of funds for such payments, such as the Redevelopment Property Tax Trust Fund (the "RPTTF"). The Successor Agency's ROPS 17-18 has been approved by the Oversight Board and the State Department of Finance (the "DOF").

Included on ROPS 17-18 is a line item pertaining to scheduled debt service for outstanding bonds indebtedness issued by the former South Tahoe Redevelopment Agency in 2007 (the "2007 Bonds"), to be paid from RPTTF disbursements. By a separate report, Staff is recommending that the Oversight Board adopt a resolution (the "OB Bond Resolution") to approve the Successor Agency's issuance of tax allocation notes (the "Refunding Debt") to refund the outstanding 2007 Bonds.

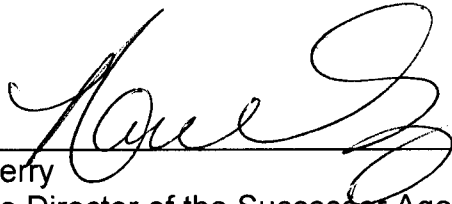
Assuming the Oversight Board's and the DOF's approval, the proposed refunding is expected to close in August 2017. Thereafter, the Successor Agency will have to begin paying debt service on the Refunding Debt. The attached Resolution clarifies that the Successor Agency will be permitted to redirect a portion of the RPTTF disbursements originally intended for the 2007 Bonds toward debt service on the Refunding Debt, without the need for an amendment to ROPS 17-18.

**FINANCIAL AND/OR POLICY IMPLICATIONS:**

As discussed in the report for the OB Bond Resolution, the proposed refunding is expected to generate over \$2.8 million of gross cash flow savings (or \$1.26 million of net present value savings). This Resolution clarifies that the Successor Agency will be able to make debt service on the Refunding Debt due during fiscal year 2017-18, without any amendment to ROPS 17-18.

**SIGNATURE:**

By:

A handwritten signature in black ink, appearing to read "Nancy Kerry", written over a horizontal line.

Nancy Kerry  
Executive Director of the Successor Agency  
of South Tahoe Redevelopment Agency

**Attachment:**

1. Resolution

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE  
SUCCESSOR AGENCY TO THE SOUTH TAHOE  
REDEVELOPMENT AGENCY APPROVING THE USE OF  
MONEYS RECEIVED FROM FISCAL YEAR 2017-18  
REDEVELOPMENT PROPERTY TAX TRUST FUND  
DISBURSEMENTS FOR REFUNDING DEBT SERVICE AND  
TAKING RELATED ACTIONS AND TAKING RELATED  
ACTIONS**

WHEREAS, pursuant to Section 34177 of the Health and Safety Code ("HSC"), the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency") must prepare a Recognized Obligation Payment Schedule ("ROPS") for each designated fiscal period, listing the estimated payment amounts for enforceable obligations and the sources of funds for such payments during the fiscal period; and

WHEREAS, each ROPS must be submitted to the Oversight Board of the Successor Agency (the "Oversight Board") and the California State Department of Finance (the "DOF") for approval; and

WHEREAS, pursuant to HSC Section 34177(l) and Section 34177(o), the Successor Agency prepared a ROPS ("ROPS 17-18") for the period from July 1, 2017 through June 30, 2018 ("Fiscal Year 2017-18"); and

WHEREAS, the Oversight Board adopted Resolution No. OB-2017-01 on January 24, 2017, approving ROPS 17-18; and

WHEREAS, per the DOF's letter dated February 15, 2017, the DOF approved the ROPS 17-18; and

WHEREAS, included on ROPS 17-18 is a certain line item (the "ROPS 17-18 Bond Line Item") pertaining to scheduled debt service payments for outstanding bonds indebtedness issued in 2007 (the "2007 Bonds") by the former South Tahoe Redevelopment Agency; and

WHEREAS, on this day, by a separate resolution (the "OB Bond Resolution"), the Oversight Board approved the Successor Agency's incurrence of bonded debt (the "Refunding Debt") to refund the 2007 Bonds pursuant to HSC Section 34177.5, to achieve debt service savings; and

WHEREAS, the Successor Agency expects that, upon the DOF's approval of the OB Bond Resolution, the Refunding Debt will be issued before the end of Fiscal Year 2017-18 and, therefore, a portion of the moneys received from Redevelopment

Resolution of the Oversight Board to the South Tahoe Redevelopment Successor Agency  
Approval of ROPS 17-18 Funding for Refunding Debt  
June 16, 2017

Property Tax Trust Fund ("RPTTF") disbursements and any other funding source that would have been used to pay debt service on the 2007 Bonds during Fiscal Year 2017-18, should be applied toward, instead, debt service on the Refunding Debt;

**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. Subject to the DOF's approval of the OB Bond Resolution, the Oversight Board hereby approves the application of moneys received in connection with the ROPS 17-18 Bond Line Item toward debt service on the Refunding Debt.

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.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on June 16, 2017, by the following vote:

AYES: Board members \_\_\_\_\_

NOES: Board members \_\_\_\_\_

ABSTAIN: Board members \_\_\_\_\_

ABSENT: Board members \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Ellen Palazzo, Board Clerk

\_\_\_\_\_  
Randy Vogelgesang, Chair