

RESOLUTION NO. 17 (SAS) Oversight Board

A RESOLUTION OF THE SANTA MONICA REDEVELOPMENT SUCCESSION AGENCY  
OVERSIGHT BOARD APPROVING AND ADOPTING THE RECOGNIZED  
OBLIGATION PAYMENT SCHEDULE FOR JANUARY 2014 – JUNE 2014

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) (the "Redevelopment Law"), the City Council of the City of Santa Monica (the "Council") adopted the Earthquake Recovery Redevelopment Project by Ordinance No. 1747 (CCS) on June 21, 1994, the Downtown Redevelopment Project by Ordinance No. 1021 (CCS) on January 13, 1976, the Ocean Park 1A Project by Ordinance No. 497 (CCS) on June 30, 1960, and the Ocean Park 1B Project by Ordinance No. 516 (CCS) on January 24, 1961 (collectively the "Redevelopment Plans"); and

WHEREAS, the California Legislature adopted, and the Governor signed, Assembly Bill Nos. 26 and 27 (2011-2012 1<sup>st</sup> Ex. Sess.) enacted as Stats. 2011, 1<sup>st</sup> Ex. Sess. 2011-2012, chs. 5-6 (hereinafter AB 26 and AB 27) into law; and

WHEREAS, in July 2011, *California Redevelopment Agency v. Matosantos* was filed in the California Supreme Court, challenging the constitutionality of AB 26 and AB 27, and on December 29, 2011, the Supreme Court issued its opinion in *Matosantos*, upholding AB 26 and exercising its power of reformation to revise and extend each effective date or deadline for performance of an obligation in part 1.85 of division 24 of the Redevelopment Law, and invalidating AB 27; and

WHEREAS, the City of Santa Monica is the designated Successor Agency of the Redevelopment Agency of the City of Santa Monica, within the meaning of AB 26; and

WHEREAS, Section 34177(a)(1) of the Redevelopment Law, as reformed by the California Supreme Court in *Matosantos*, provides that on or after February 1, 2012, and until a Recognized Obligation Payment Schedule ("ROPS") becomes operative, only payments required pursuant to an enforceable obligations payment schedule shall be made; and

WHEREAS, Section 34177(a)(3) of the Redevelopment Law, as reformed by the California Supreme Court in *Matosantos*, provides that commencing on May 1, 2012, only those payments listed in a Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule; and

WHEREAS, the California Legislature adopted, and the Governor signed, Assembly Bill No. 1484 enacted as Stats. 2012, ch.. 25 (hereinafter AB 1484) into law; and

WHEREAS, AB 1484, requires the Santa Monica Redevelopment Successor Agency to submit to the Los Angeles County Auditor-Controller the ROPS for the six month period ending June 30, 2014, for its review before or concurrently with the approval by the Santa Monica Redevelopment Successor Agency Oversight Board ("Oversight Board"); and

WHEREAS, AB 1484, requires the Santa Monica Redevelopment Successor Agency to submit to the State of California Department of Finance the ROPS for the six month period ending June 30, 2014, which has been approved by the Oversight Board, no later than October 1, 2013; and

WHEREAS, under Title 14 of the California Code of Regulations, Section 15061(b)(3), the approval of a Recognized Obligation Payment Schedule is exempt from the requirements of the California Environmental Quality Act ("CEQA"), in that it is not a project as the adoption of a Recognized Obligation Payment Schedule will not have the potential of causing a significant environmental effect and it can be seen with certainty that there is no possibility that the

adoption of Recognized Obligation Payment Schedule will have any significant effect on the environment; and

WHEREAS, on September 10, 2013, the Successor Agency approved a draft Recognized Obligation Payment Schedule for the period January 2014 – June 2014, inclusive; and

WHEREAS, the Oversight Board has reviewed and duly considered the Recognized Obligation Payment Schedule for the period January 2014 – June 2014, including the Prior Period Adjustments covering the ROPS III (January 1, 2013 through June 30, 2013), inclusive, attached as Exhibit 1, and other written evidence presented at the meeting, if any.

NOW, THEREFORE, THE SUCCESSOR AGENCY DOES RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Oversight Board hereby approves and adopts the draft Recognized Obligation Payment Schedule for the period January 2014 – June 2014, including the Prior Period Adjustments covering the ROPS III (January 1, 2013 through June 30, 2013), inclusive, attached as Exhibit 1 (referenced hereinafter as “the Recognized Obligation Payment Schedule”).

SECTION 3. The Oversight Board authorizes the Successor Agency's Chief Administrative Officer or his designee to:

- (1) Submit the Oversight Board approved Recognized Obligation Payment Schedule for the period January 2014 – June 2014 to the Los Angeles County Auditor-Controller for review;

- (2) Submit an electronic copy of the Recognized Obligation Payment Schedule to the State Department of Finance for approval;
- (3) Designate a Successor Agency representative to respond to all questions related to the Recognized Obligation Payment Schedule; and
- (4) Take such other actions and execute such other documents as are appropriate to effectuate the intent of this Resolution and to implement the Recognized Obligation Payment Schedule on behalf of the Oversight Board.

SECTION 4. The Secretary of the Oversight Board shall certify the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

APPROVED BY A MAJORITY OF THE TOTAL MEMBERSHIP OF THE OVERSIGHT BOARD:

  
\_\_\_\_\_  
CHAIR OF THE OVERSIGHT BOARD

**EXHIBIT 1**

**Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary**  
 Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Santa Monica  
 Name of County: Los Angeles

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>	<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):</b>	<b>\$ 21,625,794</b>
B Bond Proceeds Funding (ROPS Detail)	4,778,040
C Reserve Balance Funding (ROPS Detail)	16,847,754
D Other Funding (ROPS Detail)	-
<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 4,367,357</b>
F Non-Administrative Costs (ROPS Detail)	4,240,153
G Administrative Costs (ROPS Detail)	127,205
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 25,993,151</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
I Enforceable Obligations funded with RPTTF (E):	4,367,357
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	(1,781,664)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 2,585,693</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
L Enforceable Obligations funded with RPTTF (E):	4,367,357
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>4,367,357</b>

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 as approved by the Oversight Board for the above named agency.

<p style="text-align: center;"><u>Paul Silvern</u></p> <p>Name</p>	<p style="text-align: center;"><u>Chair</u></p> <p>Title</p>
<p>/s/ <u></u></p> <p>Signature</p>	<p style="text-align: center;"><u>9-23-13</u></p> <p>Date</p>

**Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances**

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(f), 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.

A	B	C	D	E	F	G	H	I	J	K	
Fund Balance Information by ROPS Period		Fund Sources								Total	Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF				
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Due Diligence Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin			
<b>ROPS III Actuals (01/01/13 - 6/30/13)</b>											
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	-	-	-	-	10,931	65,688	-	\$ 96,619		
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller	-	-	-	-	1,396	4,380,687	131,420	\$ 4,513,503		
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	-	-	-	-	-	2,599,023	131,420	\$ 2,730,443		
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	-	-	-	-	-	-	-	\$ -		
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required					1,781,664	-	\$ 1,781,664		
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 12,327	\$ 1,867,552	\$ -	\$ 98,215		
<b>ROPS 13-14A Estimate (07/01/13 - 12/31/13)</b>											
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ 12,327	\$ 3,649,216	\$ -	\$ 1,879,879	We disagree with the formula in Column H/Row7. Column H/Row 5, ROPS III PPA is being counted twice. This is included in Column H/Row 6 total. We agree with the total on Column J/Row7.	
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller	-	-	-	-	1,785	28,668,999	860,070	\$ 29,530,854		
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)	-	-	-	-	-	18,354,213	860,070	\$ 19,214,283		
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A	-	-	-	-	-	10,314,786	-	\$ 10,314,786		
11	Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ 14,112	\$ 3,649,216	\$ -	\$ 1,881,664		

**Recognized Obligation Payment Schedule (ROPS ) 13-14B - ROPS Detail**  
**January 1, 2014 through June 30, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
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	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
								\$ 640,723,859		\$ 4,778,040	\$ 16,847,754	\$ -	\$ 4,240,153	\$ 127,205	\$ 25,993,151
1	2011 Earthquake RDA Bonds	Bonds Issued After 12/31/10	6/7/2011	7/1/2042	Union Bank	Bond Payment	Earthquake	94,890,358	N		1,131,206				\$ 1,131,206
2	2006 Earthquake RDA Series A Bonds	Bonds Issued On or Before 12/31/10	4/27/2006	7/1/2029	Union Bank	Bond Payment	Earthquake	71,185,524	N		1,111,347				\$ 1,111,347
3	2006 Earthquake RDA Series B Bonds	Bonds Issued On or Before 12/31/10	4/27/2006	7/1/2013	Union Bank	Bond Payment	Earthquake	-	Y						\$ -
4	2002 Ocean Park Bond	Bonds Issued On or Before 12/31/10	5/1/2002	7/1/2018	Mellon Bank	Bond Payment	Ocean Park	8,723,380	N		188,190				\$ 188,190
5	2011 Earthquake RDA Bonds (Reserve)	Bonds Issued After 12/31/10	6/7/2011	7/1/2042	Union Bank	2011 Earthquake RDA Bonds reserve as required by the bond indenture	Earthquake	-	N						\$ -
6	2002 Ocean Park Bond (Reserve)	Bonds Issued On or Before 12/31/10	5/1/2002	7/1/2018	Mellon Bank	2002 Ocean Park Bonds reserve as required by the bond indenture	Ocean Park	-	N						\$ -
7	2002 Ocean Park Bond - Plan Limit Special Fund (Reserve)	Bonds Issued On or Before 12/31/10	5/1/2002	7/1/2018	Mellon Bank	2002 Ocean Park Bonds Plan Limit Special Fund reserve per the bond indenture	Ocean Park	-	N						\$ -
8	2002 Ocean Park Bond - Plan Limit Special Fund	Bonds Issued On or Before 12/31/10	5/1/2002	7/1/2018	Mellon Bank	2002 Ocean Park Bonds Plan Limit Special Fund per the bond indenture	Ocean Park	1,503,340	N				1,503,340		\$ 1,503,340
9	1981 CDBG Promissory Note	City/County Loans On or Before 6/27/11	6/30/1981	6/29/2021	CDBG Fund	Promissory Note for Agency Loan from CDBG Fund	Ocean Park	15,474,347	N						\$ -
10	1983 CDBG Promissory Note	City/County Loans On or Before 6/27/11	9/14/1983	6/29/2021	CDBG Fund	Promissory Note for Agency Loan from CDBG Fund	Ocean Park	1,805,781	N						\$ -
11	Collective Bargaining Units (EPP, MTA, ATA, MEA) Costs	Unfunded Liabilities	2/1/2012	12/31/2016	Successor Agency	Per H & S 34171(d)(1)(F) and 34177.3(b) - Successor Agency Employee Payments	All	937,197	N				156,200		\$ 156,200
12	Wells Fargo Term Loan	Third-Party Loans	3/11/2011	3/1/2018	Wells Fargo	Wells Fargo Loan Payment	Earthquake	44,750,229	N		4,500,043		293,946		\$ 4,793,989
13	Bank of America Term Loan	Third-Party Loans	6/8/2008	7/15/2028	Bank of America	Bank of America Loan Payment	Earthquake	45,454,545	N				1,988,162		\$ 1,988,162
14	Civic Center Joint Use Agreement	Miscellaneous	6/28/2011	6/30/2042	Santa Monica Malibu Unified School District	Capital Improvements Project	Earthquake	126,015,000	N						\$ -
15	Ocean Park Lease	OPA/DDA/Construction	5/31/1985	5/31/2021	LA County Housing Authority	175 Ocean Park Blvd, Lease	Ocean Park	1,895,555	N						\$ -
16	1978 Promissory Notes	City/County Loans On or Before 6/27/11	10/24/1978	6/29/2028	City of Santa Monica	Property acquisition note payment	Downtown	33,245,252	N						\$ -
17	2003 Promissory Note A	City/County Loans On or Before 6/27/11	12/14/2004	1/1/2033	Parking Authority	Downtown Parking Structures 1-6 acquisition note payment	Earthquake	53,573,743	N						\$ -
18	2003 Promissory Note B	City/County Loans On or Before 6/27/11	12/14/2004	1/1/2033	Parking Authority	Downtown Parking Structures 1-6 acquisition note payment	Earthquake	23,497,570	N						\$ -
19	1989 High Place (High Place East)	OPA/DDA/Construction	3/9/2011	3/9/2066	Community Corporation of Santa Monica	45 units of affordable family housing	Earthquake	4,619,026	N						\$ -
20	FAME (1754 19th St/1753 18th St/1924-30 Euclid)	OPA/DDA/Construction	3/7/2011	3/7/2066	FAME Santa Monica Senior Apartments	49 units of affordable senior housing	Earthquake	-	Y						\$ -
21	1942 High Place (High Place West)	OPA/DDA/Construction	7/14/2010	7/14/2065	High Place West, L.P.	47 units of affordable family housing	Earthquake	-	Y						\$ -
22	520 Colorado Ave.	OPA/DDA/Construction	3/9/2011	3/9/2066	Step Up On Colorado, L.P.	34 units of special needs housing	Earthquake	-	Y						\$ -
23	Low-Mod Housing for Seniors	Miscellaneous	5/17/2007	6/30/2014	Various property owners - see notes	Affordable housing for low income seniors	Earthquake	737,820	N						\$ -
24	Arizona and 4th Notes	Miscellaneous	10/13/2010	1/1/2042	Multiple entities	Mixed-use development with public plaza and underground parking	Earthquake	94,799,989	N		3,300,000				\$ 3,300,000







## Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
1	The \$1,131,206 January 1, 2014 bond debt service payment on the 2011 Earthquake RDA Bonds will be paid from the prior period RPTTF (ROPS 13-14A), see Reserve Balance.
2	The \$1,111,347 January 1, 2014 bond debt service payment on the 2006 Earthquake Series A RDA Bonds will be paid from the prior period RPTTF (ROPS 13-14A), see Reserve Balance.
4	The \$188,190 January 1, 2014 bond debt service payment on the 2002 Park Bond will be paid from the prior period RPTTF (ROPS 13-14A), see Reserve Balance.
8	The Indenture of Trust for the 2002 Ocean Park Tax Allocation Bonds requires that a Plan Limit Special Fund be set up if the remaining available tax increment is less than 105% of remaining debt service. An additional amount of \$1,504,340 is required to be made during this period.
12	The \$4,500,043 principal and interest payment on the Wells Fargo Term Loan will be paid from the prior period RPTTF (ROPS 13-14A), see Reserve Balance.
14	This item has been denied by the Department of Finance, the Successor Agency does not waive any of its constitutional, statutory, legal, or equitable rights to contest this determination by issuance of this ROPS.
15	This item has been denied by the Department of Finance, the Successor Agency does not waive any of its constitutional, statutory, legal, or equitable rights to contest this determination by issuance of this ROPS.
16	This item has been denied by the Department of Finance and is pending a Finding of Completion. The Successor Agency does not waive any of its constitutional, statutory, legal, or equitable rights to contest this determination by issuance of this ROPS.
20	This item has been denied by the Department of Finance, however, it is subject to litigation (Superior Case No. 34-2013-80001382-CU-WM-GDS) and has been added back to the bottom of this schedule.
21	This item has been denied by the Department of Finance, however, it is subject to litigation (Superior Case No. 34-2013-80001382-CU-WM-GDS) and has been added back to the bottom of this schedule.
22	This item has been denied by the Department of Finance, however, it is subject to litigation (Superior Case No. 34-2013-80001382-CU-WM-GDS) and has been added back to the bottom of this schedule.
23	This item has been denied by the Department of Finance, the Successor Agency does not waive any of its constitutional, statutory, legal, or equitable rights to contest this determination by issuance of this ROPS.
24	The \$3,300,000 interest payment on the Arizona and 4th Notes will be paid from the prior period RPTTF (ROPS 13-14A), see Reserve Balance.
27	Appraisal services is a carryover of the prior period RPTTF (ROPS 13-14A), remaining authorized amount to be paid during ROPS 13-14B period.
29	This item has been denied by the Department of Finance, however, it is subject to litigation (Superior Case No. 34-2013-80001382-CU-WM-GDS).
36	This item has been denied by the Department of Finance, however, it is subject to litigation (Superior Case No. 34-2013-80001382-CU-WM-GDS) and has been added back to this schedule.
37	This item has been denied by the Department of Finance, however, it is subject to litigation (Superior Case No. 34-2013-80001382-CU-WM-GDS) and has been added back to this schedule.
38	This item has been denied by the Department of Finance, however, it is subject to litigation (Superior Case No. 34-2013-80001382-CU-WM-GDS) and has been added back to this schedule.

Adopted and approved this 23<sup>rd</sup> day of September, 2013.

  
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Chair  
Successor Agency Oversight Board

I, Denise Anderson-Warren, Secretary to the Successor Agency Oversight Board, do hereby certify that the foregoing Resolution No. 17 (SAS-Oversight Board) was duly adopted at a meeting of the Oversight Board meeting held on the 23<sup>rd</sup> day of September, 2013, by the following vote:

AYES: Board Members Maez, Luboff, Lawson, Kanschat, Dijkstra,  
Vice Chair Moran, Chair Silvern

NOES: None

ABSENT: None

ATTEST:

  
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Denise Anderson-Warren, Secretary  
Successor Agency Oversight Board