

**OVERSIGHT BOARD
CITY OF PACIFICA AS SUCCESSOR AGENCY
TO THE CITY OF PACIFICA REDEVELOPMENT AGENCY**

February 11, 2015 – 5:30 PM

Meeting in the City Council Chambers – 2212 Beach Blvd – Pacifica, CA 94044

www.cityofpacifica.org

For those wishing to address the Board on any Item on the Agenda or under Oral Communications, please complete a Speaker Card located at the rear of the Chambers and submit to a staff member as early in the meeting as possible.

AGENDA

1. Roll Call, Welcome and Introductions

2. Board – Reorganization – Designation of Chair and Vice Chair

The composition of the Oversight Board has changed since its original establishment. The Chair and Vice Chair are to be selected from among the members of the Board.

Recommendation: That the Members of the Board select a Chair and Vice Chair

3. Minutes: October 2, 2014

Recommendation: Accept the Minutes of the Meeting of October 2, 2014

4. Adoption of Amended and Restated Resolution Establishing Amounts Advanced By The City Of Pacifica As Enforceable Obligations

In June of 2013 the Board adopted Resolution No. 2013-4 establishing amounts owed to the City of Pacifica for Loans made to the former Redevelopment Agency. The resolution did not contain an itemized list of loans with the origination date of each loan. The balance owed is less than what was originally adopted. The proposed resolution will also confirm the interest rate at 0.24% as required by the dissolution process.

Recommendation: That the Members of the Board adopt the Resolution.

5. Consideration and approval of Recognized Obligation Payment Schedule (ROPS) 15-16 A Including an Administrative Budget for the time period of July 1, 2015 – December 31, 2015

The dissolution process requires Oversight Board review and approval of each Recognized Obligation Payment Schedule, which covers six months of expenses for the Successor Agency.

Recommendation: Adopt Resolution approving the Recognized Obligation Payment Schedule (ROPS) and directing staff to submit to the Department of Finance (DOF)

6. Consideration and approval of extension of services for professional legal services provided by Craig Labadie.

It is proposed to extend the current agreement at the same rates for with a termination date of July 1, 2016. The cost of the contract extension shall not exceed \$20,000.

Recommendation: Adopt the Resolution approving the extension of services under the current agreement.

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7. Informational Update – Dissolution Process

Legal Counsel will provide an update on: status of previous actions taken by the Oversight Board, remaining tasks for the Board, and a brief summary of legislative proposals. This will include an oral report based on any information that has come to light after the posting of the agenda.

Recommendation: Receive the report.

8. Public Comments:

Note: Speakers are limited to three minutes, unless modified by the Chairperson. The Board cannot take action on any matter raised under this item.

9. Board Comments

10. Next meeting date – To Be Determined.

Info Only: Next ROPS Filing Must be submitted by October 5, 2015

11. Adjourn

The City of Pacifica will provide assistance for disabled citizens upon at least 24 hours advance notice to the City Manager's Office (650) 738-7301, or send request via email to: o'connellk@ci.pacifica.ca.us If you need sign language assistance or written material printed in a larger font or taped, advance notice is necessary. All meeting rooms are accessible to the disabled.



**CITY OF PACIFICA
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY
(February 11, 2015)**

Agenda Item No. 2

SUBJECT: Board – Reorganization – Designation of Chair and Vice Chair

ORIGINATED BY: Paul Rankin, Finance Advisor – Regional Government Services

DISCUSSION:

The Oversight Board has been structured with two officers to be selected by the members of the Board. The officers are the Chair and Vice Chair.

The Chair shall preside at all meetings of the Board and shall sign all documents necessary to carry out the business of the Board. The Vice Chair is designated to perform the duties of the Chair in the absence of the Chair. At the last meeting Mary Ann Nihart presided as the Chair.

It is appropriate for the Board Members determine the Board Chair and Vice Chair by motion, a second, and a recorded vote.

FISCAL IMPACT: None

ATTACHMENTS: None

BOARD ACTION REQUESTED: That the Members of the Oversight Board select a Chair and Vice Chair.

1. **Roll Call:**
Members present at the meeting: Mary Ann Nihart (City of Pacifica Mayor – presided as Chair), Josie Peterson (Chief Business Official Pacifica School District); Raymond Chow (Chief Financial Officer San Mateo Community College District), Mike Callagy (San Mateo County Deputy County Manager); Lorie Tinfow (City of Pacifica City Manager).

Absent: Pete DeJarnatt; Penny Bennett.

Staff / Consultant Present: Craig Labadie, Legal Counsel; Paul Rankin, Financial Services Consultant
2. **Minutes:** Upon a motion by Lorie Tinfow and seconded by Mike Callagy the minutes of the meeting of September 30, 2013 and February 27, 2014 were accepted as presented.
3. **Recognized Obligation Payment Schedule (ROPS) 14-15B:** Staff presented the ROPS funding request for the period January 1, 2015 – June 30, 2015. Josie Peterson moved and Mike Callagy seconded a motion to approve by Resolution the Recognized Obligation Payment Schedule and direct staff to submit to the Department of Finance (DOF). The resolution was adopted by unanimous vote.
5. **Long Range Property Management Plan:** Craig Labadie presented the revised Long Range Property Management Plan and answered questions from the Board. The revision was made based upon comments from the State Department of Finance (DOF) following review of the original plan submitted. Once approved by DOF the amended Plan will require a compensation agreement among all taxing entities that will only be triggered in the event that any of the subject property were sold by the City. Lorie Tinfow moved and Raymond Chow seconded a motion to Approve by Resolution the Amended Long Range Property Management Plan. The resolution was adopted by unanimous vote.
6. **Transfer of Housing assets of the former Redevelopment Agency (RDA):** Staff presented a report regarding transfer of RDA Housing Assets to the Housing Authority of San Mateo County. The action was requested to confirm actions taken in 2012 upon the dissolution of the Redevelopment Agency. The Assets being transferred were two notes totaling \$600,000 and payable by National Church Residences (NCR) and the rights under a Development Agreement which would insure that the project was operated as affordable housing for senior residents. Raymond Chow moved and Josie Peterson seconded a motion to Approve by Resolution authorizing and directing the transfer of RDA housing assets. The resolution was adopted by unanimous vote.
7. **Public Comment:** None.

8. **Board / Staff Comment:** Craig Labadie updated the Board on the scheduled changes in Oversight Board operations. Under the laws developed for dissolution the local Oversight Boards are scheduled to stop operating as of July 1, 2016. The duties and responsibilities would be undertaken by a new consolidated County Oversight Board. Based on this it would be expected that the Board may have 3 more meetings.
9. **Next Meeting:** The next meeting will be determined based on availability. It will likely be in February 2015, based on the ROPS filing schedule.
10. **Adjournment:** The Board adjourned the meeting at 6:05 p.m.



**CITY OF PACIFICA
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY
(February 11, 2015)**

Agenda Item No. 4

SUBJECT: Restatement And Amendment Of Resolution No. 2013-4 Approving Repayment of Amounts Owed To The City of Pacifica By the Former Redevelopment Agency

ORIGINATED BY: Paul Rankin, Finance Advisor – Regional Government Services

DISCUSSION:

On April 26, 2013 the Department of Finance issued a Finding of Completion authorizing the City to proceed with placement of loans between the former redevelopment agency on the Recognized Obligation Payment Schedule (ROPS). On June 19, 2013, the Oversight Board adopted Resolution 2013-4, which made certain findings regarding loans from the City of Pacifica to the former Redevelopment Agency. This action is a requirement in order for repayments to be included on the ROPS, in accordance with the process established for dissolution of redevelopment agencies. The Department of Finance was notified of the action taken and did not to initiate further review.

The Oversight Board concurred that the loans were for redevelopment purposes and authorized inclusion of loan principal and interest on the ROPS as authorized by Health and Safety Code Section 34191.4(b)(2). Any repayment of loans under this section is subject to the County Auditor Controller determining that there are sufficient funds available in the Redevelopment Property Tax Trust Fund (RPTTF). A repayment was included on ROPS 14-15A adopted by the Board on February 27, 2014. During the formal review of the ROPS by the Department of Finance the repayment was removed because the County Auditor Controller advised that there were not adequate funds available for a payment. However, the Department of Finance in its review indicated that the Agency may be eligible for additional funding beginning with ROPS 2015-16A.

The original resolution identified a principal amount loaned of \$3,237,150 and stated that the full amount remained outstanding. The amount loaned represented several loans between 1985 and 1994. The resolution did not identify the origination date of each loan and it also did not include any information related to accrued interest.

In preparing the detailed information related to loan balances it was determined that the principal balance outstanding is \$2,341,185.10. This amount is consistent with the reported balance in the June 30, 2014 City of Pacifica Comprehensive Annual Financial Report (CAFR). The amount shown in the 2013 Oversight Board Staff Report relied on a May 27, 2008 Redevelopment Agency Staff Report which did not account for repayments which reduced the principal owed by \$895,965.

The dissolution process requires the interest rate to be recalculated beginning with the origination of the loan, and at the rate earned by the State Treasurer Local Agency Investment Fund (LAIF) at the time the Oversight Board makes its finding. In June 2013 when the Board adopted Resolution 2013-4 the quarterly LAIF rate to be used for interest accrual purposes was 0.24%. This is substantially different than the original terms of the loans. The loans originally carried a rate of one percent plus the prime rate. In 2011 the City considered a restated loan document which suggested the principal and interest then due would be repaid at a rate of 3%. State Law as part of the dissolution process revised the eligible interest to the LAIF rate.

The recommended Resolution does not modify the previous findings made by the Oversight Board that determined the loans were used for redevelopment purposes and finding that they were enforceable obligations under the laws establishing the distribution process.

Exhibit A included with the Resolution provides a listing of each loan, its status at dissolution and the accrued interest based on the authorized LAIF rate. Total accrued interest as of June 30, 2015 is \$145,069.55 resulting in combined principal and interest of \$2,486,254.65. Staff used the June 30, 2015 date as no repayments are authorized prior to July 1, 2015.

FISCAL IMPACT: The City will need to revise its accounting records to reflect the lower amount of accrued interest.

ATTACHMENTS:

1. Resolution restating and amending Resolution No. 2013-4 approving repayment of amounts owed to the City of Pacifica by the former Redevelopment Agency.

BOARD ACTION REQUESTED: That the Members of the Oversight Board adopt the resolution.

OVERSIGHT BOARD RESOLUTION NO. #-2015

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA RESTATING AND AMENDING RESOLUTION NO. 2013-4 APPROVING REPAYMENT OF AMOUNTS OWED TO THE CITY OF PACIFICA BY THE FORMER REDEVELOPMENT AGENCY

WHEREAS, April 26, 2013, the California Department of Finance granted a “Finding of Completion” allowing for loans to be added to the Recognized Obligation Payment Schedule (ROPS) provided certain findings were made; and

WHEREAS, June 19, 2013 the Oversight Board adopted Resolution No. 2013-4; and

WHEREAS, the Oversight Board resolution declared that the loans from the City to the Redevelopment Agency were for legitimate redevelopment purposes; and

WHEREAS, the Department of Finance was provided with the adopted Resolution; and

WHEREAS, the Resolution set forth a principal balance of \$3,237,150 owed to the City of Pacifica pursuant to loan agreements from 1985 through 1994; and

WHEREAS, to date no repayments have been granted on approved ROPS, due to insufficient balance available in the Redevelopment Property Tax Trust Fund as reported by the County Auditor Controller; and

WHEREAS, during the review of the 2014-15A ROPS it was indicated that the Agency may be eligible for funding in the 2015-16A ROPS (beginning July 1, 2015); and

WHEREAS, the Oversight Board desires to update with a detailed schedule of loans including the origination date, amended balances, and rate of interest in accordance with the Redevelopment Dissolution process; and

WHEREAS, this resolution shall amend and reduce the principal amount owed to \$2,341,185.10 which accounts for repayments made prior to dissolution and not accounted for when Resolution 2013-4 was first presented; and

WHEREAS, this restated and amended resolution does not alter the finding by the Oversight Board that the loans from the City to the Redevelopment Agency were for legitimate redevelopment purposes, and therefore such loans as presented shall be deemed an enforceable obligation of the former Pacifica Redevelopment Agency; and

WHEREAS, in accordance with the dissolution laws the interest rate is to be recalculated beginning with the origination of the loan, and at the rate earned by the State Treasurer Local Agency Investment Fund (LAIF) at the time the Oversight Board makes its finding the interest; and

WHEREAS, the LAIF rate for June 2013 when Resolution No. 2013-4 was adopted was 0.24%; and

WHEREAS, in an Agreement dated March 9, 2011 the loan terms were restated to identify that interest was to be compounded annually.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA DOES RESOLVE AS FOLLOWS:

1. The Oversight Board hereby finds and determines that certain loans were made by the City of Pacifica to the Pacifica Redevelopment Agency for legitimate redevelopment purposes.
2. Exhibit A attached hereto and by reference made a part hereof contains a listing of each loan including: the loan origination date, the original principal amount loaned, the unpaid principal balance, and the accrued interest as of June 30, 2015.
3. The loans shall carry an interest rate of 0.24% from the date of origination and compounding annually.
4. Repayment of the Loan(s) shall be recognized as an enforceable obligation pursuant to Health and Safety Code Section 34191.4(b).
5. The Successor Agency shall take any and all necessary administrative actions to include repayment of principal and interest on Recognized Obligation Payment Schedules (ROPS) as allowed pursuant to Health and Safety Code Section 34191.4(b)(2) and to carry out the purposes and intent of this Resolution.

PASSED AND ADOPTED at a regular meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Pacifica, California held on February 11, 2015, by the following vote of the members thereof:

- AYES:** Board Members -
NOES: Board Members -
ABSTAIN: Board Members -
ABSENT: Board Members –

#####, Chair

ATTEST:

Clerk of the Board

EXHIBIT A - (February 2015) Restated and Amended Resolution

**RECORD OF LOANS BETWEEN CITY OF PACIFICA AND
PACIFICA REDEVELOPMENT AGENCY**

(Per authorized ROPS and RPTTF funding available - no repayments will occur prior to 7/1/2015)

	Origination Date	City Council Resolution Reference	Original Principal Amount Loaned	Unpaid Balance Owed To City	Accrued Interest As of 6/30/2015	6/30/2015 Total Balance - Principal & Interest
1	March 25, 1985		62,150.00	0.00		Paid Off
2	November 25, 1985	Reso 59-85	175,000.00	0.00		Paid Off
3	February 9, 1987	Reso 3-87	300,000.00	0.00		Paid Off
4	March 14, 1988	Reso 17-88	500,000.00	441,185.10	29,833.11	\$471,018.21
5	May 8, 1989	Reso 19-89	475,000.00	475,000.00	30,722.69	\$505,722.69
6	May 14, 1990	Reso 20-90	500,000.00	500,000.00	31,044.17	\$531,044.17
7	April 8, 1991	Reso 9-91	500,000.00	500,000.00	29,898.08	\$529,898.08
8	January 27, 1992	Reso 1-92	250,000.00	250,000.00	14,439.75	\$264,439.75
9	May 24, 1993	Reso 16-93	300,000.00	0.00		Paid Off
10	April 11, 1994	Reso 15-94	175,000.00	175,000.00	9,131.74	\$184,131.74
	TOTAL		\$3,237,150.00	\$2,341,185.10	\$145,069.55	\$2,486,254.65



**CITY OF PACIFICA
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY
(February 11, 2015)**

Agenda Item No. 5

SUBJECT: Adoption of Oversight Board Resolution Approving Recognized Obligation Payment Schedule (ROPS) No. 15-16A and the Administrative Budget of the Successor Agency

ORIGINATED BY: Paul Rankin, Finance Advisor – Regional Government Services

DISCUSSION:

State law dissolved all redevelopment agencies effective February 1, 2012. The Pacifica City Council determined that the City would serve as the Successor Agency. Successor Agencies are required to prepare and submit to the Department of Finance (DOF), a Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2015 through December 31, 2015 (ROPS 15-16A). The Successor Agency is required to prepare a proposed administrative budget and submit it to the Oversight Board for approval.

DISCUSSION & ANALYSIS

The submittal of the ROPS 15-16A will be used to determine the allowed costs and whether funding will be needed by the Successor Agency from the Redevelopment Property Tax Trust Fund (RPTTF). This fund is administered by the County Auditor Controller. The Successor Agency may claim expenses for Redevelopment Debt Service (Non-Administrative) costs and Administrative costs.

Six Month Review Periods With Prior Period Adjustments

The ROPS process uses a rolling six month analysis, whereby funds distributed that were not required are reflected as adjustments in the corresponding period the following year. In other words the 2015-16A (July – December 2015) period will include adjustments for actual expenses that occurred in 2014-15A (July – December 2014).

When the State Department of Finance and the County Auditor Controller reviewed the ROPS approved last October both initially recommended additional prior period

adjustments. The City requested a Meet and Confer session and the Staff at the agencies agreed to temporarily forego the adjustment in order for the City to complete additional analysis of the funds received and expended in prior periods. The adjustments totaled \$72,275 and initially it appeared that this reduction would jeopardize the cash balance available as of June 30, 2015 in the Successor Agency Trust Fund.

A complete reconciliation beginning in June 30, 2011 was completed by the City. It was determined that corrections to the City General Ledger were necessary to eliminate a beginning negative cash balance. This will be corrected with a transfer of General Fund monies of approximately \$39,850.

Non-Administration Expenses (Enforceable Obligations)

Included in the Non-Administrative Costs are enforceable obligations which consist of debt service payments for the 2004 Tax Allocation Bonds (TAB) and General Fund Loans from the City of Pacifica.

The 2004 TAB costs requested include the Trustee fees as well as the bond interest payment that will be paid to bondholders January 1, 2016. Funding for this payment must be requested at this time since the funds must be transmitted to the Trustee in December 2015, in advance of the debt payment date. As described in a separate Agenda Item, the Agency has received a Final Finding of Completion from the State Department of Finance for enforceable obligations made from the City prior to Redevelopment dissolution. For the ROPS Period 15-16A (July 2015 – December 2015) the Agency is requesting \$100,902 to reduce the balance owed on these loans. In accordance with State law there is a formula which compares past residual RPTTF funding available to develop a maximum amount that can be distributed for repayment of General Fund Loans. In the 2014-15A ROPS the formula resulted in zero dollars being available, however, it appears at this time there will be funds available.

As the City receives repayment of these loans, 20% of the payments received are required to be used for housing purposes. The City may use a separate fund in its records to account for these special revenue funds.

Administration Expenses

California Health & Safety Code section 34171(b) established a provision for the Successor Agency to recover Administrative costs. The law basically states that the administrative allowance shall not be less than \$250,000 per fiscal year, except as approved by the Oversight Board. As part of the DOF reviews they have commented on administrative budgets which although less than \$250,000 they observed that they may be excessive given the level of activity. Pacifica has been requesting less based on the estimated costs. By claiming lower administrative costs this allows for more funds to be available to meet enforceable obligations and ultimately to be distributed among all taxing entities as residual funds.

Staff estimates that expenses of the Pacifica Successor Agency for the period July - December 2015 will be \$40,074. This amount includes a reimbursement of \$7,574 for funds expended July 1, 2014 to December 31, 2014, which exceeded the original line item budgets. A breakdown of the Budget is presented in Exhibit B, of the Resolution (See Attachment 1). This is a budget estimate and the final expense will be reported based on actual expenses.

FISCAL IMPACT:

The adoption of the ROPS 15-16A will provide for payment of expenses for the period July 1, 2015 through December 31, 2015, including; administrative costs in this period, the scheduled bond debt service, and a reduction in the General Fund loans owed to the City.

ATTACHMENTS:

Resolution Approving the Recognized Obligation Payment Schedule of the Successor Agency for the Period July 1, 2016 to December 31, 2016

EXHIBIT A - Recognized Obligation Payment Schedule (ROPS)(5 pages)
EXHIBIT B - Administrative Budget

BOARD ACTION REQUESTED:

Staff recommends that the Pacifica Oversight Board adopt the Resolution as presented.

OVERSIGHT BOARD RESOLUTION NO. #-2015

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE OF THE SUCCESSOR AGENCY FOR THE PERIOD JULY 1, 2015 TO DECEMBER 31, 2015

WHEREAS, Section 34177(1)(2) of the Health and Safety Code requires the Successor Agency to the Redevelopment Agency of the City of Pacifica (“Successor Agency”) to submit to the State Department of Finance (“DOF”), the State Controller, and the San Mateo County Auditor-Controller (“County Auditor”) for review, a Recognized Obligation Payment Schedule for the period July 1, 2015 through December 31, 2015 (“ROPS”) that has been reviewed and approved by the Oversight Board for the Successor Agency City of Pacifica (“Board”); and

WHEREAS, Section 34177(m) of the Health and Safety Code requires that the ROPS be submitted, after approval by the Board, no later than March 3, 2015; and

WHEREAS, in accordance with Section 34179.7 of the Health and Safety Code the DOF has granted a “Finding of Completion” dated April 26, 2013; and

WHEREAS, on June 19, 2013 the Oversight Board adopted Resolution 2013-4 approving repayment of loans from the City of Pacifica to the former Redevelopment Agency creating an enforceable obligations pursuant to 34191.4(b) Health and Safety Code; and

WHEREAS, the review of a previous ROPS by the DOF issued on April 18, 2014 noted that the first opportunity for repayment of the City of Pacifica loans will begin with the 15-16A ROPS, in accordance with Section 34191.4(b)(2)(A) of the Health and Safety Code; and

WHEREAS, under Health and Safety Code Section 34177(j), the Oversight Board must approve the Administrative Budget for the Successor Agency.

WHEREAS, Successor Agency staff have prepared the attached ROPS and submitted it to the Oversight Board for review and approval, and at the same time have provided a copy of the attached ROPS to the County Administrative Officer, the County Auditor and DOF, all as required pursuant to Health and Safety Code Section 34177(1)(2)(B).

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA DOES RESOLVE AS FOLLOWS:

1. The Recognized Obligation Payment Schedule for the period July 1, 2015 through December 31, 2015, in the form attached to this resolution (Exhibit A – 5 Pages) and incorporated herein by reference, is hereby approved.

2. In accordance with the Dissolution Act, the Oversight Board hereby approves the Proposed Administrative Budget in the form presented to the Oversight Board and attached hereto as Exhibit B (the “Administrative Budget”) and incorporated herein by reference, is hereby approved. Further the Board authorizes the Successor Agency to incur costs for the general administrative activities and functions described in the Administrative Budget.

3. Oversight Board hereby acknowledges and approves the inclusion in the Non-Administration funding request of both an amount to address 2004 Tax Allocation Bond debt service payments, and a payment to reduce the obligation for loans made by the City General Fund to the Redevelopment Agency prior to dissolution.

4. The staff of the Successor Agency is hereby directed to submit the ROPS to DOF, the State Controller and the County Auditor and post the ROPS on the Successor Agency's website in accordance with Health and Safety Code Section 34177(1)(2)(C), and to cooperate with DOF to the extent necessary to obtain DOF's acceptance of the ROPS, including, if necessary, making modifications to the ROPS determined by the Successor Agency's City Manager to be reasonable and financially feasible to meet its legally required financial obligations.

PASSED AND ADOPTED at a regular meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Pacifica, California held on February 11, 2015, by the following vote of the members thereof:

- AYES:** Board Members -
- NOES:** Board Members -
- ABSTAIN:** Board Members -
- ABSENT:** Board Members -

[Name To Be Inserted], Chair

ATTEST:

Clerk of the Board

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: Pacifica
Name of County: San Mateo

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A Sources (B+C+D):	\$ -
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 180,568
F Non-Administrative Costs (ROPS Detail)	140,494
G Administrative Costs (ROPS Detail)	40,074
H Current Period Enforceable Obligations (A+E):	\$ 180,568

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I Enforceable Obligations funded with RPTTF (E):	180,568
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(1,510)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 179,058

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L Enforceable Obligations funded with RPTTF (E):	180,568
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	180,568

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.

	Chair

Name	Title
/s/ _____	2/11/2015
Signature	Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					O	P
										Funding Source						
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	Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		Six-Month Total	
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
								\$ 4,562,063		\$ -	\$ -	\$ -	\$ 140,494	\$ 40,074	\$ 180,568	
1	2004 Tax Allocation Bond Series A	Bonds Issued On or	8/19/2004	7/30/2031	Bank of New York Mellon	2004 Tax Allocation Bonds that	Rockaway Beach	1,996,142	N						\$ -	
2	2004 Tax Allocation Bond Series A Fiscal Agent Fee	Fees	8/19/2004	7/30/2031	Bank of New York Mellon	Fiscal Agent fees associated with 2004 Tax Allocation Bonds	Rockaway Beach	2,500	N				2,500		\$ 2,500	
3	Annual Audit	Admin Costs	7/1/2011	6/30/2015	Moss, Levy and Hartzheim	Annual Audit	Rockaway Beach	2,500	N					2,500	\$ 2,500	
4	Administration Successor Agency	Admin Costs	1/1/2014	6/30/2014	Successor Agency	Staffing / Administrative Costs	Rockaway Beach	10,000	N					10,000	\$ 10,000	
5	Redevelopment Loan from General Fund	City/County Loans On or Before 6/27/11	11/25/1985	6/30/2032	City of Pacifica	Loan from City of Pacifica to former RDA	Rockaway Beach		N						\$ -	
6	Administration - Legal	Admin Costs	1/1/2014	6/30/2015	Successor Agency	Legal support for Successor Agency	Rockaway Beach	10,000	N					10,000	\$ 10,000	
7	Administration - Legal	Legal	1/1/2014	6/30/2015	Successor Agency	Legal support for Oversight Board	Rockaway Beach	10,000	N					10,000	\$ 10,000	
9	RPTTF Shortfall	RPTTF Shortfall	7/1/2014	6/30/2015	Successor Agency	2014-15 B Shortfall Funding Request	Rockaway Beach	-	N						\$ -	
10	Bond Pmt Transferred To Trustee- Actual GL Exp will be next period	Reserves	8/19/2004	7/30/2031	Bank of New York Mellon	2004 Tax Allocation Bonds that refinanced redevelopment activities	Rockaway Beach	37,092	N				37,092		\$ 37,092	
11	Reso 17-88 - Loan #4 From General Fund	City/County Loans On or Before 6/27/11	4/14/1988	6/30/2032	City of Pacifica	Loan from City of Pacifica to former RDA	Rockaway Beach	471,018	N				100,902		\$ 100,902	
12	Reso 19-89 -Loan #5 From General Fund	City/County Loans On or Before 6/27/11	5/8/1989	6/30/2032	City of Pacifica	Loan from City of Pacifica to former RDA	Rockaway Beach	505,723	N						\$ -	
13	Reso 20-90 -Loan #6 From General Fund	City/County Loans On or Before 6/27/11	5/14/1990	6/30/2032	City of Pacifica	Loan from City of Pacifica to former RDA	Rockaway Beach	531,044	N						\$ -	
14	Reso 9-91 -Loan #7 From General Fund	City/County Loans On or Before 6/27/11	4/8/1991	6/30/2032	City of Pacifica	Loan from City of Pacifica to former RDA	Rockaway Beach	529,898	N						\$ -	
15	Reso 1-92 -Loan #8 From General Fund	City/County Loans On or Before 6/27/11	1/27/1992	6/30/2032	City of Pacifica	Loan from City of Pacifica to former RDA	Rockaway Beach	264,440	N						\$ -	
16	Reso 15-94 -Loan #10 From General Fund	City/County Loans On or Before 6/27/11	4/11/1994	6/30/2032	City of Pacifica	Loan from City of Pacifica to former RDA	Rockaway Beach	184,132	N						\$ -	
17	Costs which exceeded original budget estimate	Admin Costs	7/1/2014	6/30/2016	City of Pacifica	PPA Line Items exceeding original estimate	Rockaway Beach	7,574	N					7,574	\$ 7,574	
18									N						\$ -	

Recognized Obligation Payment Schedule (ROPS 15-16A) - 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 14-15A Actuals (07/01/14 - 12/31/14)								
1	Beginning Available Cash Balance (Actual 07/01/14)				38,342		116,809	City reconciliation of all prior periods using reserve concept Beginning Balance = \$155,151. Excl Reserve for 7/1 P&I Pmt
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014						-	City received a zero distribution based on balances on hand.
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q				38,342		25,213	\$38,342 Pmt to Bondholders 1/1/2015 - Per Debt docs Transfer to Fiscal Agent 12/19/14. \$25,213 = 2273 FA Fee + \$22,940 Admin
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S			No entry required			1,510	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,086	
ROPS 14-15B Estimate (01/01/15 - 06/30/15)								
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,596	
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015				89,567		34,374	\$123,941. DOF and CAC allowed for distribution without adjustment for PPA in order to determine cash balances
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)				88,342		32,000	The ROPS requested the 7/1/2015 debt pmt as reserve. The 7/1/2015 debt is \$88,342 - Request was for \$89,567 (error picked up earlier pmt on schedule). Other Exp=\$2k Audit; \$20k Legal; est \$10 k Support (Note-orig budget was \$6k for support)
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ 1,225	\$ -	\$ 93,970	

Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes

July 1, 2015 through December 30, 2015

Item #	Notes/Comments
1	2004 Tax Allocation bond Series A - Recognized Obligation. Balance Outstanding as of 6/30/15 is = \$2,121,576 - less 7/1/2015 Pmt (made fr Reserve) = \$88,341.88 = \$2,033,233.80 Payments need to be recorded in advance - see Reserve Item #10 - \$37,091.88 (Balance Line #1 = \$2,033,233.80 - 37,091.88) = \$1,996,141.92. TOTAL TAB OUTSTANDING = ITEM #1 plus ITEM #10
2	2004 Tax Allocation Bond Series A - Agent Fees (Paid Annually August. Note 14-15A was \$100 more than Approved ROPS - See #18)
3	Annual Audit - Admin Costs
4	Administration Successor Agency - Admin costs and prep of agenda and reports Oversight Board
5	NO LONGER USING THIS LINE SEE #'s 11-16 Redevelopment Loan from General Fund previously reported as single lump sum (DOF issued letter April 18, 2014 and noted that the first opportunity for repayment will begin with the 15-16A ROPS) Loans #4-#10 - excluding #9 which was paid off prior to dissolution
6	Administration - Legal - Legal Support for <u>Successor Agency</u>
7	Administration - Legal - Legal Support for <u>Oversight Board</u>
8	BLANK - NOT USED
9	NOT USED THIS PERIOD - RPTTF Shortage: (Previous - Per analysis of City expenses and RPTTF contributions ROPS II through ROPS 14-15A. Worksheet Available)
10	RESERVE: (This represents January 1, 2016 Bond Payment that is transferred to Trustee In December 2016. \$37,092 Interest) Trust Agmt Sec 4.03 requires transfer in advance. Expense is not recorded in City GL until the following period. TOTAL TAB OUTSTANDING = ITEM #1 plus ITEM #10
11	Reso 17-88 - Loan #4 From General Fund - Part of previous balance reported as Lump Sum on Line 5. City has Finding of Completion and OB adopted Reso
12	Reso 19-89 - Loan #5 From General Fund - Part of previous balance reported as Lump Sum on Line 5. City has Finding of Completion and OB adopted Reso
13	Reso 20-90 - Loan #6 From General Fund - Part of previous balance reported as Lump Sum on Line 5. City has Finding of Completion and OB adopted Reso
14	Reso 9-91 - Loan #7 From General Fund - Part of previous balance reported as Lump Sum on Line 5. City has Finding of Completion and OB adopted Reso
15	Reso 1-92 - Loan #8 From General Fund - Part of previous balance reported as Lump Sum on Line 5. City has Finding of Completion and OB adopted Reso
16	Reso 15-94 - Loan #10 From General Fund - Part of previous balance reported as Lump Sum on Line 5. City has Finding of Completion and OB adopted Reso
17	ROPS 14-15 A Orig Budget \$24,450 Although Total actual expense of \$22,941, is less than the TOTAL Approved Admin of \$24,450 for ROPS 14-15A Per County any line item overage must be requested on future ROPS. TOTAL Adjustment (\$7,574) comprised of Admin Support (\$7,474) orig ROPS Budget was \$3,000 Actual \$10,473.75 (difference \$7,474); & Trustee Fees Orig ROPS Budget was \$2173 and Actual was \$2,273 (difference = \$100)

EXHIBIT B

**CITY OF PACIFICA SUCCESSOR AGENCY
ADMINISTRATIVE BUDGET**

**ROPS 2015-2016 A
(July 1, 2015 - December 31, 2015)**

	<u>Budget</u>
Audit	\$2,500
Admin Support / Staff Services	10,000
Contract Legal (OB and SA)	20,000
2014-15A ROPS Reimb. *	7,574
TOTAL	<u>\$40,074</u>

* Costs which exceed original estimate must be requested on subsequent ROPS.
\$100 Trustee fees and \$7,474 Admin Support



**CITY OF PACIFICA
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY
(February 11, 2015)**

Agenda Item No. 5

SUBJECT: Resolution Providing For An Extension of Agreement For Legal Services
– Craig Labadie

ORIGINATED BY: Paul Rankin, Finance Advisor – Regional Government Services

DISCUSSION:

The Oversight Board has utilized legal services provided by Craig Labadie since 2012.

The original agreement was presented and approved by the Oversight Board at a meeting on April 16, 2012. The Oversight Board requested that the Successor Agency enter into an agreement with a not to exceed provision of \$50,000 for the period of March 26, 2012 through March 26, 2013. On February 27, 2014 the Board by minute action approved an amendment that extended the services for one year.

The Oversight Board with each six month ROPS period approves an Administrative Budget for activities anticipated. This allows the Board to consider the potential level of activity requiring these services, The cost of legal services provided by Mr. Labadie for the period from March 26, 2012 through December 31, 2014 has been a total of approximately \$25,656. For the most recent ROPS period (ROPS 14-15A July 1, 2014 through December 31, 2014) charges totalled \$4,070, which was less than the \$10,000 requested as part of the ROPS Administrative Budget for that period.

In order to provide continuity for the Oversight Board it is recommended that the extension of the agreement be made to July 1, 2016. As of July 1, 2016, the successor agencies transition to a countywide oversight board. There is no change in the proposed rates. As part of the 2015-2016 State Budget the Governor has proposed changes in the dissolution process. The impact on legal services will not be known until the proposal is formally presented and ultimately approved by both the Legislature and the Governor. It is recommended that a \$20,000 not to exceed amount be established for this extension. The Oversight Board will have the ability to review estimated costs as part of the Administrative Budgets presented with each ROPS report.

FISCAL IMPACT: Budgeted amounts for each six month ROPS reporting period will be established, however the “not to exceed” contract amount is established at \$20,000. The costs are funded as an administrative expense funded by funds distributed from prior redevelopment revenue and designated for use by the Successor Agency.

ATTACHMENTS:

1. Resolution Authorizing Amendment
2. Agreement entered into March 26, 2012

BOARD ACTION REQUESTED: Adopt the Resolution

OVERSIGHT BOARD RESOLUTION NO. 2015-__

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA
APPROVING THIRD AMENDMENT TO AGREEMENT FOR PROFESSIONAL
SERVICES WITH CRAIG LABADIE, LEGAL COUNSEL**

WHEREAS, on March 26, 2012, the Successor Agency approved a legal services agreement with Craig Labadie for a period of one year in an amount not to exceed \$50,000; and

WHEREAS, On April 16, 2012 the Oversight Board consented to the Agreement for services; and

WHEREAS, on February 26, 2013, the Oversight Board approved Resolution No. 2013-3 extending the agreement for an additional year to March 26, 2014 in an amount not to exceed a cumulative total of \$30,000; and

WHEREAS, on February 27, 2014, the Oversight Board by minute order approved extending the agreement for an additional year with a maximum of \$10,000 for that year; and

WHEREAS, the actual amount paid for legal services for the period from March 26, 2012 through December 31, 2014 has been a total of approximately \$25,656; and

WHEREAS, the Oversight Board has a continuing need for legal services and wishes to extend the agreement through July 1, 2016 in an amount not to exceed a \$20,000 for this extension period.

NOW THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA DOES HEREBY RESOLVE AS FOLLOWS:

1. The Third Amendment to the Agreement for Professional Services between the Successor Agency to the Redevelopment Agency of the City of Pacifica and Craig Labadie is approved, in substantially the form attached hereto as Exhibit "A".

2. The Successor Agency shall be requested to take whatever administrative actions are required to establish the contract extension.

PASSED AND ADOPTED at a meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Pacifica held on February 11, 2015, by the following vote of the Oversight Board members:

AYES: Board Members –

NOES: Board Members –

ABSTAIN: Board Members –

ABSENT: Board Members –

_____, Chair

ATTEST:

Clerk of the Oversight Board

EXHIBIT A

THIRD AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES

THIS THIRD AMENDMENT to the Agreement for Professional Services is made and entered into as of February 11, 2015, by and between the City of Pacifica, a municipal corporation, acting as the Successor Agency to the Redevelopment Agency of the City of Pacifica ("CITY") and Craig Labadie, an attorney licensed to practice law in the State of California ("ATTORNEY").

CITY AND ATTORNEY HEREBY AGREE TO AMEND THE AGREEMENT FOR PROFESSIONAL SERVICES AS FOLLOWS:

1. The termination date is extended to July 1, 2016.
2. The maximum compensation payable to ATTORNEY under this contract amendment is \$20,000.

Except as expressly amended herein, all other provisions of the Agreement for Professional Services shall remain in full force and effect.

IN WITNESS WHEREOF, CITY and ATTORNEY have executed this THIRD AMENDMENT as of the date first written above.

ATTORNEY:

Craig Labadie

CITY / SUCCESSOR AGENCY:

By: _____

CONSENTED TO:

By: _____

Oversight Board Chair

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into as of March 26, 2012, by and between the City of Pacifica, a municipal corporation, acting as the Successor Agency to the Redevelopment Agency of the City of Pacifica (“**CITY**”), organized and existing under the provisions of AB x1 26, enacted June 29, 2011 (“**Redevelopment Dissolution Act**”), and Craig Labadie, an attorney licensed to practice law in the State of California (“**ATTORNEY**”).

THE PARTIES ENTER THIS AGREEMENT based upon the following facts, understandings and intentions:

City Attorney would provide legal services to the OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY CITY OF PACIFICA (“**OVERSIGHT BOARD**”) as contemplated pursuant to the Redevelopment Dissolution Act as part of its staffing obligation, but because the City Attorney’s Office has a conflict of interest due to its representation of CITY as the Successor Agency, CITY is obtaining the services of special counsel to serve as the legal advisor for the OVERSIGHT BOARD; and

CITY desires to contract with ATTORNEY and ATTORNEY desires to contract with CITY for provision of professional services as further described herein, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties herein contained, the parties hereto agree as follows:

1. **Effective Date.** The effective date of this Agreement is March 26, 2012.
2. **Scope of Services.** CITY engages ATTORNEY to provide legal advice and representation to OVERSIGHT BOARD regarding implementation of the Redevelopment Dissolution Act, including but not limited to advice regarding the powers and duties of the OVERSIGHT BOARD under the Act as well as compliance with the requirements of the Brown Act, Public Records Act and Political Reform Act in the performance of such powers and duties. ATTORNEY shall provide both GENERAL LEGAL SERVICES and CLIENT SPECIFIC LEGAL SERVICES, which are defined in Section 4.

3. **Compensation.** ATTORNEY shall be compensated on hourly basis for services rendered under Section 2, at the rate of \$215 per hour. Additional hourly rate for services are as follows: Partner Level Attorneys \$215; Associate Level Attorneys \$185; Law Clerks \$75; and Paralegals \$65.

ATTORNEY shall be reimbursed for actual and reasonable out-of-pocket expenses such as mileage, photocopy charges, research-related charges, filing fees, telephone charges, and other costs related to representation. ATTORNEY may submit monthly statements for services rendered. Time will be billed in tenths of an hour (six-minute increments). Travel time shall be charge and paid at fifty percent (50%) of the hourly billing rate.

GENERAL LEGAL SERVICES are those legal services that pertain to generally shared or common issues among San Mateo County Oversight Boards where ATTORNEY's research and advice will be generally applicable to all Oversight Boards ATTORNEY represents such as advice regarding the Brown Act, the Political Reform Act, Public Records Act, and general powers and duties of Oversight Boards. CLIENT SPECIFIC SERVICES are those legal services rendered specifically and exclusively to a particular Oversight Board at its direction such as appearing at Oversight Board to provide legal counsel during its meeting or researching and advising on an issue specifically pertaining to that Board.

Further, for GENERAL LEGAL SERVICES applicable to all OVERSIGHT BOARDS that ATTORNEY represents in San Mateo County, ATTORNEY shall divide the billing for such GENERAL LEGAL SERVICES equally among all OVERSIGHT BOARDS that ATTORNEY represents in San Mateo County. ATTORNEY shall separately bill each OVERSIGHT BOARD for work performed independently and at the direction of that particular OVERSIGHT BOARD. While the OVERSIGHT BOARD shall review the detailed bill of the ATTORNEY, CITY shall receive a summary bill of such services.

It is intended that payment to ATTORNEY will be made by CITY acting as the Successor Agency within thirty (30) days after receipt of each invoice, subject to such

work being in compliance both with the scope of services as set forth in this Agreement and within the budget established by the CITY for said services.

Compensation to ATTORNEY under this Agreement shall not exceed Fifty Thousand Dollars (\$50,000) for the period from March 26, 2012 through March 26, 2013.

4. **Confidential Communications and Information.** CITY acting as the Successor Agency is the contracting entity and the OVERSIGHT BOARD is the client for the purposes of confidential client communications. Confidential communications between the OVERSIGHT BOARD and ATTORNEY are not to be shared with CITY or CITY as the Successor Agency. All documents, communications or other information developed or received by or for ATTORNEY in performance of the Agreement are confidential and not to be disclosed to any person except as authorized by OVERSIGHT BOARD, or as required by law.

5. **Termination.** This Agreement shall terminate on March 26, 2013, unless CITY and ATTORNEY, with the consent of OVERSIGHT BOARD, agree to extend it prior to such date.

With the consent of the OVERSIGHT BOARD, CITY may terminate ATTORNEY's employment at any time with or without cause and with no notice. However, CITY agrees to pay ATTORNEY for all legal services rendered by ATTORNEY up to the time of termination, plus all costs advanced and expenses incurred by ATTORNEY in the course of representing CITY. In the event of termination, ATTORNEY will promptly return CITY's papers and property to it.

6. **Standard of Performance.** ATTORNEY represents to CITY that the services shall be performed in an expeditious manner and with the degree of skill and care that is in conformance with generally accepted professional standards prevailing at the time work is performed.

7. **Performance by Attorney.** ATTORNEY shall not employ other attorneys or contractors without the prior written approval of the CITY. Unless otherwise expressly agreed by the CITY, ATTORNEY'S representative shall remain responsible

for the quality and timeliness of performance of the services, notwithstanding any permitted or approved delegation hereunder.

8. **Ownership and Maintenance of Documents.** All documents furnished by ATTORNEY pursuant to this AGREEMENT are instruments of ATTORNEY'S services in respect to any individual project. They are not intended nor represented to be suitable for reuse by others on extensions of this project or on any other project. Any reuse without specific written verification and adoption by ATTORNEY for the specific purposes intended will be at user's sole risk and without liability or legal exposure and expenses to ATTORNEY, including attorney's fees arising out of such unauthorized reuse. ATTORNEY'S records pertaining to work performed under this Agreement shall be given to CITY at the completion of the work.

9. **Conflict of Interest.** ATTORNEY shall avoid any conflict of interest in the performance of this Agreement. ATTORNEY represents that the ATTORNEY has no existing conflict of interest in representing OVERSIGHT BOARD and will not acquire any such interest, which could interfere with the performance of services required under this Agreement.

10. **Independent Contractor.** In assuming and performing the services, ATTORNEY is an independent contractor and shall not be eligible for any benefits, which the CITY may provide its employees, except as expressly provided for in the AGREEMENT. ATTORNEY shall have responsibility for and control over the means of providing services under this AGREEMENT.

11. **Malpractice Insurance.** Attorney shall maintain a current policy of errors and omissions insurance at all times.

12. **Amendment.** This Agreement may be amended, modified, or changed by the parties subject to mutual consent by execution of a written amendment executed by authorized representatives of CITY and ATTORNEY and as consented to by the OVERSIGHT BOARD.

13. **Compliance with Laws.** ATTORNEY shall comply with all applicable Federal, State, and local laws, rules, and regulations, and shall obtain all applicable licenses and permits for the conduct of its business and the performance of the services.

14. **Severability.** Each portion of this document is severable, so that if one portion is found to be legally invalid, the remaining portion shall remain in effect.

15. **Financial Records.** Records of ATTORNEY'S reimbursable expenses pertaining to this project covered by this AGREEMENT will be made available to OVERSIGHT BOARD and/or CITY if and when required.

16. **Notices.** All notices required hereunder shall be in writing and mailed postage prepaid by Certified or Registered mail, return receipt requested, or by personal delivery to the CITY'S address as shown below, or such other places as CITY or ATTORNEY may, from time to time, respectively, designate in a written notice given to the other. Notice shall be deemed received three (3) days after the date of the mailing thereof or upon personal delivery.

To CITY:

City of Pacifica
170 Santa Maria Avenue
Pacifica, CA 94044
Attention: Ann Ritzma
Telephone: (650) 738-7402
Facsimile: (650) 359-6038
Email: ritzmaa@ci.pacifica.ca.us

To ATTORNEY:

Craig Labadie
50 Tara Road
Orinda, CA 94563
Telephone: (925) 250-5424
Facsimile: (925) 253-0891
Email: labadielaw@gmail.com

[signatures to follow]

IN WITNESS WHEREOF, the parties have executed this AGREEMENT in one or more duplicate originals as of the date and year first written above.

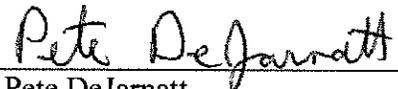
ATTORNEY:



Craig Labadie

CITY:

CITY OF PACIFICA, as successor agency to the Redevelopment Agency of the City of Pacifica

By: 
Name: Pete DeJarnatt
Title: Mayor

CONSENTED TO:

By: 
Name: DAVID G. HOLLAND
Title: Chair, Oversight Board for City of Pacifica



**CITY OF PACIFICA
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY
(February 11, 2015)**

Agenda Item No. 7

SUBJECT: Information Update – Dissolution Process

ORIGINATED BY: Craig Labadie, Oversight Board Legal Counsel

DISCUSSION:

The Oversight Board Legal Counsel will provide a brief update on the status of the dissolution process and items which the Board has taken action on. The following are among the items expected to be discussed:

Housing Asset Transfer: At the Meeting on October 2, 2014 the Board confirmed the transfer of certain Housing Assets to the Housing Authority of San Mateo County. On January 13, 2015 the State Department of Finance advised that it had approved the Transfer of Assets (See Attachment 1 – Letter from Department of Finance).

Long Range Property Management Plan (LRPMP): At the Meeting on October 2, 2014 the Board approved an Amended LRPMP. As required the Plan was submitted to the Department of Finance (DOF) for Review. As of the date this Staff Report was prepared no response from DOF has been received.

Governor Proposes Legislative Changes To Dissolution Process: As part of the proposed Budget Governor Brown has recommended changes to the dissolution process. (See Attachment 2- Excerpt – Local Government Redevelopment 2015-16 Governor’s Budget Summary”) Under current law beginning July 1, 2016, the activities of this local Oversight Board would be handled by the Countywide Board. The City as the Successor Agency would be submitting six month funding requests to a Countywide Oversight Board. As foreseen by the Governor the reforms proposed for legislation would create a restructured process intended to be more efficient and reduce the workload on all parties. The impact of changes actually submitted will be monitored by Staff and presented to the Board in the event that action is requested.

FISCAL IMPACT: None

ATTACHMENTS:

1. Letter from California Department of Finance dated January 13, 2015.
2. Excerpt 2015-16 Governor’s Budget Summary

BOARD ACTION REQUESTED: None. Information Only

January 13, 2015

Mr. Lorenzo Hines Jr., Assistant City Manager
City of Pacifica
170 Santa Maria Avenue
Pacifica, CA 94044

Dear Mr. Hines:

Subject: Approval of Oversight Board Action

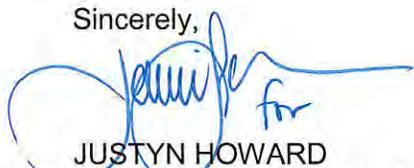
The City of Pacifica Successor Agency (Agency) notified the California Department of Finance (Finance) of its October 2, 2014 Oversight Board (OB) Resolution on October 6, 2014. Pursuant to Health and Safety Code section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution 5-2014, authorizing and directing the transfer of housing assets of the former City of Pacifica Redevelopment Agency (RDA) to the Housing Authority of the County of San Mateo (County), is approved. It is our understanding the City of Pacifica elected not to retain the responsibility for performing housing functions previously performed by the former RDA and pursuant to HSC section 34176 (b) all rights, powers, assets, duties, and obligations associated with the housing activities of the Agency have been transferred to the County.

This is our determination with respect to the OB action taken.

Please direct inquiries to Wendy Griffe, Supervisor, or Erika Santiago, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Acting Program Budget Manager

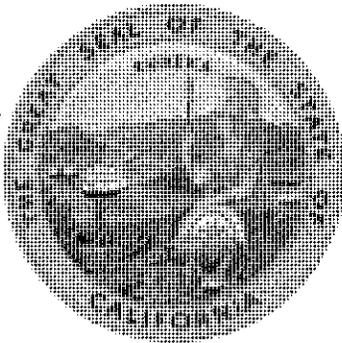
cc: Ms. Lorie Tinfow, City Manager, City of Pacifica
Mr. Bob Adler, Auditor-Controller, San Mateo County
Ms. Elizabeth González, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office

EXCERPT — Local Government
Redevelopment

2015-16

Governor's Budget Summary

Edmund G. Brown Jr. Governor, State of California



To the California Legislature
Regular Session 2015-16

LOCAL GOVERNMENT

This part of the Budget includes information related to the dissolution of redevelopment agencies, state mandate reimbursements, and other issues affecting local government.

REDEVELOPMENT AGENCIES

The Administration is continuing the ongoing workload involved with winding down the state's former redevelopment agencies (RDAs). Chapter 5, Statutes of 2011 (ABx1 26), eliminated the state's approximately 400 RDAs, replacing them with locally organized successor agencies tasked with retiring the outstanding debts and other legal obligations of the RDAs. The elimination of RDAs has allowed local governments to protect core public services by returning property tax money to cities, counties, special districts, and K-14 schools.

From 2011-12 to 2013-14, approximately \$990 million in property tax revenue has been returned to cities, \$1.3 billion to counties, and \$430 million to special districts. The Budget anticipates that in 2014-15 and 2015-16 combined, cities will receive an additional \$580 million, counties \$660 million, and special districts \$200 million. The Budget anticipates ongoing property tax revenues of more than \$900 million annually will be distributed to cities, counties, and special districts. This is a significant amount of unrestricted funding that can be used by local governments to fund police, fire, and other critical public services.

From 2011-12 through 2013-14, approximately \$3.5 billion was returned to K-14 schools. The Budget anticipates Proposition 98 General Fund savings resulting from the dissolution of RDAs will be \$875 million in 2014-15. For 2015-16, Proposition 98 General Fund savings are expected to be \$1 billion. On an ongoing basis, Proposition 98 General Fund savings are estimated to be over \$1 billion annually. When Test 1 of the Proposition 98 calculation is operative, funds above the estimated \$1 billion will increase available resources for K-14 schools.

SIMPLIFYING THE DISSOLUTION PROCESS

While administering the orderly dissolution of almost 400 RDAs has been complex and time-consuming, it has achieved the fiscal and programmatic goals originally envisioned and, as noted above, has provided substantial funding for local governments to use on core public services.

Ongoing workload related to the winding down of redevelopment agencies involves the generation, submittal, and review of Recognized Obligation Payment Schedules (ROPS). Every six months, while operating under the supervision of a locally appointed oversight board, successor agencies submit to Finance their ROPS, which delineates their proposed payments for the upcoming payment cycle. Finance reviews each ROPS to determine whether the identified payments are required by enforceable obligations, as defined by law. Once Finance has completed its review, the county auditors-controllers provide successor agencies with property tax allocations to pay the approved enforceable obligations. This process continues into the future until all the approved enforceable obligations have been paid.

Through this biannual process, Finance has successfully reviewed the majority of all enforceable obligations listed for payment by successor agencies for compliance with the law. About 85 percent of all active successor agencies have complied with statutory audit findings and received a Finding of Completion, which is a milestone indicating compliance progress. As a result, oversight of the dissolution process has progressed to the point where legislative changes can be considered in order to add finality to the entire dissolution process and reduce the burden on all parties involved.

The Administration will introduce legislation through the budget process to gradually transition the state away from the current detailed role in the RDA dissolution process. The legislation will meet the following objectives:

- Minimize the potential erosion of property tax residuals being returned to the local affected taxing entities (both in the short and long term) while transitioning the state from detailed review of enforceable obligations to a streamlined process;
- Clarify and refine various provisions in statute to eliminate ambiguity, where appropriate, and make the statutes operate more successfully for all parties without rewarding previous questionable behavior; and
- Maintain the expeditious wind-down of former RDA activities while adding new incentives for substantial compliance with the law.

Specifically, the Administration's proposed legislation will include the following process changes:

- Transition all successor agencies from a biannual ROPS process to an annual ROPS process beginning July 1, 2016, when the successor agencies transition to a countywide oversight board. This restructured process will be more efficient and will reduce the workload on all parties.
- Establish a "Last and Final" ROPS process beginning September 2015. The Last and Final ROPS will be available only to successor agencies that have a Finding of Completion, are in agreement with Finance on what items qualify for payment, and meet other specified conditions. If approved by Finance, the Last and Final ROPS will be binding on all parties and the successor agency will no longer submit a ROPS to Finance or the oversight board. The county auditor-controller will remit the authorized funds to the successor agency in accordance with the approved Last and Final ROPS until each remaining enforceable obligation has been fully paid.

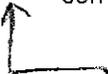
The proposed legislation will also clarify that:

- Former tax increment caps and RDA plan expirations do not apply for the purposes of paying approved enforceable obligations. One of the core principles of the dissolution process is that approved enforceable obligations will be paid. This clarification will confirm that funding will continue to flow until all approved enforceable obligations have been paid.

LOCAL GOVERNMENT

- Reentered agreements that are not for the purpose of providing administrative support activities are not authorized or enforceable.
- Litigation expenses associated with challenging dissolution determinations are not separate enforceable obligations, but rather are part of the administrative costs of the successor agency.
- Contractual and statutory passthrough payments end upon termination of all of a successor agency's enforceable obligations.
- Finance is exempt, as provided in existing law, from the regulatory process.
- County auditor-controllers' offices shall serve as staff for countywide oversight boards.

In recent years, the Legislature has put forth various proposals to change the dissolution process. Any such proposals would need to fit within the principles stated above. The Administration is committed to working with stakeholders to achieve common ground where possible.



STATE MANDATE REIMBURSEMENTS

The Commission on State Mandates is a quasi-judicial body that determines whether local agencies and school districts are entitled to reimbursement by the state for costs related to new or higher levels of service mandated by the state. With few exceptions, state reimbursable mandate claims are a General Fund expense. The Constitution requires the Legislature to either fund or suspend specified mandates in the annual Budget Act. The Budget continues the suspension of most mandates not related to law enforcement or property taxes.

Significant Adjustments:

- Status of Trigger Mechanism—The 2014 Budget Act made a \$100 million repayment on pre-2004 mandate debt owed to counties, cities, and special districts. For the remaining \$800 million pre-2004 mandate debt, the 2014 Budget Act includes a trigger mechanism that will be used if, at the 2015 May Revision, estimated General Fund revenues for the 2013-14 and 2014-15 fiscal years exceed the 2014 May Revision estimate for those same revenues. After satisfying the Proposition 98 guarantee, additional revenues, up to \$800 million, will pay down the remainder of the state's pre-2004 mandate debt. Current estimates indicate