



AGENDA

Oversight Board of the Successor Agency to the former Capitola Redevelopment Agency

Tuesday, September 30, 2014
4:00 PM

1. CALL TO ORDER/ROLL CALL

Katie Cattan – Employee Representative of the Former Capitola Redevelopment Agency
Zach Friend – Santa Cruz County Board of Supervisors
Mary Hart – Santa Cruz County Office of Education
Jeff Maxwell – Central Fire Protection District
Gayle Ortiz – Santa Cruz County Board of Supervisors' Appointment
Gary Reece – Cabrillo College Appointment
Michael Termini – Mayor's Appointment

2. CONSENT CALENDAR

A. Approve Minutes – August 28, 2014

3. PUBLIC HEARINGS

General Government items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each General Government item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.

A. Approval of the Successor Agency Recognized Obligation Payment Schedule for the period from January 1, 2015 to June 30, 2015 (ROPS 14-15B) and associated Resolution 2014-04.
RECOMMENDED ACTION: Approve ROPS 14-15B and adopt Resolution 2014-04

4. PUBLIC COMMENT

Oral Communications allows time for members of the Public to address the City Council on any item not on the Agenda. Presentations will be limited to three minutes per speaker. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the minutes.

5. ADJOURNMENT

Adjourn to the next meeting of the Oversight Board of the City of Capitola, as Successor Agency to the former Capitola Redevelopment Agency, to be determined.

Oversight Board of the Capitola Successor Agency Agenda
Tuesday, September 30, 2014

Agenda and Agenda Packet Materials: The Oversight Board for the Capitola Successor Agency Agenda and the complete agenda packet are available on the Internet at the City's website: www.cityofcapitola.org. Agendas are also available at the City Hall located at 420 Capitola Avenue, Capitola.

Agenda Document Review: The complete agenda packet is available at City Hall prior to the meeting. If you need more information, contact the Finance Department at 831-475-7300.

Agenda Materials Distributed after Distribution of the Agenda Packet: Pursuant to Government Code §54957.5, materials related to an agenda item submitted after distribution of the agenda packet are available for public inspection at the Reception Office at City Hall, 420 Capitola Avenue, Capitola, California, during normal business hours.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24-hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

MINUTES

OVERSIGHT BOARD OF THE CITY OF CAPITOLA, AS SUCCESSOR AGENCY TO FORMER CAPITOLA REDEVELOPMENT AGENCY

AUGUST 28, 2014

1. CALL TO ORDER/ROLL CALL

PRESENT: Chairperson Michael Termini
Board Members: Gayle Ortiz, Katie Cattan, Zach Friend, Mary Hart,
Jeff Maxwell, and Gary Reece

2. CONSENT CALENDAR

A. Approval of Minutes – February 21, 2014

ACTION: The minutes were approved. This motion was approved unanimously.

3. GENERAL GOVERNMENT/PUBLIC HEARINGS

A. Consider a Resolution Approving a Loan Agreement between the City of Capitola and the Capitola Successor Agency for \$88,500 to fund the Successor Agency's share of the Settlement Agreement.

ACTION: Resolution 2014-03 was approved. This motion was approved unanimously.

4. PUBLIC COMMENT

None

5. ADJOURNMENT

Adjourned to the next meeting, date to be determined.

Michael Termini, Chair



Item #: 3.A.

OVERSIGHT BOARD OF THE CITY OF CAPITOLA, AS SUCCESSOR AGENCY TO THE FORMER CAPITOLA REDEVELOPMENT AGENCY

MEETING OF SEPTEMBER 30, 2014

FROM: FINANCE DEPARTMENT

SUBJECT: PUBLIC HEARING TO CONSIDER APPROVAL OF THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE FOR JANUARY 1 TO JUNE 30, 2015 (ROPS 14-15B)

RECOMMENDED ACTION: Approve the Recognized Obligation Payment Schedule for the period from January 1 to June 30, 2015 (ROPS 14-15B).

BACKGROUND: In Accordance with ABX1 26, the Oversight Board of the Capitola Successor Agency is required to adopt a ROPS for each six-month period. AB 1484 requires the Successor Agency to submit the seventh ROPS – “ROPS 14-15B” to the Department of Finance by October 3, 2014. ROPS 14-15B was approved unanimously by the Successor Agency on September 25, 2014. The attached ROPS is now subject to approval by the Oversight Board.

DISCUSSION: The recommended submission for ROPS 14-15B is \$308,517. This ROPS includes the final \$24,005 payment on the \$2.64 million library obligation. This obligation was originally scheduled to be paid-off in February, 2018. ROPS 14-15B also includes regular payments of \$51,012 to the Housing Authority Rental Subsidy, \$50,000 for the Castle/Millennium Housing Project, and an administrative allowance of \$75,000.

ROPS 14-15B also contains two new obligations related to a City and Successor Agency Settlement Agreement. The City and the Successor Agency were recently named as parties to a lawsuit related to an ADA incident that took place at the Rispin property. During the time of the incident, the property was owned by the Successor Agency. The City, Successor Agency, and the plaintiff reached a \$295,000 Settlement Agreement, which also requires ADA injunctive relief projects, estimated at \$800,000 to \$900,000. The Monterey Bay Area Self Insurance Authority (MBASIA), the City’s liability insurer, paid \$147,500 of the settlement costs, while the City and Successor Agency paid \$59,000 and \$88,500, respectively. The injunctive relief costs will be paid equally between the City and the Successor Agency.

To facilitate a timely payment of the Successor Agency’s \$88,500 obligation, the City and Successor Agency entered into a loan agreement to provide the Successor Agency with the necessary funds to pay the plaintiff prior to the ROPS 14-15B distribution. This loan was approved by Resolution at the August 28, 2014, Oversight Board meeting. ROPS 14-15B includes a \$88,500 one-time payment to repay the City for the advanced settlement funds and 50%, or \$20,000, for the current period injunctive relief project design costs.

9-30-14 AGENDA REPORT: RECOGNIZED OBLIGATION PAYMENT SCHEDULE

FISCAL IMPACT: Adoption of this ROPS allows the Successor Agency to make payments on listed obligations during the next six month time period. The full financial impact on the City and the Successor Agency will not be known until after the Oversight Board and the Department of Finance completes their review and approval process in accordance with ABX1 26.

ATTACHMENT:

1. ROPS 14-15B - Seventh Recognized Obligations Payment Schedule
2. ROPS 14-15B - Resolution

Report Prepared By: Tori Hannah
Finance Director

Reviewed and Forwarded
By City Manager/Executive Director _____

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. 2014-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD BEGINNING JANUARY 1, 2015 AND ENDING JUNE 30, 2015, AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH.

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, on June 27, 2012, the California State Legislature enacted Assembly Bill AB 1484 ("AB 1484"), modifying many of the provisions of ABx1 26 and establishing several new procedural deadlines; and

WHEREAS, under the Dissolution Act, the Successor Agency to the Redevelopment Agency of the City of Capitola (the "Successor Agency") must prepare a "Recognized Obligation Payment Schedule" ("ROPS") that enumerates the enforceable obligations and expenses of the Successor Agency for specified six-month intervals; and

WHEREAS, Health and Safety Code Section 34177(I)((1) and (2)) was amended by AB1484, adding 34177(I)(3)(m), to require the Successor Agency to submit a Seventh Recognized Obligation Payment Schedule ("ROPS 14-15B") for the period beginning January 1, 2015 and ending June 30, 2015 to the State of California Department of Finance, and to make associated notifications and distributions after approval by the Oversight Board, no later than October 3, 2014; and

WHEREAS, on September 25, 2014, the Capitola City Council, in its capacity as the governing board of the Successor Agency, approved ROPS 14-15B for the six-month period ending June 30, 2015 (a copy of which is on file with the City Clerk); and

WHEREAS, under the Dissolution Act, ROPS 14-15B must be submitted to the Successor Agency's oversight board (the "Oversight Board") for Oversight Board approval; and

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
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WHEREAS, pursuant to the Dissolution Act, the duly constituted Oversight Board met at a duly noticed public meeting on September 30, 2014 to consider approval of the ROPS 14-15B, among other approvals; and

WHEREAS, in accordance with Health & Safety Code Sections 34177(l)(2)(B) and 34179(f), the Successor Agency shall submit the approved ROPS 14-15B to the Santa Cruz County Chief Administrative Officer, the Santa Cruz County Auditor-Controller, and the State Department of Finance and posted the proposed ROPS 14-15B on its web site; and

WHEREAS, the accompanying staff report provides supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds, resolves, and determines as follows:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. The Oversight Board hereby approves ROPS 14-15B for the period beginning January 1, 2015 and ending June 30, 2015 in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in ROPS 14-15B, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act.

SECTION 3. The Oversight Board has examined the items contained on ROPS 14-15B and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition and liquidation, the continued administration of the enforceable obligations herein approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.

SECTION 4. The Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in ROPS 14-15B and herein approved by the Oversight Board.

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SECTION 5. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the ROPS 14-15B on the Successor Agency website, transmit the ROPS14-15B to the Santa Cruz County Auditor-Controller, the State Controller, and the State Department of Finance, and to take any other administrative actions to ensure the validity of the ROPS 14-15B and the validity of any enforceable obligations approved by the Oversight Board in this Resolution.

SECTION 6. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34177(m).

ADOPTED on September 30, 2014 by the Members of the Oversight Board of the Successor Agency for the Redevelopment Agency of the City of Capitola with the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Michael Termini Chair

ATTEST:

Tori Hannah, Oversight Board
Designated Communication Official

