

CITY OF SANTA CLARITA
OVERSIGHT BOARD TO THE FORMER REDEVELOPMENT AGENCY OF
THE CITY OF SANTA CLARITA
REGULAR MEETING

Thursday, January 28, 2016
2:00 PM

City Hall, Orchard Room
23920 Valencia Blvd.
Santa Clarita, CA 91355

AGENDA

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office, (661) 255-4391. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.102-35.104 ADA Title II)

Complete packets are available for public inspection at City Hall. Any writings or documents distributed to a majority of the members of the Oversight Board regarding any open session item on this agenda will be made available for public inspection in City Clerk's Office located at 23920 Valencia Boulevard, Suite 120, during normal business hours. These writings or documents will also be available for review at the meeting.

CALL TO ORDER

FLAG SALUTE

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF MINUTES – The Minutes of the previous Oversight Board to the former Redevelopment Agency of the City of Santa Clarita are submitted for approval.

RECOMMENDED ACTION:

Oversight Board to the former Redevelopment Agency of the City of Santa Clarita approve the minutes of the September 15, 2015 and December 9, 2015 meetings.

NEW BUSINESS

1. RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17)

The Successor Agency is required to prepare a Recognized Obligation Payment Schedule (ROPS) for each twelve-month period, in order to pay for approved expenses.

Recommended Action:

Oversight Board review the ROPS for the period of July 1, 2016 – June 30, 2017, adopt Resolution No. 16-01 approving the ROPS, and direct Successor Agency staff to transmit the approved ROPS documents to the Los Angeles County Auditor-Controller (County A-C), the State Controller, and the State Department of Finance (DOF).

2. AMENDMENT TO AGREEMENT RELATED TO CITY LOANS

The Oversight Board previously approved the reinstatement of loans between the City and the former Redevelopment Agency. SB 107 made changes that necessitate an amendment to that agreement.

Recommended Action:

Oversight Board adopt Resolution No. 16-02 approving an amendment to the loan agreement for City loans made to the former Redevelopment Agency and direct Successor Agency staff to transmit the resolution to the Department of Finance.

PUBLIC PARTICIPATION

This time has been set aside for the public to address the Oversight Board to the Former Redevelopment Agency of the City of Santa Clarita on items NOT listed on the agenda. The Board will not act upon these items at this meeting other than to review and/or provide direction to staff. All speakers must submit a speaker's card to the Meeting Clerk PRIOR to the beginning of this portion of the meeting, and prepare a presentation not to exceed three (3) minutes.

STAFF COMMENTS

ADJOURNMENT

CERTIFICATION

I, Jason Crawford, do hereby certify that I am the duly appointed and qualified Marketing and Economic Development Manager for the Successor Agency of the former Redevelopment Agency of the City of Santa Clarita, and that on January 25, 2016, the foregoing agenda was posted at City Hall.

Jason Crawford
Marketing and Economic Development Manager
Santa Clarita, California

**MINUTES OF THE
MEETING OF THE OVERSIGHT BOARD
OF THE FORMER REDEVELOPMENT AGENCY
OF THE CITY OF SANTA CLARITA**

**Tuesday, September 15, 2015
2:00 p.m.**

CALL TO ORDER

The meeting of the Oversight Board of the Successor Agency for the former Redevelopment Agency of the City of Santa Clarita was called to order by Chair Striplin at 2:01 p.m. in the Orchard Conference Room, 23920 Valencia Boulevard, Santa Clarita, California.

FLAG SALUTE

Greg Murphy led the flag salute.

ROLL CALL

Chair Striplin, Vice Chair Coleal and Board Members Engbrecht, Hernandez, and Swartz were all present. Board Members Dortch and Koegle were absent.

APPROVAL OF AGENDA

A motion was made by Board Member Engbrecht and seconded by Board Member Swartz to approve the agenda. Said motion was approved by a vote of 5-0.

APPROVAL OF THE MINUTES

A motion was made by Board Member Hernandez and seconded by Board Member Dortch to approve the minutes of the Oversight Board Meetings of February 25, 2015, and of August 4, 2015. Said motion was approved by a vote 5-0.

NEW BUSINESS

ITEM 1 EXCESS BOND PROCEEDS EXPENDITURE AGREEMENT

Finance and Technology Manager, Carmen Magana, gave a power point presentation.

A motion was made by Board Member Engbrecht and seconded by Board Member Swartz to adopt Resolution No. 15-06 approving the Excess Bond Proceeds Expenditure Agreement (Agreement), approved by City Council and Successor Agency on September 8, 2015, approving transfer of \$6,104,268 in “excess bond proceeds” from the Successor Agency to the City and requiring the City to utilize the “excess bond proceeds” to reimburse other funds currently allocated to the long-completed Newhall Library, and direct Successor Agency staff to transmit the resolution to the Department of Finance. Said motion was approved by a vote 5-0.

ITEM 2 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16 B)

Management Analyst, Alex Hernandez, gave a power point presentation.

A motion was made by Board Member Hernandez and seconded by Board Member Engbrecht to adopt Resolution No. 15-07 approving the ROPS for the period of January 1, 2016 – June 30,

Communication: Minutes - 9-15-2015 (APPROVAL OF MINUTES)

2016; and direct Successor Agency staff to transmit the approved ROPS documents to the Los Angeles County Auditor-Controller (County A-C), the State Controller, and the State Department of Finance (DOF). Said motion was approved by a vote 5-0.

PUBLIC PARTICIPATION

There was no public participation.

STAFF COMMENTS

Jason Crawford provided an update about recently-passed legislation regarding the wind-down of Redevelopment.

ADJOURNMENT

The meeting was adjourned by Chair Striplin at 2:19p.m.

Kenneth W. Striplin, Chair
Oversight Board

Jason Crawford, Marketing & Economic Development Manager
Successor Agency Staff

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Communication: Minutes - 9-15-2015 (APPROVAL OF MINUTES)

**MINUTES OF THE
MEETING OF THE OVERSIGHT BOARD
OF THE FORMER REDEVELOPMENT AGENCY
OF THE CITY OF SANTA CLARITA**

**Wednesday, December 9, 2015
3:00 p.m.**

CALL TO ORDER

The meeting of the Oversight Board of the Successor Agency for the former Redevelopment Agency of the City of Santa Clarita was called to order by Board Member Hernandez at 3:17 p.m. in the Century Conference Room, 23920 Valencia Boulevard, Santa Clarita, California.

FLAG SALUTE

Darren Hernandez led the flag salute.

ROLL CALL

All Board Members were present with the exception of Vice Chair Coleal and Board Member Engbrecht who were absent and Chair Striplin, who arrived at 3:25 p.m.

APPROVAL OF AGENDA

A motion was made by Board Member Dortch and seconded by Board Member Koegle to approve the agenda. Said motion was approved by a vote of 4-0.

APPROVAL OF THE MINUTES

A motion was made by Board Member Hernandez and seconded by Board Member Swartz to continue the approval of the minutes of the Oversight Board Meeting of September 15, 2015, to the next Oversight Board Meeting. Said motion was approved by a vote 4-0.

NEW BUSINESS

ITEM 1 LONG RANGE PROPERTY MANAGEMENT PLAN AMENDMENT

Economic Development Associate, Denise Covert, gave a power point presentation.

A motion was made by Board Member Dortch and seconded by Board Member Koegle to adopt Resolution No. 15-08 approving an amendment to the Long Range Property Management Plan so that parking facilities and lots dedicated to public parking can be considered governmental use and transferred to the City to continue to be used for public parking. Said motion was approved by a vote 5-0.

Board Member Koegle asked if the City would be responsible for maintenance of the property if the transfer were approved. Ms. Covert answered that yes, it would be a City asset so the City would maintain it.

Board Member Swartz asked if the City was comfortable with the appraisal being 2 years old. Ms. Covert explained that a new appraisal was in the works. Board Member Koegle asked if the Department of Finance would be concerned about the appraisal being 2 years old. Attorney Joe Montes explained that the values listed were provided as information for the board and that the

Communication: Minutes - 12-9-15 (APPROVAL OF MINUTES)

Department of Finance is concerned with knowing that the lot is being used for public parking and that the revenue does not exceed the cost of maintenance, rather than the value of the asset.

PUBLIC PARTICIPATION

There was no public participation.

STAFF COMMENTS

Jason Crawford, Marketing and Economic Development Manager, explained that it is anticipated that the ROPS will be presented early in the new year. An item will be presented to the City Council and Successor Agency Board on the Redevelopment Block and pending the determination made, that will also be before the Oversight Board early in the new year.

ADJOURNMENT

The meeting was adjourned by Board Member Hernandez at 3:30 p.m.

Kenneth W. Striplin, Chair
Oversight Board

Jason Crawford, Marketing & Economic Development Manager
Successor Agency Staff

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Communication: Minutes - 12-9-15 (APPROVAL OF MINUTES)

**OVERSIGHT BOARD
OF THE FORMER REDEVELOPMENT AGENCY
OF THE CITY OF SANTA CLARITA**

AGENDA REPORT

Approved By: _____

Presented By: Denise Covert

DATE: January 28, 2016

SUBJECT: RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17)

Recommended Action:

Oversight Board review the ROPS for the period of July 1, 2016 – June 30, 2017; adopt Resolution No. 16-01 approving the ROPS, and direct Successor Agency staff to transmit the approved ROPS documents to the Los Angeles County Auditor-Controller (County A-C), the State Controller, and the State Department of Finance (DOF).

Background:

The Successor Agency was previously required to prepare a Recognized Obligation Payment Schedule (ROPS) for each six-month period. Senate Bill 107 modified a number of provisions related to the dissolution of redevelopment agencies throughout the State and Successor Agencies are now required to submit their ROPS for each twelve month period.

The ROPS essentially serves as an invoice between the Successor Agency and Los Angeles County Auditor-Controller (County A-C) and dictates how much former property tax increment will be released by the County for the twelve-month period to the Successor Agency to pay for enforceable obligations. Only payments listed on the ROPS may be made by the Successor Agency.

Currently, the Successor Agency has two sources of revenue available to pay for costs listed on the approved ROPS.

- Former Tax Increment, now held by the Los Angeles County Auditor-Controller (County A-C) in the Redevelopment Property Tax Trust Fund (RPTTF); and
- Fund balance currently held by the Successor Agency in the Redevelopment Retirement Obligation Fund.

Communication: Item 1 - ROPS (NEW BUSINESS)

Item 1 – Recognized Obligation Payment Schedule (ROPS 16-17)

January 28, 2016

Page 2 of 2

ROPS

The attached ROPS 16-17 reflects the estimated payment obligations for the Successor Agency in the format provided by the Department of Finance (DOF). ROPS 16-17 will be submitted to the DOF and emailed separately to the County A-C in accordance with the requirements of Health and Safety Code Section 34177(l)(B).

Successor Agency Administrative Budget

The Successor Agency is allowed an administrative allowance, subject to approval by the Oversight Board. This allowance is up to five percent of the property tax within the Newhall Redevelopment Project Area for Fiscal Year 2011-12 and three percent each year thereafter. Pursuant to Section 34171(b), this amount shall not be less than \$250,000 for any fiscal year unless negotiated by the Successor Agency and Oversight Board.

The Successor Agency is requesting \$100,000 for its administrative budget for Fiscal Year 2016-17 to cover costs to administer the distribution of the former Redevelopment Agency's assets and to fulfill all other obligations of the former Agency. The administrative budget includes \$60,000 in personnel charges related to staffing the Successor Agency and \$40,000 in legal costs related to the implementation of the Long Range Property Management Plan.

Deadlines and Approval Process

ROPS 16-17 must be submitted to the DOF, County A-C and State Controller by February 1, 2016. If this deadline is not met, the City is subject to a civil penalty of \$10,000 per day for the Successor Agency's failure to timely submit the ROPS.

All ROPS documents are required to be approved by the Oversight Board. After approval by the Oversight Board, the resolution approving the ROPS documents will then be transmitted to the Department of Finance, the State Controller's Office and the County A-C.

Actions taken by the Oversight Board, including the approval of a ROPS, are not effective for five business days, pending a request for review by the Department of Finance. Once a request for review is made, the Department of Finance has 40 days from the date of the request to approve the Oversight Board action or return it to the Oversight Board for reconsideration. The reconsidered action is not valid until it is approved by the Department of Finance.

Fiscal Impact:

The total obligations for the ROPS equal \$2,748,554 of which sufficient RPTTF is expected to be available to cover these expenses.

Attachments:

ROPS 16-17

Oversight Board Resolution No. 16-01

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Santa Clarita
 County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				
A	Sources (B+C+D):	\$ 336,183	\$ -	\$ 336,183
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	335,000	-	335,000
D	Other Funding	1,183	-	1,183
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,225,519	\$ 1,186,852	\$ 2,412,371
F	Non-Administrative Costs	1,175,519	1,136,852	2,312,371
G	Administrative Costs	50,000	50,000	100,000
H	Current Period Enforceable Obligations (A+E):	\$ 1,561,702	\$ 1,186,852	\$ 2,748,554

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

 Name Title

/s/ _____
 Signature Date

Santa Clarita Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	16-17A					16-17B					W															
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF						Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF									
											Bond Proceeds					Reserve Balance						Other Funds					Non-Admin					Admin				
											16-17A Total					16-17A Total						16-17B Total					16-17B Total									
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	ROPS 16-17 Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17A Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17B Total														
1	Tax Allocation Bonds Series 2008	Bonds Issued On or Before 12/31/10	6/3/2008	10/1/2042	Bank of New York	Bonds issued to fund redevelopment projects		\$ 76,376,578	N	\$ 2,748,554		\$ 335,000	\$ 1,183	\$ 1,175,519	\$ 50,000	\$ 1,561,702				\$ 1,136,852	\$ 50,000		\$ 1,186,852													
2	Housing Set-Aside Tax Alloc. Bonds Series 2008	Bonds Issued On or Before 12/31/10	6/3/2008	10/1/2042	Bank of New York	Bonds issued to fund low and moderate income housing projects and programs		13,823,648	N	\$ 531,856				344,978		\$ 344,978					186,878		\$ 186,878													
3	Successor Agency Administrative Costs	Admin Costs	7/1/2015	6/30/2016	Various	Administrative agency costs		250,000	N	\$ 100,000					50,000	\$ 50,000						50,000	\$ 50,000													
41	Annual Trustee Fee for Tax Allocation Bonds Series 2008	Professional Services	6/1/2016	5/31/2017	Bank of New York	Bonds issued to fund redevelopment projects		1,925	N	\$ 1,925				1,925		\$ 1,925							\$ -													
42	Annual Trustee Fee for Housing Set-Aside Tax Allocation Bonds Series 2008	Professional Services	6/1/2016	5/31/2017	Bank of New York	Bonds issued to fund low and moderate income housing projects and programs		1,925	N	\$ 1,925				1,925		\$ 1,925							\$ -													
43	Implementation of Long Range Property Management Plan	Professional Services	1/1/2015	6/30/2016	Kosmont Companies	Consultant services for implementation of LRPMP			Y	\$ -						\$ -							\$ -													
44	Tax Allocation Bonds Series 2008	Bonds Issued On or Before 12/31/10	6/3/2008	10/1/2042	Bank of New York	Reserve for October debt service payment			N	\$ 330,000						\$ -					330,000		\$ 330,000													
46	Reinstatement of loans made by the City to the former RDA	City/County Loans On or Before 6/27/11	2/24/2015	7/8/2043	City of Santa Clarita	Repayment of loans made to former RDA by the City of Santa Clarita.		16,054,063	N	\$ -						\$ -							\$ -													
47	Transfer of Excess Bond Proceeds	Bonds Issued On or Before 12/31/10	6/3/2008	10/1/2042	Bank of New York	Bonds issued to fund redevelopment projects			Y	\$ -						\$ -							\$ -													
48	Implementation of Long Range Property Management Plan	Professional Services	1/1/2016	6/30/2016	Choate Parking Consultant	Parking Structure Concept Study			Y	\$ -						\$ -							\$ -													
49	Auditing Services	Professional Services	TBD	12/31/2016	TBD	Auditing services for Fiscal Year 2015-2016.		2,300	N	\$ 2,300				2,300		\$ 2,300							\$ -													
50									N	\$ -						\$ -							\$ -													
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**Santa Clarita Recognized Obligation Payment Schedule (ROPS 16-17) - 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 [CASH BALANCE TIPS SHEET](#)

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 15-16A Actuals (07/01/15 - 12/31/15)								
1	Beginning Available Cash Balance (Actual 07/01/15)	6,104,268			330,000	9,893	81	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					1,183	1,230,949	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)	-			330,000	9,259	1,230,949	
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-	
5	ROPS 15-16A RPTTF Balances Remaining	No entry required						
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 6,104,268	\$ -	\$ -	\$ -	\$ 1,817	\$ 81	
ROPS 15-16B Estimate (01/01/16 - 06/30/16)								
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 6,104,268	\$ -	\$ -	\$ -	\$ 1,817	\$ 81	
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016				-		1,307,582	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)	6,104,268				634	972,663	
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				-		335,000	
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ -	\$ -	\$ -	\$ -	\$ 1,183	\$ (0)	

RESOLUTION 16-01

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE FORMER REDEVELOPMENT AGENCY OF THE
CITY OF SANTA CLARITA, CALIFORNIA, APPROVING THE RECOGNIZED
OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2016 – JUNE 30, 2017

WHEREAS, Health and Safety Code Section 34177(o) requires Successor Agencies to adopt a forward-looking Recognized Obligation Payment Schedule (ROPS) for each twelve month period beginning with the July 1, 2016 ROPS.

WHEREAS, Only payments listed on the ROPS may be made by the Successor Agency.

WHEREAS, The Oversight Board desires to approve the ROPS for the period of July 1, 2016 – June 30, 2017 in the form of the ROPS attached hereto and incorporated by reference herein, as prepared by the Successor Agency.

WHEREAS, Should there be insufficient funds available in the RPTTF to pay enforceable obligations, the Successor Agency will provide notice to the Los Angeles County Auditor-Controller as required by Health and Safety Code Section 34183 (b).

WHEREAS, Pursuant to Health and Safety Code Section 34177(1)(2)(B), Successor Agency staff provided a copy of the ROPS to the Los Angeles County Auditor-Controller, the Los Angeles County Administrative Officer, and the Department of Finance at the same time the ROPS was provided to the Oversight Board.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Santa Clarita does hereby resolve as follows:

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

SECTION 2. The ROPS for the period of July 1, 2016 – June 30, 2017 attached hereto and incorporated by reference herein is hereby approved.

SECTION 3. Successor Agency staff is directed to transmit notice of this action to the Department of Finance.

SECTION 4. This resolution shall take effect immediately upon its adoption.

SECTION 5. The Oversight Board Meeting Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 28th day of January 2016.

Kenneth W. Striplin
Chairman

ATTEST:

Marilyn Sourgose
Oversight Board Meeting Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SANTA CLARITA)

I, Marilyn Sourgose, Oversight Board Meeting Clerk, do hereby certify that the foregoing Resolution was duly adopted by the Oversight Board of the Successor Agency to the Former Redevelopment Agency of the City of Santa Clarita at a regular meeting thereof, held on the 28th day of January 2016, by the following vote:

AYES:

NOES:

ABSENT:

Oversight Board Meeting Clerk

Communication: Item 1 - ROPS (NEW BUSINESS)

**OVERSIGHT BOARD
OF THE FORMER REDEVELOPMENT AGENCY
OF THE CITY OF SANTA CLARITA**

AGENDA REPORT

Approved By: _____

Presented By: Susan Crowsigt

DATE: January 28, 2016

SUBJECT: AMENDMENT TO AGREEMENT RELATED TO CITY LOANS

Recommended Action:

Oversight Board adopt Resolution No. 16-02 approving an amendment to the loan agreement for City loans made to the former Redevelopment Agency and direct Successor Agency staff to transmit the resolution to the Department of Finance.

Background:

On February 24, 2015, the City Council and Successor Agency Board approved an “Agreement Regarding Reinstatement of Loan” that allowed the City of Santa Clarita to recoup some of the moneys advanced to the former Redevelopment Agency throughout that Agency’s existence. Funds had been loaned for administrative purposes and to fund redevelopment projects undertaken by the Agency, such as streetscape design and construction, the preparation of the Old Town Newhall Specific Plan, the preparation of the North Newhall Specific Plan, and property acquisition.

The Oversight Board ratified the Successor Agency’s action on February 25, 2015, and it was subsequently approved by the Department of Finance. When the City Council and Successor Agency approved the original Agreement, City staff calculated interest owing and to be accrued on the outstanding loan balances in a manner authorized by Assembly Bill 1484, the authorizing legislation at the time. On September 22, 2015, Governor Brown signed Senate Bill 107, a budget bill including, among other things, a modification to the language of Health and Safety Code Section 34191.4(b) concerning the manner in which interest on these loans is to be calculated. The modification, among other things, eliminates the need for the 14 loans to be considered separately and sets forth a single rate of interest and means by which to calculate interest for all of the loans

On December 2, 2015, the Department of Finance sent to the City’s finance staff the recalculated Loan balance, in compliance with the new statutory calculation rates and procedures. The “First

Item 2 – Amendment to Loan Agreement

January 28, 2016

Page 2 of 2

Amendment to an Agreement Regarding Reinstatement of City Loans Made to the Former Redevelopment Agency” modifies the interest and payment sections of the Agreement to bring it into compliance with the new statutory requirements. Interest is to be calculated at a simple rate of three percent (3%). Consistent with the Department of Finance calculations, the new rate increased the outstanding loan balances from \$12,772,279 to \$15,553,557 as of December 31, 2015. No other changes to the Agreement are proposed.

The amount anticipated to be available in future fiscal years to repay the loan will continue to vary, as it continues to be subject to the repayment formula outlined in the law. This takes into account whether former tax increment amounts increase or decrease, enforceable obligations are reduced or eliminated, and also any further legislative changes that may occur. The Agreement, even with the modification, takes these unknowns into account and allows for accelerated repayments to be made consistent with the law in effect at the time.

The City Council and the Successor Agency Board considered this item at their regularly scheduled meeting on January 26, 2016. In order for the amendment to the loan agreement to be valid, the Oversight Board must approve the amendment as presented to the City Council and the Successor Agency Board. The attached resolution would then be provided to the Department of Finance for their ultimate approval in order for the amendment to be in full effect.

Fiscal Impact:

Approval of this item would allow the Successor Agency to continue to place the repayment of the reinstated loan agreement on future Recognized Obligation Payment Schedules (ROPS) as an enforceable obligation.

Attachments:

Oversight Board Resolution 16-02

First Amendment to Agreement Regarding Reinstatement of Loan

RESOLUTION 16-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF SANTA
CLARITA APPROVING A FIRST AMENDMENT TO AN
AGREEMENT REGARDING REINSTATEMENT OF CITY
LOANS MADE TO THE FORMER REDEVELOPMENT
AGENCY

WHEREAS, pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (“CRL”), the former Redevelopment Agency of the City of Santa Clarita (“Redevelopment Agency”) had responsibility to implement the Redevelopment Plans for the Newhall Redevelopment Project Area (“Project Area”); and

WHEREAS, the City of Santa Clarita (“City”) agreed to serve as the successor agency to the Redevelopment Agency (“Successor Agency”) commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill X1 26; and

WHEREAS, pursuant to Health and Safety Code Section 33220, the City was authorized to assist the Redevelopment Agency for the purpose of aiding and cooperating in the planning, undertaking, construction, and operation of redevelopment projects located within the jurisdiction of the City, upon the terms and with or without consideration as the City determined; and

WHEREAS, pursuant to Health and Safety Code Section 33445, the Redevelopment Agency was authorized to enter into agreements with the City pursuant to which the Redevelopment Agency would agree to reimburse the City for funds provided by the City for the cost of installation and construction of public improvements, structures and facilities located within or outside the Project Areas; and

WHEREAS, pursuant to Health and Safety Code Sections 33132 and 33601, the Redevelopment Agency was authorized to borrow money and accept financial assistance from the City for redevelopment projects located within the Redevelopment Agency’s jurisdiction; and

WHEREAS, consistent with the foregoing authority, the City made the following loans (collectively, the “Loans”) to the Redevelopment Agency:

- (a) a loan in the original principal amount of \$500,000, in accordance with the terms set forth in City Council Resolution No. 96-101 and Redevelopment Agency Resolution No. 96-2, each dated July 9, 1996 for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding operating costs for the Redevelopment Agency; and
- (b) a loan in the original principal amount of \$750,000, in accordance with the terms set forth in City Council Resolution No. 98-94 and Redevelopment

Agency Resolution No. 98-2, each dated June 23, 1998, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency; and

- (c) a loan in the original principal amount of \$445,000, in accordance with the terms set forth in City Council Resolution No. 00-95 and Redevelopment Agency Resolution No. 00-1, each dated June 27, 2000, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency; and
- (d) a loan in the original principal amount of \$50,000, in accordance with the terms set forth in City Council Resolution No. 03-48 and Redevelopment Agency Resolution No. 03-1, each dated April 8, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape along San Fernando Road; and
- (e) a loan in the original principal amount of \$160,000, in accordance with the terms set forth in City Council Resolution No. 03-85 and Redevelopment Agency Resolution No. 03-3, each dated June 24, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape design; and
- (f) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan; and
- (g) a loan in the original principal amount of \$335,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan; and
- (h) a loan in the original principal amount of \$845,000, in accordance with the terms set forth in City Council Resolution No. 05-13 and Redevelopment Agency Resolution No. 05-1, each dated January 25, 2005, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24513 San Fernando Road; and
- (i) a loan in the original principal amount of \$770,000, in accordance with the terms set forth in City Council Resolution No. 06-4 and Redevelopment Agency Resolution No. 06-2, each dated January 10, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24158 San Fernando Road; and
- (j) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 06-3 and Redevelopment

Agency Resolution No. 06-1, each dated January 10, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan; and

- (k) a loan in the original principal amount of \$439,400, in accordance with the terms set forth in City Council Resolution No. 06-40 and Redevelopment Agency Resolution No. 06-3, each dated May 9, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding the North Newhall Specific Plan and Environmental Impact Report; and
- (l) a loan in the original principal amount of \$5,000,000, in accordance with the terms set forth in City Council Resolution No. 06-71 and Redevelopment Agency Resolution No. 06-5, each dated June 27, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape and striping projects; and
- (m) a loan in the original principal amount of \$2,550,000, in accordance with the terms set forth in City Council Resolution No. 09-105 and Redevelopment Agency Resolution No. 9-15, each dated December 8, 2009, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project; and
- (n) a loan in the original principal amount of \$2,309,886, in accordance with the terms set forth in City Council Resolution No. 10-42 and Redevelopment Agency Resolution No. 10-5, each dated June 22, 2010, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b), once a successor agency has received a Finding of Completion pursuant to Health and Safety Code Section 34179.7, loan agreements entered into between the redevelopment agency and the entity that created the redevelopment agency (“Sponsoring Jurisdiction Loans”) shall be deemed to be enforceable obligations provided that the successor agency’s oversight board makes a finding that the Sponsoring Jurisdiction Loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a Finding of Completion on June 20, 2013; and

WHEREAS, on February 24, 2015, the City adopted Resolution No. 15-05 and the Successor Agency adopted Resolution No. 15-01, each of which authorized execution of an Agreement Regarding Reinstatement of Loan (“Agreement”), which includes the terms and conditions for the repayment of the Loans, including but not limited to the then-applicable statutory interest rates for each individual Loan as set forth in Health and Safety Code Section 34191.4(b); and

WHEREAS, on February 25, 2015, this Oversight Board for the Successor Agency (“Oversight Board”) adopted Resolution No. 15-02 pursuant to which the Oversight Board adopted findings determining that the Loans were made for legitimate redevelopment purposes as authorized by and consistent with the CRL, authorized the Successor Agency to enter into the Agreement, and authorized the Successor Agency to list the Agreement and repayment of the Loans on the ROPS; and

WHEREAS, On September 22, 2015, Governor Brown signed Senate Bill 107, a budget bill including, among other things, a modification to the language of Health and Safety Code Section 34191.4(b) concerning the manner in which interest on Sponsoring Jurisdiction Loans is to be calculated; and

WHEREAS, Health and Safety Code Section 34191.4(b)(2) as written after the adoption of Senate Bill 107 now provides that: (i) interest on the remaining principal amount of the Loans that was left unpaid after the original effective date thereof is to be recalculated from the date of origination as approved by the former Redevelopment Agency on a quarterly basis, at a simple interest rate of 3 percent, (ii) Sponsoring Jurisdiction Loans shall be repaid to the sponsoring jurisdiction in accordance with a defined schedule over a reasonable term of years and otherwise in compliance with the limitations of Section 34191.4(b)(2), and (iii) the annual amount of repayments for Sponsoring Jurisdiction Loans provided for in the Recognized Obligation Payment Schedule (“ROPS”) is subject to specified limitation; and

WHEREAS, on December 2, 2015, the Department of Finance sent to the City’s finance staff the recalculated Loan balance, in compliance with the new statutory calculation rates and procedures; and

WHEREAS, Successor Agency staff have prepared a First Amendment to Agreement Regarding Reinstatement of Loans (the “Agreement”) which provides for repayment of the Loans in accordance with the requirements of Health and Safety Code Section 34191.4(b), in particular the new requirements regarding calculation of interest; and

WHEREAS, on January 26, 2016, the Successor Agency adopted Resolution No. 16-___ approving repayment of the Loans in accordance with the Amendment, subject to this Oversight Board’s approval.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Santa Clarita does hereby resolve as follows:

SECTION 1. The Oversight Board hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the adoption of this Resolution.

SECTION 2. The Amendment is approved, and the Executive Director of the Successor Agency or his designee is authorized to execute the Amendment on behalf of the Successor Agency substantially in the form presented with the staff report accompanying this Resolution.

SECTION 3. The Successor Agency is authorized and directed to list the Agreement as modified by the Amendment and the repayment of the Loans on the Successor Agency’s ROPS for the July 1, 2016 to June 30, 2017 period (“ROPS 16-17”) and for each succeeding ROPS period until the Loans are repaid in full in accordance with the Agreement.

SECTION 5. The Executive Director and his designees are authorized to take such further actions as may be necessary to carry out the intent of this Resolution.

SECTION 6. The Oversight Board Meeting Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED this 28th day of January 2016.

Ken Striplin
Chairman

ATTEST:

Marilyn Sourgose
Oversight Board Meeting Clerk

Communication: Item 2 - Loan Agreement (NEW BUSINESS)

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SANTA CLARITA)

I, Marilyn Sourgose, Oversight Board Meeting Clerk, do hereby certify that the foregoing Resolution was duly adopted by the Oversight Board of the Successor Agency to the Former Redevelopment Agency of the City of Santa Clarita at a regular meeting thereof, held on the 28th day of January 2016, by the following vote:

AYES:

NOES:

ABSENT:

Oversight Board Meeting Clerk

Communication: Item 2 - Loan Agreement (NEW BUSINESS)

**FIRST AMENDMENT TO
AGREEMENT REGARDING REINSTATEMENT OF LOAN**
(City of Santa Clarita/Successor Agency to the former Redevelopment Agency of the City of
Santa Clarita)

THIS FIRST AMENDMENT TO AGREEMENT REGARDING REINSTATEMENT OF LOAN (this “**Amendment**”) is entered into by and between the Successor Agency to former Redevelopment Agency of the City of Santa Clarita (“**Successor Agency**”) and the City of Santa Clarita, a municipal corporation (“**City**”), effective as of the execution of this Amendment by both of the Successor Agency and the City, which are hereinafter collectively referred to as the “**Parties.**” Notwithstanding the foregoing, for reference and for purposes of calculations necessary to effectuate the purposes of this Amendment, the parties agree that December 31, 2015 shall be considered the effective date for this Amendment (“**Effective Date**”).

RECITALS

A. Pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (“**CRL**”), the former Redevelopment Agency of the City of Santa Clarita (“**Redevelopment Agency**”) had responsibility to implement the Redevelopment Plans for the Newhall Redevelopment Project Area (“**Project Area**”).

B. The City Council of the City of Santa Clarita (“**City Council**”) agreed to serve as the successor agency to the Redevelopment Agency commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill x1 26.

C. Pursuant to Health and Safety Code Section 33220, the City was authorized to assist the Redevelopment Agency for the purpose of aiding and cooperating in the planning, undertaking, construction, and operation of redevelopment projects located within the jurisdiction of the City, upon the terms and with or without consideration as the City determined.

D. Pursuant to Health and Safety Code Section 33445, the Redevelopment Agency was authorized to enter into agreements with the City pursuant to which the Redevelopment Agency would agree to reimburse the City for funds provided by the City for the cost of installation and construction of public improvements, structures and facilities located within or outside the Project Areas.

E. Pursuant to Health and Safety Code Sections 33132 and 33601, the Redevelopment Agency was authorized to borrow money and accept financial assistance from the City for redevelopment projects located within the Redevelopment Agency’s jurisdiction.

F. Consistent with the foregoing authority, the City made the following loans (the “**Loans**”) to the Redevelopment Agency:

- (a) a loan in the original principal amount of \$500,000, in accordance with the terms set forth in City Council Resolution No. 96-101 and Redevelopment Agency Resolution No. 96-2, each dated July 9, 1996, for the purpose of

advancing funds to assist in the redevelopment of the Project Area, including the funding operating costs for the Redevelopment Agency; and

- (b) a loan in the original principal amount of \$750,000, in accordance with the terms set forth in City Council Resolution No. 98-94 and Redevelopment Agency Resolution No. 98-2, each dated June 23, 1998, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency; and
- (c) a loan in the original principal amount of \$445,000, in accordance with the terms set forth in City Council Resolution No. 00-95 and Redevelopment Agency Resolution No. 00-1, each dated June 27, 2000, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency; and
- (d) a loan in the original principal amount of \$50,000, in accordance with the terms set forth in City Council Resolution No. 03-48 and Redevelopment Agency Resolution No. 03-1, each dated April 8, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape along San Fernando Road; and
- (e) a loan in the original principal amount of \$160,000, in accordance with the terms set forth in City Council Resolution No. 03-85 and Redevelopment Agency Resolution No. 03-3, each dated June 24, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape design; and
- (f) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan; and
- (g) a loan in the original principal amount of \$335,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan; and
- (h) a loan in the original principal amount of \$845,000, in accordance with the terms set forth in City Council Resolution No. 05-13 and Redevelopment Agency Resolution No. 05-1, each dated January 25, 2005, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24513 San Fernando Road; and
- (i) a loan in the original principal amount of \$770,000, in accordance with the terms set forth in City Council Resolution No. 06-4 and Redevelopment Agency Resolution No. 06-2, each dated January 10, 2006, for the purpose of

advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24158 San Fernando Road; and

- (j) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 06-3 and Redevelopment Agency Resolution No. 06-1, each dated January 10, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan; and
- (k) a loan in the original principal amount of \$439,400, in accordance with the terms set forth in City Council Resolution No. 06-40 and Redevelopment Agency Resolution No. 06-3, each dated May 9, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding the North Newhall Specific Plan and Environmental Impact Report; and
- (l) a loan in the original principal amount of \$5,000,000, in accordance with the terms set forth in City Council Resolution No. 06-71 and Redevelopment Agency Resolution No. 06-5, each dated June 27, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape and striping projects; and
- (m) a loan in the original principal amount of \$2,550,000, in accordance with the terms set forth in City Council Resolution No. 09-105 and Redevelopment Agency Resolution No. 9-15, each dated December 8, 2009, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project; and
- (n) a loan in the original principal amount of \$2,309,886, in accordance with the terms set forth in City Council Resolution No. 10-42 and Redevelopment Agency Resolution No. 10-5, each dated June 22, 2010, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project; and

G. Pursuant to Health and Safety Code Section 34191.4(b), once a successor agency has received a Finding of Completion pursuant to Health and Safety Code Section 34179.7, loan agreements entered into between the redevelopment agency and the entity that created the redevelopment agency (“**Sponsoring Jurisdiction Loans**”) shall be deemed to be enforceable obligations provided that the successor agency’s oversight board makes a finding that the Sponsoring Jurisdiction Loans were for legitimate redevelopment purposes.

H. The Successor Agency received a Finding of Completion on June 20, 2013.

I. On February 24, 2015, the City adopted Resolution No. 15-05 and the Successor Agency adopted Resolution No. 15-01, each of which authorized execution of an Agreement Regarding Reinstatement of Loan (“**Agreement**”), which includes the terms and conditions for the repayment of the Loans, including but not limited to the then-applicable statutory interest rates for each individual Loan as set forth in Health and Safety Code Section 34191.4(b).

J. On February 25, 2015, the Oversight Board for the Successor Agency (“**Oversight Board**”) adopted Resolution No. 15-01 pursuant to which the Oversight Board adopted findings determining that the Loans were made for legitimate redevelopment purposes as authorized by and consistent with the CRL, authorized the Successor Agency to enter into the Agreement, and authorized the Successor Agency to list the Agreement and repayment of the Loans on the ROPS.

K. On September 22, 2015, Governor Brown signed Senate Bill 107, a budget bill including, among other things, a modification to the language of Health and Safety Code Section 34191.4(b) concerning the manner in which interest on Sponsoring Jurisdiction Loans is to be calculated.

L. Health and Safety Code Section 34191.4(b)(2) as written after the adoption of Senate Bill 107 now provides that: (i) interest on the remaining principal amount of the Loans that was left unpaid after the original effective date thereof is to be recalculated from the date of origination as approved by the former Redevelopment Agency on a quarterly basis, at a simple interest rate of 3 percent, (ii) Sponsoring Jurisdiction Loans shall be repaid to the sponsoring jurisdiction in accordance with a defined schedule over a reasonable term of years and otherwise in compliance with the limitations of Section 34191.4(b)(2), and (iii) the annual amount of repayments for Sponsoring Jurisdiction Loans provided for in the Recognized Obligation Payment Schedule (“**ROPS**”) is subject to specified limitations.

M. On December 2, 2015, the Department of Finance sent to the City’s finance staff the recalculated Loan balance, in compliance with the new statutory calculation rates and procedures.

N. As part of the recalculation of the Loans and the new statutory guidelines for accrual of and calculation of interest on the Loans, the Department of Finance has treated all fourteen of the Loans as a single debt from the Successor Agency to the City, so there is no longer a need to list the Loans separately in the Agreement.

O. On January 28, 2016, the Oversight Board adopted Resolution No. 16-01 pursuant to which the Oversight Board authorized the Successor Agency to enter into the Amendment and authorized the Successor Agency to list the Agreement as Amended and the repayment of the Loans on the ROPS.

NOW, THEREFORE, the Successor Agency and the City agree as follows:

1. Amendment to Section 1 of the Agreement. Section 1 [Reinstatement of Loans] of the Agreement is amended to read in whole as follows:

1. Reinstatement of Loans. The Parties acknowledge and agree that pursuant to the facts stated in the foregoing Recitals, which by this reference are incorporated into this Agreement, the Loans constitute enforceable obligations, eligible to be listed on the Successor Agency’s ROPS and repaid pursuant to and in accordance with Health and Safety Code Section 34191.4(b). In accordance with Health and Safety Code Section 34191.4(b)(2), the interest accumulated on the outstanding principal balance of the Loans from origination through the

Effective Date of the Amendment (“**Accumulated Interest**”) is as set forth below, based upon calculations performed by the Department of Finance and reviewed by the City and Successor Agency. The Parties acknowledge and agree that as of the Effective Date of the Amendment, the outstanding principal balance and accumulated interest of the Loans is as follows:

The Accumulated Interest of the Loans as calculated by the Department of Finance and City staff, as of the Effective Date, equals \$3,270,084. When added to the \$12,283,473 principal amount, taking in to account all payments made on any and all of the loans to date, the total due to the City for the Loans as of the Effective Date is \$15,553,557.

Commencing upon the Effective Date of the Amendment, interest shall accrue on the outstanding principal balance of the Loans and the interest accrued thereon (including the Accumulated Interest) at a rate equal to the rate set forth in Health and Safety Code Section 34191.4(b)(2) (the “**Interest Rate**”). Interest shall accrue in accordance with this Section until the Loans are repaid in full. Interest shall be calculated on the basis of a year of 365 days and charged for the actual number of days elapsed. City and Successor Agency staff are authorized to modify the Interest Rate or any other calculation related to the total amount required to repay the Loan to reflect any changes to the language of Health and Safety Code Section 34191.4(b)(2) subsequent to the Effective Date.

2. Remainder Unchanged. Except as specifically modified by Section 1 hereof, the Agreement and all of its terms and conditions remains in full force and effect.
3. Further Modifications to Reflect Legal Changes. The City and Successor Agency recognize that the California State Legislature may continue to modify the Health and Safety Code provisions governing the repayment of the Loans, and that the Department of Finance may make changes to its interpretations of those provisions. City and Successor Agency Staff are authorized to make administrative modifications to the Agreement (as modified by this Amendment) to reflect any legal changes made by the Legislature or Department of Finance and to report such administrative modifications to the City Council and Successor Agency Board.
4. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

SIGNATURES ON FOLLOWING PAGES.

IN WITNESS WHEREOF, the Parties have executed this Amendment effective as of the date first written above.

CITY:

SUCCESSOR AGENCY:

CITY OF SANTA CLARITA

**SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY
OF THE CITY OF SANTA CLARITA**

By: _____
City Manager

By: _____
Executive Director

Attest: _____
City Clerk

Attest: _____
Secretary

Approved as to form:

Approved as to form:

By: _____
City Attorney

By: _____
Successor Agency Counsel

Communication: Item 2 - Loan Agreement (NEW BUSINESS)