OVERSIGHT BOARD
RESOLUTION NO. 2012-08-1026

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY APPROVING THE CERTIFIED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY 1 – JUNE 30, 2013

WHEREAS, pursuant to Health and Safety Code Section 34177, the Successor Agency to the Redevelopment Agency of the City of San Jose ("Successor Agency") must submit a Recognized Obligation Payment Schedule ("ROPS") to the State Department of Finance ("DOF") every six months, which reflects payments due during that six-month period; and

WHEREAS, the Oversight Board has previously approved the Successor Agency's ROPS for the period February 1, 2012 to June 30, 2012 ("ROPS 1") and the ROPS for the period July 1 – December 31, 2012 ("ROPS 2"); and

WHEREAS, on July 9, 2012, the Oversight Board approved adjustments to the ROPS 1 and ROPS 2 to more accurately reflect cash flow and sources of payments which depict an insufficiency of funds; and

WHEREAS, the DOF subsequently stated that it will not accept revised ROPS submitted after May 24, 2012 and has advised that all corrections to ROPS 1 be made on the ROPS for the period January 1, 2013 to June 30, 2013 ("ROPS 3"); and

WHEREAS, on June 27, 2012, the Governor approved AB 1484 that revised the ROPS approval process so that the County of Santa Clara Auditor-Controller ("County Auditor-Controller") is no longer required to approve and certify the ROPS; and

WHEREAS, the County Auditor-Controller has implemented a procedure whereby it will review the ROPS and issue a letter that would be forwarded to the Oversight Board and DOF for consideration stating one of the following: no objection, continuing review, or objection; and

WHEREAS, Successor Agency staff has prepared a ROPS 3, attached hereto as Exhibit A, which includes updates since ROPS 1 and ROPS 2, as set forth in the memorandum from Executive Officer Debra Figone to the Oversight Board dated August 22, 2012; and

WHEREAS, on August 22, 2012, the County Auditor-Controller issued a "Notice of Continued Review of ROPS" to the Successor Agency and Oversight Board that identified initial objections to the ROPS 3, attached hereto as Exhibit B; and

WHEREAS, this Board considered the recommendation of the Successor Agency staff and the objections of the County Auditor Controller.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE that:

1. The Recognized Obligation Payment Schedule for January 1 – June 30, 2013, attached hereto as Exhibit A, is approved with the following direction to Successor Agency staff in response to the County Auditor-Controller's objections to various items on the ROPS 3 as follows:
    a. Line 1, "Merged Area Bonds Master Indenture" –Successor Agency and County Auditor-Controller staff shall mutually agree upon how to reflect the distribution of tax revenue to the Trustee of the

Merged Area Bonds to address the concerns of the Successor Agency and the County Auditor-Controller;

b. Lines 105, 106, 107, 111, 112, 113 and 114 , SERAF Loan, Other Loans or Agreements with the City of San Jose – These items will be deleted from the ROPS 3 with a Note that they may be brought back for inclusion on a future ROPS at such time as such items become enforceable obligations in compliance with Health and Safety Code Section 34191.4 (b) and approved by the Oversight Board;

c. Line 116, Reimbursement Agreement – This item will be deleted from the ROPS 3 with a Note that it may be brought back for inclusion on a future ROPS at such time as the Successor Agency and County Auditor-Controller staff agree upon the terms of the Reimbursement Agreement or the Reimbursement Agreement is otherwise approved by the Oversight Board. In any event, the effective date of such agreement for purposes of the City of San Jose's ability to recover amounts advanced to pay for certain Successor Agency debts shall be July 1, 2012;

d. Line 108, Low Moderate Income Fund Loan 1 – This item will be deleted from the ROPS 3 since it is not due during the ROPS 3 period with a Note that it may be brought back for inclusion, with the approval of the Oversight Board, at such time as the Successor Agency and County Auditor-Controller resolve how to treat this item ;

e. Line 89, Center for Employment Training – This item will be deleted from the ROPS 3 with a Note that it may be brought back for inclusion, with the approval of the Oversight Board, at such time as the legal issue regarding the effective date of an enforceable obligation under the law is resolved by a court in a manner binding upon the Successor Agency and favorable to its inclusion.

2. Upon resolution of item 1 (a) above between the Successor Agency and County Auditor-Controller staff and amendment of the ROPS 3 to reflect the items described in 1 (b) – (e) above, Successor Agency staff is directed to submit the Recognized Obligation Payment Schedule for January 1 – June 30, 2013, as so revised, together with any other clarifying Notes as the Successor Agency and County Auditor-Controller staff deem appropriate, to the State Department of Finance.

3. If the Successor Agency and County Auditor-Controller staff are not able to agree on language to resolve concerns related to item 1 (a) above, Successor Agency staff shall submit a Recognized Obligation Payment Schedule for January 1 – June 30, 2013, amended to reflect the items described in 1 (b) – (e) above, to the State Department of Finance, together with a joint letter from the Successor Agency and County Auditor-Controller staff noting the objections of the County Auditor-Controller to Line 1, Merged Area Bonds Master Indenture, and requesting a determination by the Department of Finance as to how to reflect the distribution of tax revenue to the Trustee of the Merged Area Bonds. If the Successor Agency and County Auditor-Controller staff are not able to agree on the joint letter described above, a Special Meeting of the Oversight Board shall be called to take further action with respect to ROPS 3.

RD:PAD:CER
8-23-2012

ADOPTED this 23rd day of August, 2012, by the following vote:

AYES:	SINGH, GAGE, MADULI, ANDRADE, HARRISON, SHELTON, SINGH; REED
NOES:	NONE.
ABSENT:	NONE.
DISQUALIFIED:	NONE.

Chuck Reed

CHUCK REED
Chair

ATTEST:

Dennis D. Hawkins

DENNIS D. HAWKINS, CMC
Successor Agency Clerk