OVERSIGHT BOARD TO THE CITY OF TORRANCE AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
AGENDA
WEDNESDAY, AUGUST 15, 2012
REGULAR MEETING
3:00 P.M. – REGULAR BUSINESS BEGINS
IN COUNCIL CHAMBERS AT 3031 TORRANCE BL.

OPENING CEREMONIES

1. **CALL MEETING TO ORDER**
   ROLL CALL

2. **FLAG SALUTE**

3. **REPORT OF THE CITY CLERK ON THE POSTING OF THE AGENDA**
   The agenda was property posted on the Public Notice Board at 3031 Torrance Blvd at least 72 hours prior to this meeting. Affidavit on file in the City Clerk's Office. /s/Sue Herbers

4. **ANNOUNCEMENT OF SUPPLEMENTAL, WITHDRAWN OR DEFERRED ITEMS**

5. **ORAL COMMUNICATIONS**
   (This portion of the meeting is reserved for comment on items not on the agenda. Under the Ralph M. Brown Act, the Board cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff. Speakers under Orals are limited to no longer than 3 minutes per speaker)

6. **ADMINISTRATIVE**

   6A. Board Secretary – Approve Oversight Board Minutes
   Recommendation of the City Clerk that the Oversight Board approve the Oversight Board minutes of July 18, 2012.

   6B. Approval of Revised Recognized Obligation Payment Schedules
   Recommendation that the Oversight Board approve the Recognized Obligation Payment Schedules (ROPS) for the periods of January through June 2013 in accordance with ABX1-26.

7. **ORAL COMMUNICATIONS**
   (This portion of the meeting is reserved for comment on items not on the agenda. Under the Ralph M. Brown Act, the Board cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff. Speakers under Orals are limited to no longer than 3 minutes per speaker)

ROLL CALL: GIBSON, PARSONS, RHILINGER, SMITH, TSAO AND CHAIRMAN MAGUIN

8. ADJOURNMENT

Public Notices

The City of Torrance City Hall Council Chambers is handicapped accessible. If special equipment is needed for the hearing impaired, please call the City Clerk's office at (310) 618-2870, twenty-four (24) hours in advance of the meeting and accommodations will be made.

If special electronic equipment is needed to make presentations to the Oversight Board, arrangements should be made in advance by contacting the City Clerk's office at (310) 618-2870. A one (1) week notice is required.

Complete Oversight Board agendas are available for review at City Hall in the Office of the City Clerk and in all public libraries during normal business hours as well as on City of Torrance Home Page – www.TorranceCA.Gov or http://www.torranceca.gov/24332.htm.

Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection at the City Clerk's counter at City Hall located at 3031 Torrance Boulevard, Torrance, CA 90503, during normal business hours.

ROLL CALL: GIBSON, PARSONS, RHILINGER, SMITH, TSAO AND CHAIRMAN MAGUIN

MINUTES OF THE OVERSIGHT BOARD TO THE CITY OF TORRANCE AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE **July 18, 2012**

OPENING CEREMONIES

1. **CALL MEETING TO ORDER (3:02 p.m.)**

The meeting was called to order on July 18, 2012 at 3:02 p.m. in the Council Chambers of the City of Torrance.

Present: Members Gibson; Parsons; Tsao and Chairperson Maguin.
Absent: Members Higdon, Rhilinger, and Smith.
Staff Present: Assistant to the City Manager Sunshine; Senior Planning Associate Chun; Assistant Finance Director Flewellyn; Accountant Wu and City Clerk Herbers.

City Clerk Herbers stated that Member Tsao had been duly sworn in as a member.

2. **FLAG SALUTE**

Flag salute was led by Chairperson Maguin.

3. **REPORT OF THE CITY CLERK ON THE POSTING OF THE AGENDA**

City Clerk Herbers reported that the agenda was posted on the Public Notice Board at 3031 Torrance Blvd.

4. **ANNOUNCEMENT OF SUPPLEMENTAL, WITHDRAWN OR DEFERRED ITEMS**

Assistant to the City Manager Sunshine stated that there were no withdrawn or deferred items, but that Item 6A had been presented, that there were two supplemental items to Board Item 6B, and material for Item 6C had been presented. Chairperson Maguin confirmed that the Board had received the supplemental information.

5. **ORAL COMMUNICATIONS**

None

6. **ADMINISTRATIVE**

6A. Board Secretary – Approve Oversight Board Minutes

MOTION: Moved by Member Parsons, seconded by Member Gibson to approve the minutes of June 20, 2012, as submitted.
Hearing no objection, Chairperson Maguin so ordered.
ABSENT: Members Higdon, Rhilinger, and Smith

6B. Approve the transfer of property by the City, as successor to the dissolved Redevelopment Agency, to the City of Torrance, as Housing Successor Agency.

Assistant to the City Manager Sunshine presented the material of record for the item and noted that the City needed a resolution from the Oversight Board to clarify the titles of the transferred properties. He noted that the resolution from the Board would not be sent in to the Department of Finance (DOF) as a justification that the properties were acquired by 20% set-aside funds.

There was a discussion on approving the transfer of property and the jurisdiction of the Oversight Board.

In response to a question from Chairman Maguin, Assistant to the City Manager Sunshine stated that the DOF had 30 days to review the lists of housing assets.

SUBJECT TO APPROVAL

Assistant to the City Manager Sunshine stated that if the State informed the City that a property was not a housing asset, then the City would have to liquidate the property and the property would need to go back under the purview of the Oversight Board.

Assistant City Manager Giordano explained that the resolution confirmed that the City was the housing successor agency to the former Torrance Redevelopment Agency and that the Oversight Board directed the City to assume its responsibilities with respect to the Housing Properties. She noted that the DOF would make the final determination.

MOTION: Moved by Member Parsons, seconded by Member Tsao to concur with the recommendation of staff report to adopt the resolution.
VOTE: Motion carried by unanimous roll call vote.
ABSENT: Members Higdon, Rhilinger, and Smith

RESOLUTION NO. OB 2012-03

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE MAKING CERTAIN ACKNOWLEDGMENTS AND APPROVALS WITH RESPECT TO HOUSING PROPERTIES AND ASSETS PREVIOUSLY OWNED BY THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE

MOTION: Moved by Member Parsons, seconded by Member Tsao to approve Resolution No. OB-2012-03, as read.
VOTE: Motion carried by unanimous roll call vote.
ABSENT: Members Higdon, Rhilinger, and Smith

6C. Review and Discuss 5 Year Cash Flow Projection.

Assistant Finance Director Flewellyn presented the material of record for the cash flow projection for the period covering July 1, 2012 through December 31, 2017. He noted that the DOF had stated that no more changes were allowed to the 2012 ROPS.

Assistant Finance Director Flewellyn stated that he had scheduled a meeting with the County to ask for a loan of $ 2.5 million to cover the bond payment due September 1.

There was a discussion on the County's change to the timing of payment of property tax increments.

MOTION: Moved by Member Gibson, seconded by Member Parsons to accept and file the report from Assistant Finance Director Flewellyn.
Hearing no objection, Chairperson Maguin so ordered.
ABSENT: Members Higdon, Rhilinger, and Smith

7. Oral Communications

Assistant to the City Manager Sunshine requested that the next meeting, in which the ROPS for January 2013 through June 2013 would need to be approved, be scheduled for August 15, so that all staff would be present.

ADJOURNMENT

At 4:17 p.m., Member Parsons moved to adjourn the meeting to August 15, 2012 at 3:00 p.m. in the Council Chambers and to approve excused absences for Members Higdon, Rhilinger and Smith. Member Tsao seconded the motion and, hearing no objection, Chairperson Maguin so ordered.

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SUBJECT TO APPROVAL

Board Meeting of
August 15, 2012

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

Members of the Board:

SUBJECT: Community Development – Approve Recognized Obligation Payment Schedule for January 1 through June 30, 2013

RECOMMENDATION

Recommendation that Oversight Board approve the Recognized Obligation Payment Schedule (ROPS) for the period of January 1 through June 30, 2013, in accordance with ABX1-26 and AB 1484.

BACKGROUND AND ANALYSIS

Redevelopment dissolution bill ABX1-26 and AB 1484 require that Oversight Board review and approve a Recognized Obligation Payment Schedule (ROPS) every six months. On June 20, 2012, the Board approved the Successor Agency to the City of Torrance Redevelopment Agency amended ROPS for the periods of January 1 through June 30, 2012 and July 1 through December 31, 2012. Successor Agencies are currently required to adopt the next six months ROPS covering the period of January 1 through December 31, 2013 no later than September 1, 2012.

As indicated in the past items, the ROPS is a formal description of all payments and obligations the Agency will make during that given fiscal period. The ROPS includes the loan from the Low Mod fund as mentioned by the Department of Finance (see attachment B). A new ROPS will be adopted every six months, and will be reviewed by the Oversight Board before receiving final approval. Once the ROPS has been approved and certified by the Oversight Board, only payments listed on the ROPS will be compensated.

Staff recommends the Oversight Board approve the Recognized Obligation Payment Schedule for the period of January 1 through June 30, 2013 (Attachment A). The schedule

will be posted on the City's website and submitted to the County Auditor-Controller, State Controller, and State Department of Finance.

Respectfully submitted,

Brian Sunshine
Assistant to the City Manager

By _____
Carolyn Chun
Senior Planning Associate

CONCUR:

_____
Brian K. Sunshine
Assistant to the City Manager

NOTED:

_____
LeRoy J. Jackson
City Manager

Attachment: A) Recognized Obligation Payment Schedule 1/1/13-6/30/13
Attachment: B) Department of Finance email dated August 1, 2012

ATTACHMENT A

Successor Agency Contact Information

Name of Successor Agency:	City of Torrance as Successor Agency to the Redevelopment Agency of the City of Torrance
County:	Los Angeles
Primary Contact Name:	Kenneth Flewellyn
Primary Contact Title:	Assistant Finance Director
Address:	3031 Torrance Blvd., Torrance, CA 90503
Contact Phone Number:	(310) 618 - 5826
Contact E-Mail Address:	kflewellyn@torranceCA.gov
Secondary Contact Name:	Wendy Wu
Secondary Contact Title:	Accountant
Secondary Contact Phone Number:	(310) 781-7679
Secondary Contact E-Mail Address:	wwu@torranceCA.gov

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: City of Torrance as Successor Agency to the Redevelopment Agency of the City of Torrance

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		**$ 46,443,559**
Current Period Outstanding Debt or Obligation		**Six-Month Total**
A	Available Revenues Other Than Anticipated RPTTF Funding	**$ 21,250**
B	Anticipated Enforceable Obligations Funded with RPTTF	**5,794,052**
C	Anticipated Administrative Allowance Funded with RPTTF	**125,000**
D	Total RPTTF Funded (B + C = D)	**5,919,052**
	Total Current Period Outstanding Debt or Obligation (A + B + C = E) *Should be same amount as ROPS form six-month total*	**$ 5,940,302**
E	Enter Total Six-Month Anticipated RPTTF Funding	2,100,000
F	Variance (D - E = F) *Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding*	**$ (3,819,052)**
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))		
G	Enter Estimated Obligations Funded by RPTTF *(Should be the same amount as RPTTF approved by Finance, including admin allowance)*	1,012,450
H	Enter Actual Obligations Paid with RPTTF	964,450
I	Enter Actual Administrative Expenses Paid with RPTTF	
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	48,000
K	**Adjusted RPTTF** *(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)*	**$ 5,871,052**

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.

Stephen Maguin
Name

Oversight Board Chairman
Title

Signature

Date

Name of Successor Agency: City of Torrance as Successor Agency to the Redevelopment Agency of the City of Tor

County: Los Angeles

Oversight Board Approval Date: __

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
	Grand Total						$ 46,443,559	$ 8,571,452	$ 21,250	$ -	$ -	$ 125,000	$ 5,794,052	$ -	$ 5,940,302
1	2001 Tax Allocation Refunding Bonds (Skypark)	12/11/2001	07/01/2012	Bank of New York	Bonds issued to fund non-housing project	Skypark	-	176,072							-
2	Bond Series A (Downtown)	07/15/1998	09/01/2028	Bank of New York	Bonds issued to fund non-housing project	Downtown	9,365,183	576,008					169,957		169,957
3	Industrial Series B&C Bond (Industrial)	07/01/1998	09/01/2028	Bank of New York	Bonds issued to fund non-housing project	Industrial	31,760,839	2,450,135					577,808		577,808
4	Bond Admin Fee FY12-13 (Downtown)			Bank of New York	Bond Admin Fees	Downtown	1,000	2,000					1,000		1,000
5	Bond Admin Fee FY12-13 (Industrial)			Bank of New York	Bond Admin Fees	Industrial	2,500	5,000					2,500		2,500
6	Short-Term Cash Flow Loan From LMIHF	08/14/2012	06/02/2013	Successor Agency	Short-term loan to pay debt services	Downtown/Industrial	3,192,500	3,192,500					3,192,500		3,192,500
7	Notes Payable, Developer (Industrial)	04/16/1985	07/19/2012	Honda	OPA Developer agreement	Industrial	1,775,337	1,775,337					1,775,337		1,775,337
8	American Honda Interest (Industrial)			Honda	OPA Developer agreement	Industrial	48,000	48,000					48,000		48,000
9	Admin Cost (Downtown)			Successor Agency	Successor Agency/ Oversight Board	Downtown	63,050	63,050				31,525			31,525
10	Admin Cost (Skypark)			Successor Agency	Successor Agency/ Oversight Board	Skypark	164,800	164,800				82,400			82,400
11	Admin Cost (Industrial)			Successor Agency	Successor Agency/ Oversight Board	Industrial	22,150	22,150				11,075			11,075
12	Professional/Technical Service (Downtown)	07/01/2011	06/30/2013	City of Torrance	landscaping contract	Downtown	11,000	22,000					11,000		11,000
13	Professional/Technical Service (Downtown)	04/16/1991	12/31/2029	City of Torrance	sales tax reimbursement - DTMA	Downtown	8,250	16,500					8,250		8,250
14	Light and Power (Downtown)	07/10/1979	ongoing	City of Torrance	Plaza del Prado parking structure lights	Downtown	2,400	4,800					2,400		2,400
15	Light and Power (Downtown)	07/10/1979	ongoing	Southern CA Edison	Downtown street lights	Downtown	5,300	10,600					5,300		5,300
16	Coleman Court senior rental subsidy	02/25/1986	02/25/2036	Torrance Senior Housing DBA Coleman Court	Low Moderate Housing Subsidy Program	Downtown	12,250	24,500	12,250						12,250
17	Ocean Terrace senior rental subsidy	02/25/1986	02/25/2036	Torrance Senior Housing DBA Ocean Terrace	Low Moderate Housing Subsidy Program	Downtown	9,000	18,000	9,000						9,000
18															-
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Name of Successor Agency: City of Torrance as Successor Agency to the Redevelopment Agency of the City of Torrance
County: Los Angeles

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
January 1, 2013 through June 30, 2013

Item #	Notes/Comments
6	Item 6 represents a short-term loan to fund debt service payments for the series B&C Industrial bonds and the Skypark and Downtown Project bonds (see items 1-3). Debt service payments due on September 1, 2012 in the amount of $2.4 million will go into default without the loan from the unencumbered low mod funds
	The loan is a short-term loan which will be repaid in two installments (January 3, 2013 of $2.0 million and the final payment to be made on June 3, 2013 of $1.1 million). This is a cash flow problem that will be corrected with the loan. The loan will be repaid using RPTTF money received on January 2, 2013 and June 1, 2013.

Name of Successor Agency: City of Torrance as Successor Agency to the Redevelopment Agency of the City of Torrance

County: Los Angeles

Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 through June 30, 2012

						LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
		Grand Total				$ -	$ -	$ -	$ -	$ -	$ -	$ 250,000	$ -	$1,012,450	$964,450	$ -	$ -
	1	2001 Tax Allocation Refunding Bonds (Skypark)	Bank of New York	Bonds issued to fund non-housing project	Skypark									176,072	176,072		
	2	Bond Series A (Downtown)	Bank of New York	Bonds issued to fund non-housing project	Downtown									176,051	176,051		
	3	Industrial Series B&C Bond (Industrial)	Bank of New York	Bonds issued to fund non-housing project	Industrial									612,327	612,327		
	4	America Honda Interest (Industrial)	Honda	OPA Developer Agreement interest	Industrial									48,000	-		
	5	Admin Cost (Downtown)	Successor Agency	Successor Agency/ Oversight Board	Downtown							63,050					
	6	Admin Cost (Skypark)	Successor Agency	Successor Agency/ Oversight Board	Skypark							164,800					
	7	Admin Cost (Industrial)	Successor Agency	Successor Agency/ Oversight Board	Industrial							22,150					

ATTACHMENT B

From: Redevelopment Administration [mailto:RedevelopmentAdministration@dof.ca.gov]
Sent: Wednesday, August 01, 2012 8:32 AM
To: Flewellyn, Ken
Subject: RE: Emergency Request to use low mod funds to pay debt service

Hi Kenneth,

Thanks for your email. Your issue is important to us. There are a couple of options that are potentially available to the Successor Agency for this type of situation. First, under AB 1484 the city in which the former RDA resided may lend the Successor Agency money to make debt service payments, and get reimbursed on the next ROPS. If the city is concerned that Finance would deny the ROPS repayment item, I can assure you that that item would not be denied provided the loan was for a legitimate enforceable obligation. Second, the Successor Agency could get a loan from the county. However, HSC Section 34183 (c) now says the county shall issue the loan only at the request of Finance. We do not think this is the best option unless the city can categorically demonstrate that it has insufficient money to lend the Successor Agency for the debt service payments. Finally, using the Low and Moderate Income Housing Fund as a source for a short-term loan, as you suggest below, is not expressly prohibited by the legislation. However, if you choose to go in this direction we would encourage you to work with your legal counsel to ensure there are no unintended consequences of such an action.

Thanks,
Department of Finance
Redevelopment Team

From: Flewellyn, Ken [mailto:KFLEWELLYN@TorranceCA.gov]
Sent: Tuesday, July 31, 2012 12:17 PM
To: Redevelopment Administration
Subject: Emergency Request to use low mod funds to pay debt service

Hi,

We have been working with LA County in trying to obtain a short-term cash flow loan to assist the Torrance Successor Agency in paying bonded debt service payments due on September 1, 2012. Total bonded debt service due September 1, 2012 is $2.4 million. The County has been working with us but it does not appear that they will do the loan. The bonds will go into default on September 1, 2012. We have $ 7.1 million in our unencumbered low mod account. What we wanted to do to prevent having the bonds go into default, is to make a temporary short –term loan from the Low Mod account and repay Low Mod with our January 2, 2012 property tax allocation. We believe that AB 1484 section 34171(d) (A) may allow for this emergency loan but we need your concurrence. Section 34171 (d) (A) states as follow" Bonds, as defined by Section 33602 and bonds issued pursuant to Chapter 10.5 (commencing with Section 5850) of Division 6 of Title1 of the Government Code, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds, of the former redevelopment agency. A reserve may be held when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year".

I am attaching a copy of the cash flow for your review.

This is an emergency and we need your immediate attention to this matter.

Thanks

Kenneth Flewellyn
Assistant Finance Director
City of Torrance
310 618-5826
kflewellyn@torranceCA.gov