CITY OF ESCONDIDO

201 North Broadway
Escondido, CA 92025

Oversight Board to the Successor Agency of the Escondido Redevelopment Agency

Tuesday
September 17, 2013

10:00 AM

Mitchell Room

1. **Approval of Minutes:** April 9, 2013

2. **Oral Communications**

   "Under State law, all items under Oral Communications can have no action and will be referred to the staff for administrative action or scheduled on a subsequent agenda."

   This is the opportunity for members of the public to address the subcommittee on any item of business within the jurisdiction of the subcommittee.

3. **Correspondence Received from State Department of Finance**

4. **Approval of Recognized Obligation Payment Schedule (ROPS 13-14B) for January 2014 thru June 2014 – *Includes Unpaid Pass-Through Payments Prior to Redevelopment Dissolution of $575,235***

       Resolution No. OB 2013-06

5. **Results of the State Controller's Office Review of All Asset Transfers Made by the City of Escondido Community Development Commission after January 1, 2011**

6. **Financial Update as of June 30, 2013 and Projections as of December 31, 2013**

7. **Legal Update**

8. **Adjournment**

CITY OF ESCONDIDO

MINUTES OF THE REGULAR MEETING
OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF
THE ESCONDIDO REDEVELOPMENT AGENCY

April 9, 2013

The regular meeting of the Oversight Board of the Successor Agency of the Escondido Redevelopment Agency was called to order at 10:00 a.m., by Chairman Phillips in the Mitchell Room at City Hall, 201 North Broadway, Escondido, California.

Board Members Present: Chairman Phillips, Boardmember Yerxa, Boardmember Baker, Boardmember McNamara, Boardmember Baranowski, and Boardmember Simonson.

Commissioners absent: Vice-chairman Rojas.

Staff present: Jeffrey Epp, City Attorney; Joan Ryan, Finance Manager; Christina Holmes, City Accountant; and Diane Halverson, City Clerk.

MINUTES

Moved by Boardmember Baranowski, seconded by Boardmember Simonson to approve the minutes of the February 21, 2013 meeting. Motion carried. Ayes: Phillips, Baranowski, Simonson, Baker, McNamara and Yerxa. Noes: None. Absent: Rojas. (6-0-1)

2.   Retention of Outside Legal Counsel

City Attorney, Jeff Epp referenced the staff report and provided information on the law firm McDougal, Love, Boehmer & Foley, indicating their expertise in municipal affairs. City Attorney Epp indicated his office will keep the Oversight Board members up to date on litigation against the State.

ACTION:

Moved by Boardmember Baranowski, seconded by Boardmember Simonson, to approve staff's recommendation to hire outside counsel. Motion carried. Ayes: Phillips, Baranowski, Simonson, Baker, McNamara and Yerxa. Noes: None. Absent: Rojas. (6-0-1)

3.   Update on Current Repayment Activities

City Attorney Epp indicated the boardmembers had asked for an update on the status of the current $7 million payment required by the State and gave a brief history of the payment.

Chairman Phillips noted the State wants the payment in 60 days. The loan payment is actually part of the larger loan that we are litigating.

Boardmember Baranowski questioned if other cities had paid with Real Property.

Chairman Phillips informed that the State is in litigation with 83 various entities regarding various issues.

ORAL COMMUNICATIONS:

Michael Taylor, Escondido Union School District confirmed the $7 million repayment amount would impact the City's General Fund, not the Successor Agency.

ADJOURNMENT:

Chairman Phillips adjourned the meeting at 10:14 a.m.

_____   _____
Clay Phillips, Chairman   Ty Paulson, Minutes Clerk

DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 24, 2013

Gilbert Rojas, Director of Finance
City of Escondido
201 North Broadway
Escondido, CA 92025

Dear Mr. Rojas:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Escondido Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).

- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Joan Ryan, Finance Manager, City of Escondido
        Mr. Juan Perez, Senior Auditor and Controller Manager, County of San Diego
        California State Controller's Office

ESCONDIDO
City of Choice

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE ESCONDIDO REDEVELOPMENT AGENCY

Agenda Item No.: 4

Date: September 17, 2013

TO: Members of the Oversight Board

FROM: Joan Ryan, Finance Manager

SUBJECT: Adoption of Resolution No. OB 2013-06 Approving Recognized Obligation Payment Schedule (ROPS 13-14B) for January 2014 thru June 2014

RECOMMENDATION:

It is requested that the Oversight Board approve Resolution No. OB 2013-06 to adopt the Recognized Obligation Payment Schedule (ROPS 13-14B) so that the Successor Agency may continue to make payments due for enforceable obligations.

FISCAL ANALYSIS:

The Oversight Board is responsible for approving the Successor Agency payment schedule for obligations of the Redevelopment Agency and forwarding this schedule to the State for additional approval. Once approved by the State, the County of San Diego will fund the payments from the County Redevelopment Property Tax Trust Fund (RPTTF).

BACKGROUND:

As part of the State of California's Dissolution of Redevelopment, the City as Successor Agency is required to adopt a Recognized Obligation Payment schedule and have it approved by the Oversight Board. This Obligation schedule lists payments to be made in the January 2014 to June 2014 period. These payments are for the following: 2007A and B Lease Revenue Bonds ($826,382), loan repayment to the Traffic Impact Fund ($50,000), Successor Agency property utilities ($11,000), administrative costs ($148,828) of the City and pass·through payments ($575,235). Due to previous unresolved issues, the pass through payments that were due prior to the redevelopment dissolution remained unpaid. However, the·County, who was advised by the State, has allowed these unpaid and past due pass through payments to be reported on the ROPS 13-14B. They are a one-time obligation of the Successor Agency.

Respectfully submitted,

Joan Ryan,
Finance Manager

Staff Report – Oversight Board to the Successor Agency of the Escondido Redevelopment Agency

RESOLUTION NO. OB 2013-06

A RESOLUTION OF THE REDEVELOPMENT
OVERSIGHT BOARD APPROVING A
RECOGNIZED OBLIGATION PAYMENT
SCHEDULE FOR JANUARY 2014 THRU
JUNE 2014 PURSUANT TO HEALTH AND
SAFETY CODE SECTION 34177

WHEREAS, pursuant to authorizing Resolution No. 2012-16, the City Council of the City of Escondido elected to serve as the Successor Agency and Successor Housing Agency to the Escondido Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34177, successor agencies are required to make payments due for enforceable obligations and adopt a Recognized Obligation Payment Schedule ("ROPS") and submit this schedule to an Oversight Board; and

WHEREAS, the Oversight Board is to approve the ROPS and forward to the State Department of Finance

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE CITY OF ESCONDIDO, CALIFORNIA, RESOLVES AS FOLLOWS:

1.   That the above recitations are true.

2.   That the Oversight Board to the Escondido Redevelopment Successor Agency, hereby approves the ROPS for the period of January 2014 to June 2014, which is attached hereto as Exhibit "A" and incorporated by this reference.

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary
Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Escondido

Name of County: San Diego

		Six-Month Total
Current Period Requested Funding for Outstanding Debt or Obligation		
	Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A	Sources (B+C+D):	$ -
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	$ 1,611,445
F	Non-Administrative Costs (ROPS Detail)	1,462,617
G	Administrative Costs (ROPS Detail)	148,828
H	Current Period Enforceable Obligations (A+E):	$ 1,611,445
	Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I	Enforceable Obligations funded with RPTTF (E):	1,611,445
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	-
K	Adjusted Current Period RPTTF Requested Funding (I-J)	$ 1,611,445
	County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L	Enforceable Obligations funded with RPTTF (E):	1,611,445
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	1,611,445

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.

/s/ _____

_____ Name _____ Title

_____ Signature _____ Date

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Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund 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.

		Bond Proceeds		Reserve Balance		Other	RPTTF			
	Fund Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Due Diligence Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin	Total	Comments
		C	D	E	F	G	H	I	J	K
	ROPS III Actuals (01/01/13 - 6/30/13)									
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)			5,087,112		(176,696)			$ 4,910,416	
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller			(1,092,600)	1,092,800	202,310	1,925,973		$ 2,128,283	
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs			3,874,812		6,818	1,018,773		$ 4,900,403	
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III						907,200		$ 907,200	
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.			No entry required					$ -	
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	$ -	$ -	$ 119,500	$ 1,092,800	$ 18,796	$ -	$ -	$ 1,231,096	
	ROPS 13-14A Estimate (07/01/13 - 12/31/13)									
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	$ -	$ -	119,500	$ 2,000,000	18,796	$ -	$ -	$ 2,138,296	
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller					347,482	7,175,776	148,828	$ 7,672,086	
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)			119,500	1,700,000	366,278	6,859,695	148,828	$ 9,194,301	
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A								$ -	
11	Ending Estimated Available Fund Balance (7 + 8 - 9 -10)	$ -	$ -	$ -	$ 300,000	$ -	$ 316,081	$ -	$ 616,081	

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Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
(Report Amounts in Whole Dollars)

	A	B	C	D	E	F	G	H	I	J
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
1		1992 Revenue & Cap. Appr. Bonds	Revenue Bonds Issued On or Before 12/31/10	1/10/1992	9/1/2013	Bank of New York	Bond Payment	Esc. Redev.	$ 45,259,609	Y
2		2007A Lease Revenue Bonds	Revenue Bonds Issued On or Before 12/31/10	1/25/2007	9/1/2018	Bank of New York	Bond Payment	Esc. Redev.	25,737,125	N
3		2007B Lease Revenue Bonds	Revenue Bonds Issued On or Before 12/31/10	1/25/2007	9/1/2018	Bank of New York	Bond Payment	Esc. Redev.	10,630,357	N
4		Bond Expense	Fees	1/10/1992	9/1/2018	Bank of New York	Bond Trustee Admin Fees	Esc. Redev.	-	N
5		Bond Debt Obligation Reserve	Reserves	1/25/2007	9/1/2018	Bank of New York	Payment per AB 1484, Section 34171(d)(1)(A)	Esc. Redev.	-	N
6		Loan Repayment to General Fund	City/County Loans On or Before 6/27/11	8/15/1994	12/31/2035	City of Escondido	Program Administration-to assist in the implementation of the Redevelopment Plan	Esc. Redev.	-	N
7		Loan Repayment to Traffic Impact Fund	City/County Loans On or Before 6/27/11	8/15/1994	12/31/2035	City of Escondido	Capital Improvement-Nordahl bridge improvements	Esc. Redev.	967,835	N
8		Loan Repayment to Housing Set Aside Fund	SERAF/ERAF	8/15/1994	4/30/2016	City of Escondido	ERAF(Educational Revenue Augmentation Fund) Payments	Esc. Redev.	3,399,292	N
9		CalHFA Loans	OPA/DDA/Construction	10/31/2003	6/30/2018	CalHFA	Affordable Housing Projects	Esc. Redev.	4,525,000	N
10		Employee Costs-Admin. Fee	Admin Costs	7/1/2011	9/30/2018	Employees of City of Escondido	Administration	Esc. Redev.	-	N
11		Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	North County Cemetery District	Payment per 33401. PP O/S Amount	Esc. Redev.	-	Y
12		Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Palomar Pomerado Health	Payment per Settlement Agreement. PP O/S Amount	Esc. Redev.	-	Y
13		Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	San Marcos Unified School District	Payment per Settlement Agreement PP O/S Amount	Esc. Redev.	-	Y
14		Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Palomar Community College	Payment per Settlement Agreement PP O/S Amount	Esc. Redev.	-	N
15		Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Escondido Elementary School District	Payment per Settlement Agreement PP O/S Amount	Esc. Redev.	-	Y
16		Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Escondido Union High School District	Payment per Settlement Agreement PP O/S Amount	Esc. Redev.	-	Y
17		Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	SD County Superintendent of Schools	Payment per Settlement Agreement PP O/S Amount	Esc. Redev.	-	Y
18		Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Rincon Del Diablo MWD	Payment per 33401. PP O/S Amount	Esc. Redev.	-	Y
19		Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	City of Escondido	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
20		Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	Resource Cons. Dist. of Greater SD	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
21		Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	Vallecitos Water District	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
22		Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	SD County Water Authority	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
23		Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	Metropolitan Water District	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
24		Utilities	Property Maintenance	5/31/2012	6/30/2014	SDG&E	Successor Agency Property-Gas & Electric costs	Esc. Redev.	-	N
25		Property Management Expenses	Property Maintenance	1/25/2013	6/30/2014	Various	Successor Agency Property Management costs	Esc. Redev.	-	N
26		Loan Repayment to General Fund	Miscellaneous	8/15/1994	12/31/2035	City of Escondido	Program Administration	Esc. Redev.	-	N
27		Utilities	Property Maintenance	7/1/2013	6/30/2014	City of Escondido	Successor Agency Property-Water Costs	Esc. Redev.	-	N

A	B	Funding Source					
		Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
		K	L	M	N	O	P
Item #	Project Name / Debt Obligation	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
		$ -	$ -	$ -	$ 1,462,617	$ 148,828	$ 1,611,445
1	1992 Revenue & Cap. Appr. Bonds						$ -
2	2007A Lease Revenue Bonds				569,375		$ 569,375
3	2007B Lease Revenue Bonds				257,007		$ 257,007
4	Bond Expense						$ -
5	Bond Debt Obligation Reserve						$ -
6	Loan Repayment to General Fund						$ -
7	Loan Repayment to Traffic Impact Fund				50,000		$ 50,000
8	Loan Repayment to Housing Set Aside Fund						$ -
9	CalHFA Loans						$ -
10	Employee Costs-Admin. Fee					148,828	$ 148,828
11	Pass Through Agreement						$ -
12	Pass Through Agreement						$ -
13	Pass Through Agreement						$ -
14	Pass Through Agreement				343,616		$ 343,616
15	Pass Through Agreement						$ -
16	Pass Through Agreement						$ -
17	Pass Through Agreement						$ -
18	Pass Through Agreement						$ -
19	Pass Through Agreement				218,217		$ 218,217
20	Pass Through Agreement				215		$ 215
21	Pass Through Agreement				359		$ 359
22	Pass Through Agreement				6,011		$ 6,011
23	Pass Through Agreement				6,817		$ 6,817
24	Utilities				6,000		$ 6,000
25	Property Management Expenses						$ -
26	Loan Repayment to General Fund						$ -
27	Utilities				5,000		$ 5,000

ROPS III Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their a approved for the ROPS 13-14B (January through June 2014) period will be offset by the SA's self-reported ROPS III prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments se

A	B	C	D	E	F	G	H	I	J	K	L	M
		LMIHF (Includes LMIHF Due Diligence Review (DDR) retained balances)		Bond Proceeds		Reserve Balance (Includes Other Funds and Assets DDR retained balances)		Other Funds			Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Non-Admin
						Non-RPTTF Expenditures						
Item #	Project Name / Debt Obligation	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized		Net Lesser of Authorized/ Available
		$ -	$ -	$ -	$ -	$ 5,087,112	$ 3,874,812	$ 6,818	$ 6,818	$ 3,018,773	$ 1,925,973	$ 1,925,973
1	1992 Revenue & Cap. Appr. Bonds											$ -
2	2007A Lease Revenue Bonds									630,625	630,625	$ 630,625
3	2007B Lease Revenue Bonds									285,348	285,348	$ 285,348
4	Bond Expense									2,800	2,800	$ 2,800
5	Bond Debt Obligation Reserve					1,212,300				2,000,000	907,200	$ 907,200
6	Loan Repayment to General Fund											$ -
7	Loan Repayment to Traffic Impact Fund									100,000	100,000	$ 100,000
8	Loan Repayment to Housing Set Aside Fund											$ -
9	CalHFA Loans											$ -
10	Employee Costs-Admin. Fee					130,500	130,500					$ -
11	Pass Through Agreement											$ -
12	Pass Through Agreement											$ -
13	Pass Through Agreement											$ -
14	Pass Through Agreement											$ -
15	Pass Through Agreement											$ -
16	Pass Through Agreement											$ -
17	Pass Through Agreement											$ -
18	Pass Through Agreement											$ -
19	Pass Through Agreement											$ -
20	Pass Through Agreement											$ -
21	Pass Through Agreement											$ -
22	Pass Through Agreement											$ -
23	Pass Through Agreement											$ -
24	Utilities							1,068	1,068			$ -
25	Property Management Expenses							5,750	5,750			$ -
26	Loan Repayment to General Fund											$ -
27	Other Funds and Accounts Due Diligence Review					3,744,312	3,744,312					$ -

Payment Schedule (ROPS) 13-14B - Report of Prior Period Adjustments

through June 30, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)

(Report Amounts in Whole Dollars)

ROPS III Successor Agency (SA) Sactual expenditures for the ROPS III (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14B (Januat-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	N	O	P	Q	R	S	T	U	V	W
							RPTTF Expenditures		Net SA Non-Admin and Admin PPA	ROPS III CAC PPA: To be comple	
						Admin				Non-Admin CAC	
Item #	Project Name / Debt Obligation	Actual	Difference (If M is less than N, the difference is zero)	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If R is less than S, the difference is zero)	Net Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (O + T)	Net Lesser of Authorized / Available	Actual
		$ 1,925,973	$ -	$ 250,000	$ 250,000	$ -	$ -	$ -	$ -	$ -	$ -
1	1992 Revenue & Cap. Appr. Bonds		$ -			$ -		$ -	$ -		$ -
2	2007A Lease Revenue Bonds	630,625	$ -			$ -		$ -	$ -		
3	2007B Lease Revenue Bonds	285,348	$ -			$ -		$ -	$ -		
4	Bond Expense	2,800	$ -			$ -		$ -	$ -		
5	Bond Debt Obligation Reserve	907,200	$ -			$ -		$ -	$ -		
6	Loan Repayment to General Fund		$ -			$ -		$ -	$ -		
7	Loan Repayment to Traffic Impact Fund	100,000	$ -			$ -		$ -	$ -		
8	Loan Repayment to Housing Set Aside Fund		$ -			$ -		$ -	$ -		
9	CalHFA Loans		$ -			$ -		$ -	$ -		
10	Employee Costs-Admin. Fee		$ -	250,000		$ -	$ -	$ -	$ -		
11	Pass Through Agreement		$ -			$ -		$ -	$ -		
12	Pass Through Agreement		$ -			$ -		$ -	$ -		
13	Pass Through Agreement		$ -			$ -		$ -	$ -		
14	Pass Through Agreement		$ -			$ -		$ -	$ -		
15	Pass Through Agreement		$ -			$ -		$ -	$ -		
16	Pass Through Agreement		$ -			$ -		$ -	$ -		
17	Pass Through Agreement		$ -			$ -		$ -	$ -		
18	Pass Through Agreement		$ -			$ -		$ -	$ -		
19	Pass Through Agreement		$ -			$ -		$ -	$ -		
20	Pass Through Agreement		$ -			$ -		$ -	$ -		
21	Pass Through Agreement		$ -			$ -		$ -	$ -		
22	Pass Through Agreement		$ -			$ -		$ -	$ -		
23	Pass Through Agreement		$ -			$ -		$ -	$ -		
24	Utilities					$ -		$ -	$ -		
25	Property Management Expenses		$ -			$ -		$ -	$ -		
26	Loan Repayment to General Fund		$ -			$ -		$ -	$ -		
27	Other Funds and Accounts Due Diligence Review		$ -			$ -		$ -	$ -		

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ROPS III Successor Agency (SA) Se
approved for the ROPS 13-14B (Januated by the CAC upon submittal of the ROPS 13-14B by the SA to Finance and the CAC

A	B	X	Y	Z	AA	AB
				Admin CAC		Net CAC Non-Admin and Admin PPA
Item #	Project Name / Debt Obligation	Difference (If V is less than W, the difference is zero)	Net Lesser of Authorized / Available	Actual	Difference (If Y is less than Z, the difference is zero)	Net Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (X + AA)
		$ -	$ -	$ -	$ -	$ -
1	1992 Revenue & Cap. Appr. Bonds	$ -			$ -	$ -
2	2007A Lease Revenue Bonds	$ -			$ -	$ -
3	2007B Lease Revenue Bonds	$ -			$ -	$ -
4	Bond Expense	$ -			$ -	$ -
5	Bond Debt Obligation Reserve	$ -			$ -	$ -
6	Loan Repayment to General Fund	$ -			$ -	$ -
7	Loan Repayment to Traffic Impact Fund	$ -			$ -	$ -
8	Loan Repayment to Housing Set Aside Fund	$ -			$ -	$ -
9	Cal-HFA Loans	$ -			$ -	$ -
10	Employee Costs-Admin. Fee	$ -			$ -	$ -
11	Pass Through Agreement	$ -			$ -	$ -
12	Pass Through Agreement	$ -			$ -	$ -
13	Pass Through Agreement	$ -			$ -	$ -
14	Pass Through Agreement	$ -			$ -	$ -
15	Pass Through Agreement	$ -			$ -	$ -
16	Pass Through Agreement	$ -			$ -	$ -
17	Pass Through Agreement	$ -			$ -	$ -
18	Pass Through Agreement	$ -			$ -	$ -
19	Pass Through Agreement	$ -			$ -	$ -
20	Pass Through Agreement	$ -			$ -	$ -
21	Pass Through Agreement	$ -			$ -	$ -
22	Pass Through Agreement	$ -			$ -	$ -
23	Pass Through Agreement	$ -			$ -	$ -
24	Utilities	$ -			$ -	$ -
25	Property Management Expenses	$ -			$ -	$ -
26	Loan Repayment to General Fund	$ -			$ -	$ -
27	Other Funds and Accounts Due Diligence Review	$ -			$ -	$ -

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
1	The 1992 capital appreciation bond proceeds were used by Palomar College to construct a parking lot for the Escondido satellite campus. Payment is due 9/1/2012 and 9/1/2013.
2,3	These bonds refunded the 1995 Lease revenue bonds that refunded the 1992 B Lease Revenue Bonds. The 1992 Lease revenue bond proceeds were used to construct the conference facility, a lyric theater a community theatre and a visual arts center. The 2007 bonds will be paid in full on 9/1/2018.
7	The interest rate on this loan is the average annual municipal GO bond rate for a 20 year bond plus 1 percent. Total obligation is estimated using the prior year's interest rate calculation.
9	The Housing Set Aside Fund received loans from CA Housing Finance Agency. The proceeds of these loans were used to finance the property acquisitions for the projects of Washington Plaza Apartments., Trinity Apartments, Brotherton, Los Ventanas, and SoCal Housing.
14, 19-23	Unpaid pass-through payments prior to redevelopment dissolution, per County letter dated 7/8/2013
24,27	Termination date will be the date the property is sold. Property: 480 North Spruce. Tenant vacated on 5/31/2013. Amount due is estimated.

RESOLUTION NO. OB 2013-06

A RESOLUTION OF THE REDEVELOPMENT
OVERSIGHT BOARD APPROVING A
RECOGNIZED OBLIGATION PAYMENT
SCHEDULE FOR JANUARY 2014 THRU
JUNE 2014 PURSUANT TO HEALTH AND
SAFETY CODE SECTION 34177

WHEREAS, pursuant to authorizing Resolution No. 2012-16, the City Council of the City of Escondido elected to serve as the Successor Agency and Successor Housing Agency to the Escondido Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34177, successor agencies are required to make payments due for enforceable obligations and adopt a Recognized Obligation Payment Schedule ("ROPS") and submit this schedule to an Oversight Board; and

WHEREAS, the Oversight Board is to approve the ROPS and forward to the State Department of Finance

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE CITY OF ESCONDIDO, CALIFORNIA, RESOLVES AS FOLLOWS:

1.   That the above recitations are true.

2.   That the Oversight Board to the Escondido Redevelopment Successor Agency, hereby approves the ROPS for the period of January 2014 to June 2014, which is attached hereto as Exhibit "A" and incorporated by this reference.

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Escondido

Name of County: San Diego

		Six-Month Total
Current Period Requested Funding for Outstanding Debt or Obligation		
	Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A	**Sources (B+C+D):**	$ -
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	-
E	**Enforceable Obligations Funded with RPTTF Funding (F+G):**	$ 1,611,445
F	Non-Administrative Costs (ROPS Detail)	1,462,617
G	Administrative Costs (ROPS Detail)	148,828
H	**Current Period Enforceable Obligations (A+E):**	$ 1,611,445
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	1,611,445
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	-
K	**Adjusted Current Period RPTTF Requested Funding (I-J)**	$ 1,611,445
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	1,611,445
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N	**Adjusted Current Period RPTTF Requested Funding (L-M)**	1,611,445

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.

_____
Name   Title

/s/

_____
Signature   Date

1

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund 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.

A	B	C	D	E	F	G	H	I	J	K
		Bond Proceeds		Reserve Balance		Other	RPTTF			
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Due Diligence Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin		
	Fund Balance Information by ROPS Period								Total	Comments
	ROPS III Actuals (01/01/13 - 6/30/13)									
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)			5,087,112		(176,696)			$ 4,910,416	
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller			(1,092,800)	1,092,800	202,310	1,925,973		$ 2,128,283	
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs			3,874,812		6,818	1,018,773		$ 4,900,403	
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III						907,200		$ 907,200	
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.			No entry required		-	-	-	$ -	
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	$ -	$ -	119,500	1,092,800	18,796	$ -	$ -	$ 1,231,096	
	ROPS 13-14A Estimate (07/01/13 - 12/31/13)									
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	$ -	$ -	119,500	2,000,000	18,796	$ -	$ -	$ 2,138,296	
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller					347,482	7,175,776	148,828	$ 7,672,086	
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)			119,500	1,700,000	366,278	6,859,695	148,828	$ 9,194,301	
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A								$ -	
11	Ending Estimated Available Fund Balance (7 + 8 - 9 -10)	$ -	$ -	-	300,000	-	316,081	-	$ 616,081	

2

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J
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
								$ 45,259,609	
1	1992 Revenue & Cap. Appr. Bonds	Revenue Bonds Issued On or Before 12/31/10	1/10/1992	9/1/2013	Bank of New York	Bond Payment	Esc. Redev.	-	Y
2	2007A Lease Revenue Bonds	Revenue Bonds Issued On or Before 12/31/10	1/25/2007	9/1/2018	Bank of New York	Bond Payment	Esc. Redev.	25,737,125	N
3	2007B Lease Revenue Bonds	Revenue Bonds Issued On or Before 12/31/10	1/25/2007	9/1/2018	Bank of New York	Bond Payment	Esc. Redev.	10,630,357	N
4	Bond Expense	Fees	1/10/1992	9/1/2018	Bank of New York	Bond Trustee Admin Fees	Esc. Redev.	-	N
5	Bond Debt Obligation Reserve	Reserves	1/25/2007	9/1/2018	Bank of New York	Payment per AB 1484, Section 34171(d)(1)(A)	Esc. Redev.	-	N
6	Loan Repayment to General Fund	City/County Loans On or Before 6/27/11	8/15/1994	12/31/2035	City of Escondido	Program Administration-to assist in the implementation of the Redevelopment Plan	Esc. Redev.	-	N
7	Loan Repayment to Traffic Impact Fund	City/County Loans On or Before 6/27/11	8/15/1994	12/31/2035	City of Escondido	Capital Improvement-Nordahl bridge improvements	Esc. Redev.	967,835	N
8	Loan Repayment to Housing Set Aside Fund	SERAF/ERAF	8/15/1994	4/30/2016	City of Escondido	ERAF (Educational Revenue Augmentation Fund) Payments	Esc. Redev.	3,399,292	N
9	CalHFA Loans	OPA/DDA/Construction	10/31/2003	6/30/2018	CalHFA	Affordable Housing Projects	Esc. Redev.	4,525,000	N
10	Employee Costs-Admin. Fee	Admin Costs	7/1/2011	9/30/2018	Employees of City of Escondido	Administration	Esc. Redev.	-	N
11	Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	North County Cemetery District	Payment per 33401. PP O/S Amount	Esc. Redev.	-	Y
12	Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Palomar Pomerado Health	Payment per Settlement Agreement. PP O/S Amount	Esc. Redev.	-	Y
13	Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	San Marcos Unified School District	Payment per Settlement Agreement. PP O/S Amount	Esc. Redev.	-	Y
14	Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Palomar Community College	Payment per Settlement Agreement. PP O/S Amount	Esc. Redev.	-	N
15	Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Escondido Elementary School District	Payment per Settlement Agreement. PP O/S Amount	Esc. Redev.	-	Y
16	Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Escondido Union High School District	Payment per Settlement Agreement. PP O/S Amount	Esc. Redev.	-	Y
17	Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	SD County Superintendent of Schools	Payment per Settlement Agreement. PP O/S Amount	Esc. Redev.	-	Y
18	Pass Through Agreement	Miscellaneous	12/12/1984	12/12/2035	Rincon Del Diablo MWD	Payment per 33401. PP O/S Amount	Esc. Redev.	-	Y
19	Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	City of Escondido	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
20	Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	Resource Cons. Dist. of Greater SD	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
21	Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	Vallecitos Water District	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
22	Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	SD County Water Authority	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
23	Pass Through Agreement	Miscellaneous	7/1/2005	12/12/2035	Metropolitan Water District	Payment per 33607. PP O/S Amount	Esc. Redev.	-	N
24	Utilities	Property Maintenance	5/31/2012	6/30/2014	SDG&E	Successor Agency Property-Gas & Electric costs	Esc. Redev.	-	N
25	Property Management Expenses	Property Maintenance	1/25/2013	6/30/2014	Various	Successor Agency Property Management costs	Esc. Redev.	-	N
26	Loan Repayment to General Fund	Miscellaneous	8/15/1994	12/31/2035	City of Escondido	Program Administration	Esc. Redev.	-	N
27	Utilities	Property Maintenance	7/1/2013	6/30/2014	City of Escondido	Successor Agency Property-Water Costs	Esc. Redev.	-	N

			Funding Source				
A	B	Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		P
		K	L	M	N	O	
Item #	Project Name / Debt Obligation	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
1	1992 Revenue & Cap. Appr. Bonds	$ -	$ -	$ -	$ 1,462,617	$ 148,828	$ 1,611,445
2	2007A Lease Revenue Bonds				569,375		$ 569,375
3	2007B Lease Revenue Bonds				257,007		$ 257,007
4	Bond Expense						$ -
5	Bond Debt Obligation Reserve						$ -
6	Loan Repayment to General Fund						$ -
7	Loan Repayment to Traffic Impact Fund				50,000		$ 50,000
8	Loan Repayment to Housing Set Aside Fund						$ -
9	CalHFA Loans						$ -
10	Employee Costs-Admin. Fee					148,828	$ 148,828
11	Pass Through Agreement						$ -
12	Pass Through Agreement						$ -
13	Pass Through Agreement						$ -
14	Pass Through Agreement				343,616		$ 343,616
15	Pass Through Agreement						$ -
16	Pass Through Agreement						$ -
17	Pass Through Agreement						$ -
18	Pass Through Agreement						$ -
19	Pass Through Agreement				218,217		$ 218,217
20	Pass Through Agreement				215		$ 215
21	Pass Through Agreement				359		$ 359
22	Pass Through Agreement				6,011		$ 6,011
23	Pass Through Agreement				6,817		$ 6,817
24	Utilities				6,000		$ 6,000
25	Property Management Expenses						$ -
26	Loan Repayment to General Fund						$ -
27	Utilities				5,000		$ 5,000

4

Recognized Obligation F
Reported for the ROPS III (January 1, 2013

ROPS III Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their a approved for the ROPS 13-14B (January through June 2014) period will be offset by the SA's self-reported ROPS III prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments se

A	B		Non-RPTTF Expenditures									Non-Admin
		LMIHF (Includes LMIHF Due Diligence Review (DDR) retained balances)		Bond Proceeds		Reserve Balance (Includes Other Funds and Assets DDR retained balances)		Other Funds		Available RPTTF (ROPS III distributed + all other available as of 1/1/13)		Net Lesser of Authorized/ Available
		C	D	E	F	G	H	I	J	K	L	M
Item #	Project Name / Debt Obligation	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized		
		$ -	$ -	$ -	$ -	$ 5,087,112	$ 3,874,812	$ 6,818	$ 6,818	$ 3,018,773	$ 1,925,973	$ 1,925,973
1	1992 Revenue & Cap. Appr. Bonds											$ -
2	2007A Lease Revenue Bonds									630,625	630,625	$ 630,625
3	2007B Lease Revenue Bonds									285,348	285,348	$ 285,348
4	Bond Expense									2,800	2,800	$ 2,800
5	Bond Debt Obligation Reserve					1,212,300				2,000,000	907,200	$ 907,200
6	Loan Repayment to General Fund											$ -
7	Loan Repayment to Traffic Impact Fund									100,000	100,000	$ 100,000
8	Loan Repayment to Housing Set Aside Fund											$ -
9	CalHFA Loans											$ -
10	Employee Costs-Admin. Fee					130,500	130,500					$ -
11	Pass Through Agreement											$ -
12	Pass Through Agreement											$ -
13	Pass Through Agreement											$ -
14	Pass Through Agreement											$ -
15	Pass Through Agreement											$ -
16	Pass Through Agreement											$ -
17	Pass Through Agreement											$ -
18	Pass Through Agreement											$ -
19	Pass Through Agreement											$ -
20	Pass Through Agreement											$ -
21	Pass Through Agreement											$ -
22	Pass Through Agreement											$ -
23	Pass Through Agreement											$ -
24	Utilities							1,068	1,068			$ -
25	Property Management Expenses							5,750	5,750			$ -
26	Loan Repayment to General Fund											$ -
27	Other Funds and Accounts Due Diligence Review					3,744,312	3,744,312					$ -

Payment Schedule (ROPS) 13-14B - Report of Prior Period Adjustments

through June 30, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)

(Report Amounts in Whole Dollars)

ROPS III Successor Agency (SA) Sectual expenditures for the ROPS III (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14B (Januaf-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

				RPTTF Expenditures							ROPS III CAC PPA: To be comple	
A	B	N	O		Admin				Net SA Non-Admin and Admin PPA	Non-Admin CAC	
Item #	Project Name / Debt Obligation	Actual	Difference (If M is less than N, the difference is zero)	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized / Available	Actual	Difference (If R is less than S, the difference is zero)	Net Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (O + T)	Net Lesser of Authorized / Available	Actual
		N	O	P	Q	R	S	T	U	V	W
		$ 1,925,973	$ -	$ 250,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1	1992 Revenue & Cap. Appr. Bonds		$ -			$ -		$ -	$ -	$ -	
2	2007A Lease Revenue Bonds	630,625	$ -			$ -		$ -	$ -	$ -	
3	2007B Lease Revenue Bonds	285,348	$ -			$ -		$ -	$ -	$ -	
4	Bond Expense	2,800	$ -			$ -		$ -	$ -	$ -	
5	Bond Debt Obligation Reserve	907,200	$ -			$ -		$ -	$ -	$ -	
6	Loan Repayment to General Fund		$ -			$ -		$ -	$ -	$ -	
7	Loan Repayment to Traffic Impact Fund	100,000	$ -			$ -		$ -	$ -	$ -	
8	Loan Repayment to Housing Set Aside Fund		$ -			$ -		$ -	$ -	$ -	
9	CalHFA Loans		$ -			$ -		$ -	$ -	$ -	
10	Employee Costs-Admin. Fee		$ -	250,000		$ -		$ -	$ -	$ -	
11	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
12	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
13	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
14	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
15	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
16	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
17	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
18	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
19	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
20	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
21	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
22	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
23	Pass Through Agreement		$ -			$ -		$ -	$ -	$ -	
24	Utilities		$ -			$ -		$ -	$ -	$ -	
25	Property Management Expenses		$ -			$ -		$ -	$ -	$ -	
26	Loan Repayment to General Fund		$ -			$ -		$ -	$ -	$ -	
27	Other Funds and Accounts Due Diligence Review		$ -			$ -		$ -	$ -	$ -	

ROPS III Successor Agency (SA) Se...
approved for the ROPS 13-14B (Januated by the CAC upon submittal of the ROPS 13-14B by the SA to Finance and the CAC.

A	B	X	Y	Z	AA	AB
			Admin CAC			Net CAC Non-Admin and Admin PPA
Item #	Project Name / Debt Obligation	Difference (If Y is less than W, the difference is zero)	Net Lesser of Authorized / Available	Actual	Difference (If Y is less than Z, the difference is zero)	Net Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (X + AA))
		$ -	$ -	$ -	$ -	$ -
1	1992 Revenue & Cap. Appr. Bonds	$ -			$	$ -
2	2007A Lease Revenue Bonds	$ -			$	$ -
3	2007B Lease Revenue Bonds	$ -			$	$ -
4	Bond Expense	$ -			$	$ -
5	Bond Debt Obligation Reserve	$ -			$	$ -
6	Loan Repayment to General Fund	$ -			$	$ -
7	Loan Repayment to Traffic Impact Fund	$ -			$	$ -
8	Loan Repayment to Housing Set Aside Fund	$ -			$	$ -
9	CalHFA Loans	$ -			$	$ -
10	Employee Costs-Admin. Fee	$ -			$	$ -
11	Pass Through Agreement	$ -			$	$ -
12	Pass Through Agreement	$ -			$	$ -
13	Pass Through Agreement	$ -			$	$ -
14	Pass Through Agreement	$ -			$	$ -
15	Pass Through Agreement	$ -			$	$ -
16	Pass Through Agreement	$ -			$	$ -
17	Pass Through Agreement	$ -			$	$ -
18	Pass Through Agreement	$ -			$	$ -
19	Pass Through Agreement	$ -			$	$ -
20	Pass Through Agreement	$ -			$	$ -
21	Pass Through Agreement	$ -			$	$ -
22	Pass Through Agreement	$ -			$	$ -
23	Pass Through Agreement	$ -			$	$ -
24	Utilities	$ -			$	$ -
25	Property Management Expenses	$ -			$	$ -
26	Loan Repayment to General Fund	$ -			$	$ -
27	Other Funds and Accounts Due Diligence Review	$ -			$	$ -

7

Recognized Obligation Payment Schedule 13-14B - Notes
January 1, 2014 through June 30, 2014

Item #	Notes/Comments
1	The 1992 capital appreciation bond proceeds were used by Palomar College to construct a parking lot for the Escondido satellite campus. Payment is due 9/1/2012 and 9/1/2013.
2,3	These bonds refunded the 1995 Lease revenue bonds that refunded the 1992 B Lease Revenue Bonds. The 1992 Lease revenue bond proceeds were used to construct the conference facility, a lyric theater a community theatre and a visual arts center. The 2007 bonds will be paid in full on 9/1/2018.
7	The interest rate on this loan is the average annual municipal GO bond rate for a 20 year bond plus 1 percent. Total obligation is estimated using the prior year's interest rate calculation.
9	The Housing Set Aside Fund received loans from CA Housing Finance Agency. The proceeds of these loans were used to finance the property acquisitions for the projects of Washington Plaza Apartments., Trinity Apartments, Brotherton, Los Ventanas, and SoCal Housing.
14,19-23	Unpaid pass-through payments prior to redevelopment dissolution, per County letter dated 7/8/2013
24,27	Termination date will be the date the property is sold. Tenant vacated on 5/31/2013. Amount due is estimated. Property: 480 North Spruce.

8

ESCONDIDO
City of Choice

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE ESCONDIDO REDEVELOPMENT AGENCY

Agenda Item No.: 5

Date: September 17, 2013

TO: Members of the Oversight Board

FROM: Joan Ryan, Finance Manager

SUBJECT: Results of the State Controller's Office review of all asset transfers made by the City of Escondido Community Development Commission after January 1, 2011

RECOMMENDATION:

It is requested that the Oversight Board receive and file the draft Asset Transfer Review Report

BACKGROUND:

On February 16, 2011, before the dissolution of Redevelopment Agencies, the Escondido Community Development Commission approved a partial repayment of $20 million of the total obligation of approximately $32,602,134 owed by the CDC to the City as well as certain parcels of real property.

On June 28, 2011, Governor Jerry Brown signed into law two bills that amended California Community Redevelopment Law in order to address the state's ongoing budget deficit. ABx1 26 dissolved all California redevelopment agencies (RDAs) effective October 1, 2011. This legislation prevented RDAs from engaging in new activities and outlined a process for winding down the RDA's financial affairs.

In response to ABx1 26, the California Redevelopment Association, the League of California Cities and other parties filed petitions with the California Supreme Court challenging the constitutionality of ABx1 26. On December 29, 2011, the California Supreme Court upheld the constitutionality of ABX1 26. The ruling also extended some of the deadlines stipulated in ABx1 26 due to delays caused by the litigation. As a result, approximately 400 RDAs were dissolved on February 1, 2012, with the assets and liabilities transferred to Successor Agencies and Successor Housing Agencies pursuant to ABx1 26.

On June 27, 2012 the Governor signed Assembly Bill 1484 (AB 1484) which took effect immediately. The bill made significant amendments to the original Redevelopment Dissolution Act (ABx1 26), establishing new authority, procedures, and timelines for Successor Agencies. In addition, AB1484 retroactively froze all Redevelopment Agency assets back to January 1, 2011 making transfers of assets that occurred after January 1, 2011 between the Community Development Commission and other public agencies unallowable.

As a result of AB1484, on July 25, 2012, the City of Escondido returned the $20 million loan repayment and real property to the Successor Agency in order to comply with the newly adopted legislation.

In accordance with the legislation, the State Controller's Office is required to review the activities of Redevelopment Agencies to identify transfers of assets that occurred after January 1, 2011 between the Community Development Commission and other public agencies. The objective of the review was to determine whether asset transfers that occurred after January 1, 2011, and the date Redevelopment Properties ceased to operate, January 31, 2012, were appropriate.

The State Controller's Office review found that the City of Escondido Community Development Commission transferred $168,637,499 in assets after January 1, 2011, to the City of Escondido, including an unallowable transfer of assets totaling $25,609,644, or 15.19%, of the transferred assets. However, since the City reversed $5,609,644 in real property transfers and returned $20,000,000 in cash to the Successor Agency in July 2012 no further action is required.

Respectfully submitted,

Joan Ryan,
Finance Manager

JOHN CHIANG

California State Controller

August 23, 2013

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Clay Phillips, City Manager
City of Escondido/Successor Agency
201 North Broadway
Escondido, CA 92025

Dear Mr. Phillips:

Pursuant to Health and Safety (H&S) Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the City of Escondido Community Development Commission (CDC) to the City of Escondido or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether it should be turned over to the Successor Agency.

Our review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City of Escondido or any other public agencies have been reversed.

Our review found that the CDC transferred $168,637,499 in assets after January 1, 2011, to the City of Escondido, including unallowable transfers of assets totaling $25,609,644, or 15.19% of the transferred assets. However, on July 25, 2012, the City reversed $5,609,644 in capital asset transfers and returned $20,000,000 in cash to the Successor Agency. Therefore, no further action is required.

Please submit any comments concerning the draft report within 10 calendar days after you receive this letter. In particular, you should address the accuracy of our findings. We may modify the report based on your comments or additional data that develops as we complete the review. Also, we will include your comments in the final report.

Please send your response to Steven Mar, Chief, Local Government Audits Bureau, at the State Controller's Office, Division of Audits, Post Office Box 942850, Sacramento, California 94250-5874. If we do not receive your comments within the specified time, we will release the report as final.

This draft review report is confidential. We limit report access and distribution to those referenced in this letter. However, when we issue the final report, it becomes a public record.

If you have any questions, please contact Mr. Mar by phone at (916) 324-7226.

Sincerely,

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/sk

Attachment

cc: Richard J. Chivaro, Chief Legal Counsel
    State Controller's Office
  Steven Mar, Bureau Chief
    Division of Audits, State Controller's Office
  Scott Freesmeier, Audit Manager
    Division of Audits, State Controller's Office
  Ernesto Pangilinan, Auditor-in-Charge
    Division of Audits, State Controller's Office

CITY OF ESCONDIDO COMMUNITY DEVELOPMENT COMMISSION

ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012
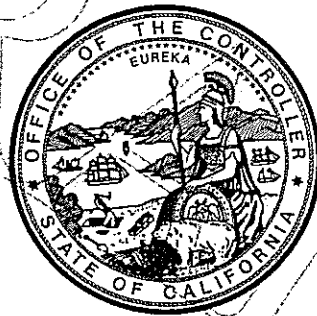
JOHN CHIANG

California State Controller

August 2013

Contents

Review Report

Asset Transfer Review Report

Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the City of Escondido Community Development Commission (CDC) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the CDC transferred $168,637,499 in assets after January 1, 2011, to the City of Escondido, including unallowable transfers of assets totaling $25,609,644, or 15.19%, of the transferred assets. However, on July 25, 2012, the City reversed $5,609,644 in capital asset transfers and returned $20,000,000 in cash to the Successor Agency. Therefore, no further action is required.

Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety Code (H&S Code) beginning with section 34161.

In accordance with the requirements of H&S Code section 34167.5, the State Controller is required to review the activities of RDAs, "to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency, or any other public agency, and the redevelopment agency," and the date on which the RDA ceases to operate, or January 31, 2012, whichever is earlier.

The SCO has identified transfers of assets that occurred after January 1, 2011, between the CDC and/or other public agencies. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal order to ensure compliance with this order.

Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.

- Reviewed meeting minutes, resolutions, and ordinances of the Escondido City Council, the CDC, Successor Agency, and Oversight Board.

- Reviewed accounting records relating to the recording of assets.

- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.

- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

Conclusion

Our review found that the City of Escondido Community Development Commission transferred $168,637,499 in assets after January 1, 2011, to the City of Escondido, including unallowable transfers of assets totaling $25,609,644, or 15.19%, of the transferred assets. However, on July 25, 2012, the City reversed $5,609,644 in capital asset transfers and returned $20,000,000 in cash to the Successor Agency. Therefore, no further action is required.

Details of our findings are in the Findings and Orders of the Controller section of this report.

**Views of
Responsible
Officials**

At an exit conference on July 18, 2013, we discussed the review results with Gilbert Rojas, Director of Finance; Joan Ryan, Finance Manager; and Christina Holmes, Accountant II. At the exit conference, we stated that the final report will include the views of responsible officials.

Restricted Use

This report is solely for the information and use of the City of Escondido, Successor Agency, and Oversight Board; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

_____, 2013

Finding and Order of the Controller

**FINDING—
Unallowable asset
transfer to the City
of Escondido**

The City of Escondido Community Development Commission (CDC) transferred $25,609,644 in assets to the City of Escondido (City). The transfer consists of the following current and capital assets:

a. On February 16, 2011, the CDC transferred $20,000,000 in cash to the City in order to partially repay a loan between the CDC and City.

b. On February 16, 2011 the CDC transferred real properties, with book values totaling $5,609,644 to the City. The transfer included the following real properties:

	Description	Amount
i	480 N. Spruce Street - Land	$ 2,700,000
ii	480 N. Spruce Street - Building	2,302,067
iii	314 E. Grand Ave	202,526
iv	304 E. Grand Ave, 112-118 N Juniper	202,526
v	316 E. Grand Ave	202,525
	Total	$ 5,609,644

Pursuant to Health and Safety (H&S) Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. Those assets should be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177 (d) and (e). However, it appears that some of those assets also may be subject to the provisions of H&S Code section 34181(a).

H&S Code section 34181(a) states:

> The oversight board shall direct the successor agency to do all of the following:
>
> (a) Dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset...

Order of the Controller

Based on H&S Code section 34167.5, the City would have been ordered to return the above assets, described in Schedule 1, in the amount of $25,609,644, and return them to the Successor Agency. However, on July 27, 2012, the City returned $20,000,000 in cash, and reversed the transfer of real properties and returned the assets to the Successor Agency. Therefore, no further action is required.

Schedule 1—
Unallowable RDA Assets Transferred to the City of Escondido
January 1, 2011, through January 31, 2012

Unallowable transfers to the City of Escondido

Current assets		
Cash	$	20,000,000
Capital assets		
Land/building		5,609,644
Total unallowable transfers		25,609,644
Cash returned to the Successor Agency on July 27, 2012		(20,000,000)
Land/building returned to the Successor Agency on July 27, 2012		(5,609,644)
Total amount subject to Health and Safety Code section 34167.5	$	—

ESCONDIDO
City of Choice

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE ESCONDIDO REDEVELOPMENT AGENCY

Agenda Item No.: 6

Date: September 17, 2013

TO: Members of the Oversight Board

FROM: Joan Ryan, Finance Manager

SUBJECT: Financial Update as of June 30, 2013 and Projections as of December 31, 2013

RECOMMENDATION:

It is requested that the Oversight Board receive and file the Financial Update

BACKGROUND:

The Redevelopment Successor Agency Fund was established to account for the dissolution of the redevelopment agency. Fund activity includes distributions received from the County of San Diego Auditor & Controller's Redevelopment Property Tax Trust Fund (RPTTF) used to retire eligible enforceable obligations during the dissolution of the redevelopment agency and also accounts for the administrative costs incurred during the dissolution.

Exhibit A attached summarizes the Successor Agency's cash inflows and outflows from July 1, 2012 to June 30, 2013 as well as the projected cash balance at December 31, 2013.

Respectfully submitted,

Joan Ryan,
Finance Manager

REDEVELOPMENT SUCCESSOR AGENCY FUND
FINANCIAL SUMMARY AS OF JUNE 30, 2013

BEGINNING CASH BALANCE 7/1/2012		**$5,222,525**
CASH INFLOWS		
Payments from Redevelopment Property Tax Trust Fund		
ROPS B Distribution: January 2013 - June 2013	1,925,973	
ROPS A Distribution: July 2013 - December 2013	7,324,604	
Total Payments from Redevelopment Property Tax Trust Fund		9,250,577
Reverse Loan Repayment to General Fund		20,000,000
Transfer from Low and Moderate Income Housing Fund		3,702,248
Transfer from Cash with Fiscal Agent		916
Income from Investments and Property		234,343
TOTAL CASH INFLOWS		38,410,609
CASH OUTFLOWS		
July 2012 True-up Payment to County		10,145,052
Debt Service Payments		10,958,618
Loan Repayment to Traffic Impact Fund		100,000
Employee Costs - Admin Fees		292,669
Low and Moderate Income Housing Fund DDR Payment		3,702,248
Other Accounts and Redevelopment Fund DDR Payment		3,744,312
TOTAL CASH OUTFLOWS		28,942,899
ENDING CASH BALANCE 6/30/13		**$9,467,709**

REDEVELOPMENT SUCCESSOR AGENCY FUND
FINANCIAL PROJECTION AS OF DECEMBER 31, 2013

BEGINNING CASH BALANCE 7/1/2013	$9,467,709
CASH INFLOWS	
Transfer from Cash with Fiscal Agent	347,482
TOTAL CASH INFLOWS	9,815,191
CASH OUTFLOWS	
Debt Service Payments	6,630,973
Debt Expense	9,500
Employee Costs - Admin Fees	148,828
CalHFA Loan Repayment	2,405,000
TOTAL CASH OUTFLOWS	9,194,301
PROJECTED CASH BALANCE 12/31/13	$620,890