



REGULAR MEETING

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF SOUTH SAN FRANCISCO REDEVELOPMENT AGENCY

P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

CITY HALL
LARGE CONFERENCE ROOM, TOP FLOOR
400 GRAND AVENUE

TUESDAY, AUGUST 14, 2012
2:00 P.M.

PEOPLE OF SAN MATEO COUNTY

You are invited to offer your suggestions. In order that you may know our method of conducting Board business, we proceed as follows:

The regular meetings of the South San Francisco Oversight Board for the Successor Agency to the City of South San Francisco Redevelopment Agency are held on the second Tuesday of each month at 2:00 p.m. in the in the Large Conference Room, Top Floor at City Hall, 400 Grand Avenue, South San Francisco, California.

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item, and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the City Clerk's Office located at City Hall. If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda. The address of City Hall is 400 Grand Avenue, South San Francisco, California 94080.

In compliance with Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the South San Francisco City Clerk's Office at (650) 877-8518. Notification 48 hours in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Chairman:

Neil Cullen

Selected by:

Largest Special District of the type in H&R
Code Section 34188

Vice Chair:

Denise Porterfield
Deputy Superintendent, Fiscal and Operational Services
San Mateo County Office of Education

Selected by:

San Mateo County Superintendent of Schools

Board Members:

Mark Addiego
Councilmember, City of South San Francisco
Alternate: Barry Nagel
City Manager, City of South San Francisco

Selected by:

Mayor of the City of South San Francisco

Gerry Beaudin
Principal Planner, City of South San Francisco

Mayor of the City of South San Francisco

Barbara Christensen
Director of Community/Government Relations,
San Mateo County Community College District

Chancellor of California Community College

Reyna Farrales
Deputy County Manager, San Mateo County

San Mateo County Board of Supervisors

Paul Scannell

San Mateo County Board of Supervisors
(Public Member)

Counsel

Craig Labadie

Advisory:

Marty Van Duyn – Assistant City Manager, City of South San Francisco
Jim Steele – Finance Director, City of South San Francisco
Steve Mattas – City Attorney, City of South San Francisco
Krista Martinelli – City Clerk, City of South San Francisco
Armando Sanchez – Redevelopment Consultant, City of South San Francisco

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA REVIEW

PUBLIC COMMENTS

Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of the Regular Meeting of July 10, 2012.
2. Resolution adopting a Conflict of Interest Code for the Oversight Board to the City of South San Francisco Successor Agency.
3. Report on Department of Finance inquiry pertaining to action by Resolution approving One Chestnut Avenue Leasing Criteria.
4. Presentation of Housing Asset Reporting Form provided to the State of California Department of Finance.
5. Resolution approving Sitike Counseling Center Lease Amendment for 472 Grand Avenue (306 Spruce).
6. Resolution approving San Mateo County Medical Clinic Lease Amendment for 306 Spruce Avenue.
7. Resolution approving Successor Agency's request to include expenditures of housing bond proceeds on the Recognized Obligations Payments Schedule (ROPS).
8. Presentation and consideration of the draft Recognized Obligations Payments Schedule (ROPS) for the period January 1, 2013 through June 30, 2013.
 - a. Presentation of draft ROPS.
 - b. Consideration of Resolution approving draft ROPS.
9. Report from Bond Counsel regarding the legal authority of the Oversight Board to set aside funds in an escrow account to call bonds issued by the former Redevelopment Agency.
10. Future Agenda Items.
 - a. Report on any determination by the State of California Department of Finance on unfunded pension and liabilities being an enforceable obligation of the Successor Agency of a Redevelopment Agency.

ADJOURNMENT



REGULAR MEETING MINUTES

DRAFT

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF SOUTH SAN FRANCISCO REDEVELOPMENT AGENCY

P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

Meeting held at:
MUNICIPAL SERVICES BUILDING
COMMUNITY ROOM
33 ARROYO DRIVE
SOUTH SAN FRANCISCO, CA

TUESDAY, JULY 10, 2012

CALL TO ORDER

Time: 2:01 p.m.

ROLL CALL

Present: Boardmembers Addiego, Beaudin, Christensen and Scannell, Vice Chairperson Porterfield and Chairperson Cullen.

Absent: Boardmember Farrales.

Attorney Michael Roush served as Counsel at the Meeting as Alternate to Craig Labadie.

PLEDGE OF ALLEGIANCE

Led by Boardmember Scannell.

AGENDA REVIEW

PUBLIC COMMENTS

Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

None.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of the Regular Meeting of June 12, 2012.

Motion— Boardmember Scannell/Second— Boardmember Addiego: to approve the Minutes of the Regular Meeting of June 12, 2012. Approved by the following voice vote: AYES: Boardmembers Addiego, Beaudin, Christensen and Scannell, Vice Chairperson Porterfield and Chairperson Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Farrales.

2. Update on recent State Redevelopment-related Clean-up Legislation AB 1484.

City Attorney Mattas provided the Board with an overview of AB 1484 highlighting changes modifying AB 26. Much of the new legislation is intended to assist the state with recovery of funds. Significant portions of the new legislation were discussed, including that AB 1484: 1) clarifies that the Successor Agency is a separate entity from the City; 2) obligates the Successor Agency to pay the amount that the County Auditor-Controller determines is owed to the taxing entities for the period January through June 2012, based upon the December 2011 distribution of tax increment and the January - June 2012 ROPS by July 12th; 3) requires submission of a comprehensive Housing Asset inventory in a newly approved DOF format and according to an expanded definition of “housing assets”; 4) moves up ROPS deadlines and adds ROPS submittal requirements; 5) adds due diligence review and payment obligations; 6) authorizes the transfer of public purpose properties to the Successor Agency or other public entity for which a public facility was constructed; 7) modifies the Administrative Budget Allowance; and 8) requires that Oversight Board actions be taken by Resolution and forwarded to DOF and establishing that Oversight Board actions are not effective for five business days pending a DOF request for review and DOF has a 40 day period to conduct review if requested.

3. Information on downgrade of all Redevelopment Agencies’ Bond Ratings by Moody’s Investor Services.

Director of Finance Steele presented the informational report noting that Moody’s downgraded all RDA Bonds in the State due to uncertainty about the timing of payments and the fact that some agencies would not be able to make their payments. There was no impact on the City’s Successor Agency related to these reports, since the Agency had already received funds from the County to pay the next semi-annual RDA bond debt service in September 2012 and the debt service payments are approved in the ROPS by the Oversight Board and the DOF.

4. Resolution No. 2-2012 approving lease criteria and procedures for One Chestnut Avenue.

Director of Economic and Community Development and Assistant City Manager VanDuyn presented the staff report recommending that the Oversight Board provide direction and adopt a Resolution approving leasing criteria, procedures for seeking bids from interested parties, and selecting a tenant for a short term lease for the property at 1 Chestnut Avenue. Due to interest in leasing the One Chestnut Avenue property expressed by a realtor for Pet Club at the June 12, 2012 Oversight Board Meeting, staff recommended the Board approve the following lease criteria for bids on leasing the building: 1) the tenant shall receive all City permits and pay all fees prior to occupancy; 2) the use shall be consistent with all City codes, general plan and zoning criteria; 3) the tenant shall pay market rate rent subject to a nominal discount for entering into a short-term lease; 4) as the lease is for a short-term use, the rent would not include tenant improvement rent credits;

5) the tenant would be responsible for payment of all utilities, taxes and site maintenance; 6) the lease term shall be limited to three (3) years; 7) the lease would not grant the tenant (an) option(s) to extend tenancy beyond the initial three (3) years; continued occupancy would be on a month-to-month basis; 8) the lease termination would include the ability for a developer to occupy the property and prepare for a development; (9) the tenant would be required to stop operating at the site following the City's notice of lease terminations; 10) under no circumstance would the tenant receive a right of first refusal or any other option to purchase the property.

Boardmembers questioned the proposed length of the bid application process.

Director VanDuyn responded the normal bid process includes a 30 day deadline.

City Attorney Mattas explained the Board has some flexibility since AB 1484 deemed the Successor Agency to be a separate entity. Staff's recommendation was that a public process would be the most appropriate.

Motion– Boardmember Scannell/Second– Boardmember Addiego: to approve Resolution No. 2-2012. Approved by the following voice vote: AYES: Boardmembers Addiego, Beaudin, Christensen and Scannell, Vice Chairperson Porterfield and Chairperson Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Farrales.

5. Discussion and Follow-up Questions Regarding Real Property Assets Listed Below.

Address Number	SCO Asset Transfer Assessment Row
559 Gateway Blvd	1
296 Airport Blvd	5
201 Grand Avenue	14
207 Grand Avenue	13
217-219 Grand Avenue	12
200 Linden Avenue	9
212 Baden Avenue	10
216 Baden Avenue	11
480 No. Canal	6
432 Baden Avenue	2
616 Linden Avenue	15
700 Linden Avenue	16
905 Linden Avenue	17
938 Linden Avenue	18
323 Miller Avenue	3
356 Grand Avenue	4
472 Grand/306 Spruce Avenue	7
468 Miller Avenue	8
80 Chestnut Avenue	21
1 Chestnut Avenue	20
APN 093-312-050	19
APN 093-312-060	19
APN 093-331-050	19
APN 093-331-060	19
APN 011-326-030	19

Due to the newly legislated AB 1484 requirement pertaining to the development of a Property Management Plan, this item was not heard by the Board.

6. Future Agenda Items.
 - a. Report from Bond Counsel regarding the legal authority of the Oversight Board to approve defeasance of bonds issued by the former Redevelopment Agency.
 - b. FPPC Conflict of Interest Code.
 - c. Administrative Budget: consideration of need for audit/RDA financial consulting assistance.
 - d. Recommendations pertaining to disposition/demolition of properties previously held by the Redevelopment Agency.
 - e. Report on any determination by the State of California Department of Finance on unfunded pension and liabilities being an enforceable obligation of the Successor Agency of a Redevelopment Agency.
 - f. Report on legal analysis pertaining to Harbor District Agreement and consideration of motion approving Harbor District Agreement as enforceable obligation of the Successor Agency.

Items "c" and "d" were removed as Future Agenda Items, since their respective subjects would be addressed by newly established AB 1484 requirements. The Board determined Item "f" was no longer necessary due to information received from Counsel and noted ROPS payments on waive attenuators would go forward. Item "b" would appear on the August 14, 2012 Regular Meeting Agenda.

ADJOURNMENT

Motion — Boardmember Christensen/Second— Boardmember Scannell: to adjourn the meeting. Approved by the following voice vote: AYES: Boardmembers Addiego, Beaudin, Christensen and Scannell, Vice Chairperson Porterfield and Chairperson Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Farrales.

Pursuant to the above motion, Chairman Cullen adjourned the meeting at 2:52 p.m.

Submitted:

Approved:


Krista J. Martinelli, City Clerk
City of South San Francisco

Neil Cullen, Chairperson
Oversight Board for the Successor Agency
to the City of South San Francisco
Redevelopment Agency



Oversight Board for the Successor Agency to the South San Francisco Redevelopment Agency Staff Report

DATE: August 14, 2012
TO: Honorable Chairperson and Oversight Board Members
FROM: Steven T. Mattas, Successor Agency Counsel
SUBJECT: RESOLUTION ADOPTING OVERSIGHT BOARD CONFLICT OF
INTEREST CODE

RECOMMENDATION:

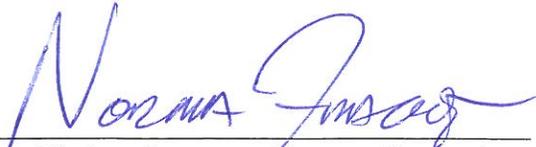
It is recommended that the Oversight Board adopt a resolution adopting a Conflict of Interest Code for the board.

DISCUSSION:

The Political Reform Act ("PRA") requires that "new agencies" adopt conflict of interest codes. After AB1x26 took effect, the Fair Political Practices Commission ("FPPC") issued an advice letter dated April 25, 2012 regarding the applicability of the conflict of interest code and financial disclosures provisions of the PRA to new local government agencies and officials holding positions in those agencies created by AB1x26.

The FPPC stated that if the city serves as a successor agency, the code reviewing body of the successor agency and its oversight board is the city council. Further, the FPPC advice letter concluded that the code reviewing body could (1) determine that the successor agency or oversight board, or both, are new agencies for purposes of the PRA, or (2) determine that the city itself is the "agency" and amend its own conflict of interest code to cover designated employees in the successor agency and oversight board.

Subsequent to the FPPC advice letter, the Legislature modified AB1x26 by adopting AB 1484. AB 1484 clarified that successor agencies are separate legal entities. As a result, staff recommends the Oversight Board adopt its own conflict of interest code.

By: 
Steve Mattas, Successor Agency Counsel

Attachments: Resolution, Exhibit A
1949721.1

RESOLUTION NO: _____

**OVERSIGHT BOARD FOR SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO**

**RESOLUTION ADOPTING THE SOUTH SAN FRANCISCO
OVERSIGHT BOARD CONFLICT OF INTEREST CODE**

WHEREAS, pursuant to the Political Reform Act (Article III of Chapter 7 of the Government Code, commencing with Section 81000), each government agency is required to adopt a Conflict of Interest Code (Government Code Section 87300 et seq.);

WHEREAS, pursuant to Government Code Section 87302, the Conflict of Interest Code shall provide for specific enumeration of the positions within the City, other than those specified in Government Code Section 87200, which involve the making or participation in the making of decisions which may foreseeably have material effect on any financial interest and for each such enumerated position, the specific types of investments, business positions, interests in real property, and sources of income which are reportable; and

NOW THEREFORE, BE IT RESOLVED by the Oversight Board for the Successor Agency to the South San Francisco Redevelopment Agency that it hereby approves the Conflict of Interest Code including designation of positions and the applicable disclosure categories for the positions shown in the attached Exhibit A.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of South San Francisco at a regular meeting held on the ____ day of August, 2012 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____

City Clerk

EXHIBIT A

DISCLOSURE CATEGORIES

A. APPROPRIATE FORMS

All persons holding offices or positions specified in Government Code Section 87200 shall file FPPC Form 700 for purposes of complying with the financial disclosure requirements of the Conflict of Interest Code. All other positions and offices designated in herein shall file FPPC form 700 based on the disclosure categories listed below.

B. DISCLOSURE CATEGORIES

- Category 1: All investments, sources of income, interests in real property or business positions in which the designated employee or official is a director, officer, partner, trustee, employee or holds any position of management. (Schedule All A-E)
- Category 2: All interest in real property located in the city of South San Francisco, within two (2) miles of the city of South San Francisco or within two (2) miles of any land owned or used by the City of South San Francisco. (Schedule B & C)
- Category 3: All investments, interests in real property or sources of income subject to the regulatory, permit or licensing authority of the department, board or commission, or agency. (Schedule All A-E)
- Category 4: Investments in business entities and sources of income which engage in land development, construction or the acquisition or sale of real property. (Schedule A, C, D, E)
- Categories 5 : Investments in, income from and positions held in business entities of the types which, within the past two (2) years, have contracted with the City of South San Francisco to provide services, supplies, materials, machinery or equipment. (Schedule A, C, D, E)
- Category 6: Investment in, income from and positions held in business entities of the type which, within the past two (2) years, have contracted with the designated employee's department to provide services, supplies, materials, machinery and equipment. (Schedule A, C, D, E)

DESIGNATION OF POSITIONS AND
 APPLICABLE DISCLOSURE CATEGORIES
 FOR THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
 REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO

Designated Positions	Disclosure Category
1. <u>Members of the following Boards and Commissions</u>	
1.1 Oversight Board	Form 700 (all categories)
2. <u>Staff</u>	
2.1 Oversight Board Counsel	Form 700 (all categories)

1949762.1



Redevelopment Successor Agency Oversight Board Staff Report

DATE: August 14, 2012

TO: Members of the Oversight Board

FROM: Marty Van Duyn, Assistant City Manager

SUBJECT: TRANSMITTAL OF HOUSING ASSET INVENTORY LISTING HOUSING ASSETS TRANSFERRED TO THE CITY OF SOUTH SAN FRANCISCO AS THE ENTITY ASSUMING THE HOUSING FUNCTIONS OF THE FORMER REDEVELOPMENT AGENCY; ACKNOWLEDGEMENT OF CONVEYANCE OF HOUSING ASSETS

RECOMMENDATION

It is recommended that the Oversight Board review the attached Housing Asset Inventory listing the housing assets transferred to the City of South San Francisco as the entity assuming the housing functions of the former Redevelopment Agency and adopt a Resolution acknowledging the conveyance of the housing assets to the City.

BACKGROUND/DISCUSSION

On August 1, 2012, staff transmitted the attached Housing Asset Inventory to the State Department of Finance, as required under Assembly Bill 1484 ("AB 1484") which went into effect on June 27, 2012. AB 1484 requires the inventory to include assets transferred to the housing successor agency between February 1, 2012 and the date the list was created. Exhibit A of the inventory lists interests in real property, Exhibit B lists interests in personal property, Exhibit C lists obligations proposed to be funded with remaining 1999 housing bond proceeds, Exhibit D lists the housing loan receivables, Exhibit E outlines payments from property generating land lease revenue and the loans for which repayments have been received beginning February 1, 2012, and Exhibit F outlines City owned residential properties for which tenant rent revenues are collected.

Pursuant to Health and Safety Code Section 34176, as enacted by Assembly Bill 26 and modified by AB 1484, the housing assets of the former Redevelopment Agency transferred to the City as the entity assuming the Agency's housing functions, by operation of law on February 1, 2012 when the Redevelopment Agency was dissolved. The attached Resolution acknowledges the conveyance of the housing assets to the City.

By: 
Marty Van Duyn
Assistant City Manager and Director

Attachment: Housing Asset Inventory
Oversight Board Resolution Acknowledging Conveyance of Housing Assets

RESOLUTION NO. _____

OVERSIGHT BOARD FOR THE FORMER REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

RESOLUTION APPROVING HOUSING INVENTORY AND
ACKNOWLEDGING CONVEYANCE OF HOUSING ASSETS
TO THE CITY OF SOUTH SAN FRANCISCO IN ITS
CAPACITY AS HOUSING SUCCESSOR

WHEREAS, pursuant to Resolution No. 8-2012, adopted by the City Council of the City of South San Francisco on January 25, 2012, the City of South San Francisco (“City”) agreed that upon dissolution of the Redevelopment Agency of the City of South San Francisco (the “Redevelopment Agency”) on February 1, 2012 pursuant to Assembly Bill x1 26 (“ABx1 26”), the City: (i) would serve as the successor agency to the Redevelopment Agency (“Successor Agency”), and (ii) would assume the housing functions of the Redevelopment Agency;

WHEREAS, Health and Safety Code Section 34176(a), added by Assembly Bill x1 26 and modified by Assembly Bill 1484, provides that the housing assets of a former redevelopment agency shall be transferred to the entity that assumes the housing functions formerly performed by such redevelopment agency (the “Housing Successor”); and

WHEREAS, the Successor Agency has acknowledged that the housing assets identified on the Housing Assets List attached to this Resolution as Exhibit A (the “Housing Assets”) were conveyed to the City by operation of law upon dissolution of the Redevelopment Agency on February 1, 2012, and the City Council of the City of South San Francisco, acting in its capacity as Housing Successor, has acknowledged the acceptance of the Housing Assets.

NOW THEREFORE, BE IT HEREBY RESOLVED that the Oversight Board for the former Redevelopment Agency of the City of South San Francisco hereby:

1. Approves the Housing Assets List attached hereto as Exhibit A.
2. Acknowledges that Housing Assets were conveyed to the City on February 1, 2012 by operation of law upon dissolution of the Redevelopment Agency.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board of the Former Redevelopment Agency of the City of South San Francisco at a special meeting held on the ____th day of _____, 2012 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____

City Clerk

**DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: South San Francisco

Successor Agency to the Former Redevelopment Agency: South San Francisco

Entity Assuming the Housing Functions of the former Redevelopment Agency: South San Francisco

Entity Assuming the Housing Functions Contact Name: Armando Sanchez Title Redevelopment Consultant Phone 650-877-8667 E-Mail Address Armando.Sanchez@ssf.net

Entity Assuming the Housing Functions Contact Name: Marty VanDuyn Title Assistant City Manager Phone 650-877-8500 E-Mail Address Marty.VanDuyn@ssf.net

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	X
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	X
Exhibit F- Rents	X
Exhibit G - Deferrals	

Prepared By: **Kate Rosenlieb**

Date Prepared: **July 31, 2012**

**City of South San Francisco
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Low mod housing	APN 012311240 address 312 Miller - 313 Tamarack 4-plex	717,183	6,000	6,000	No	N/A	2/1/12 [1] (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	715,000	0	269,000	City (not former RDA) acquired property on 5/24/2004 [1]	Fee simple
2	Low mod housing	APN 012333050 address 339-341 Commercial Ave 4-plex	804,086	3,500	3,500	No	N/A	2/1/12 [2] (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	107,500	0	322,300	8/1/2001	Fee simple
3	Low mod housing	APN 012311230 address 310 Miller - 311 Tamarack tri-plex	586,309	3,500	3,500	No	N/A	2/1/12 [2] (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	589,000	0	85,000	10/12/2004	Fee simple
4	Low mod housing	APN 012311250 address 314 Miller Single Family	669,896	3,500	3,500	No	N/A	2/1/12 [2] (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	679,950	0	0	1/24/2008	Fee simple
5	Low mod housing	APN 012145430 address 714-718 Linden 4-plex	755,118	4,500	4,500	No	N/A	2/1/12 [2] (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	862,000	0	0	10/1/2005	Fee simple
6	Low mod housing	APN 013232170 address 380 Alta Vista single family	683,080	9,100	9,100	No	N/A	2/1/12 [2] (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	1,035,000	0	0	4/29/2005	Fee simple
7	Low mod housing	APN 012241230 address 630 Baden land under 125 unit Magnolia Senior Apartments	948,244	95,309	95,309	Yes	California Redevmt. Law / Bond Covenants	2/1/12 [3] (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	1,250,795	0	Non-profit housing developer contributed approx. \$12.0M to the building construction	1/17/1986	City owns land and leases land to the non-profit housing developer who owns and manages the housing units
8	Low mod housing with commercial space	APN 014160040 address 636 El Camino land under 109 unit Affordable Housing over 4,600 sqft of 1st floor commercial space	Land Value of 4,470,000 no valuation on leasehold interest in 4,600 sqft of unfinished commercial space at this time	87,121	87,121	Yes	California Redevmt. Law / Tax Credits	2/1/12 [3] (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	8,767,474	5,690,960	Non-profit housing developer contributed approx. \$34.3M to the building construction	3/11/2011	City owns land and has leasehold interest in the commercial sqft. A non-profit housing developer owns and manages the housing units

Note: As the Housing Successor, as of 2/1/12, the City became the beneficiary under and the holder of security interests and deed restrictions pursuant to deeds of trust and regulatory agreements recorded in connection with the loans listed on Exhibit D.
 [1] Grant deed says City owned - This property was always reported as RDA owned but due to an error, the grant deed has always reflected it was City owned.

[2] These properties were deeded from the RDA to the City on 3/11/11 and as of 2/1/12 are held by the City in its capacity as Housing Successor.

[3] These properties transferred to the City as Housing Successor by operation of law as of 2/1/12.

a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City of South San Francisco
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	Appliances (located in Exhibit A properties, items 1 through 6)	stoves and refrigerators in these 6 properties	\$0 carrying value on books, but market value approximately \$6,400	2/1/12 (via Resolution 08-2012 when the City Council opted to become the Successor Housing Agency)	N/A	N/A	N/A	N/A

a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

City of South San Francisco
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	Low mod housing is planned to be built or acquired	1999 was the year the housing bonds were sold. Pending Oversight Board approval, this obligation will be shown on the ROPS for Jan-June 2013.	Bondholders	Remaining housing bond balance is \$2,381,531.91 which is adjusted quarterly for interest earnings	Not at this time-site to invest these housing bonds funds not yet selected	N/A	Site not selected yet	Remaining housing bond balance is \$2,381,531.91 which is adjusted quarterly for interest earnings	To be determined	To be determined	Remaining housing bond proceeds to be shown as a cost on the next ROPS so actual construction or acquisition to occur between Jan and June 2013

a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City of South San Francisco
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Med Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance (as of June 30, 2012)
1	Loan	50,000.00	6/15/2007	Agatep/Tan	1st time homebuyer	Yes	6/15/2037	4%	50,000.00
2	Loan	50,000.00	2/15/2004	Andersen	1st time homebuyer	Yes	2/15/2034	4%	46,176.85
3	Loan	40,000.00	2/23/2009	Cardenas	1st time homebuyer	Yes	2/23/2039	4%	40,000.00
4	Loan	25,000.00	12/21/2007	Cheng	1st time homebuyer	Yes	12/21/2037	4%	25,000.00
5	Loan	41,000.00	1/10/2003	Clemente	1st time homebuyer	Yes	1/10/2033	4%	36,238.13
6	Loan	50,000.00	10/28/2003	Fong	1st time homebuyer	Yes	10/28/2033	4%	48,193.48
7	Loan	50,000.00	12/21/2007	Gregory	1st time homebuyer	Yes	12/21/2037	4%	50,000.00
8	Loan	40,000.00	4/15/2009	Hai	1st time homebuyer	Yes	4/15/2039	4%	40,000.00
9	Loan	48,814.43	1/26/2006	Hankins	1st time homebuyer	Yes	4/1/2038	4%	48,814.43
10	Loan	100,000.00	7/1/2009	Junghee	1st time homebuyer	Yes	7/1/2039	4%	100,000.00
11	Loan	50,000.00	9/11/2008	Lagomarsino	1st time homebuyer	Yes	9/11/2038	4%	50,000.00
12	Loan	50,000.00	12/21/2007	Lau	1st time homebuyer	Yes	12/21/2037	4%	50,000.00
13	Loan	50,000.00	8/26/2009	McFarland	1st time homebuyer	Yes	8/26/2039	4%	50,000.00
14	Loan	50,000.00	6/15/2007	Nono	1st time homebuyer	Yes	6/15/2037	4%	50,000.00
15	Loan	50,000.00	6/29/2004	Ong	1st time homebuyer	Yes	6/29/2037	4%	50,000.00
16	Loan	50,000.00	4/13/2007	Pablo	1st time homebuyer	Yes	4/13/2037	4%	50,000.00
17	Loan	50,000.00	4/13/2007	Pablo	1st time homebuyer	Yes	3/21/2035	4%	47,150.75
18	Loan	50,000.00	3/21/2005	Parivar	1st time homebuyer	Yes	11/7/2033	4%	47,947.21
19	Loan	50,000.00	11/7/2003	Stone	1st time homebuyer	Yes	8/27/2034	4%	46,519.33
20	Loan	50,000.00	8/27/2004	Tong & Lam	1st time homebuyer	Yes	8/27/2034	4%	46,519.33
21	Loan	50,000.00	12/7/2009	Tribby	1st time homebuyer	Yes	12/7/2039	4%	50,000.00
22	Loan	50,000.00	2/24/2009	Tsao	1st time homebuyer	Yes	2/24/2039	4%	85,000.00
23	Loan	85,000.00	2/24/2009	Tsao	1st time homebuyer	Yes	2/24/2039	4%	85,000.00
24	Loan	3,401,795.41	5/31/2001	Bridge Housing-Chestnut Creek	Dev loan for low/mod	Yes	5/31/2056	3%	3,401,795.41
25	Loan	3,401,795.41	5/31/2001	Bridge Housing-Chestnut Creek	Dev loan for low/mod	Yes	5/31/2056	3%	3,401,795.41
26	Loan	3,700,000.00	10/28/2005	Bridge Housing-Oak & Grand Hsng	Dev loan for low/mod	Yes	10/28/2060	3%	2,828,122.00
27	Loan	3,700,000.00	10/28/2005	Bridge Housing-Oak & Grand Hsng	Dev loan for low/mod	Yes	10/28/2060	3%	2,828,122.00
28	Loan	500,000.00	7/28/1998	Grand Hotel - 54	Dev loan for low/mod	Yes	7/30/2029	4%	391,519.34
29	Loan	500,000.00	7/28/1998	Grand Hotel - 54	Dev loan for low/mod	Yes	7/30/2029	4%	391,519.34
30	Loan	400,000.00	7/28/1998	Grand Hotel - 55	Dev loan for low/mod	Yes	7/30/2029	3%	321,911.60
31	Loan	400,000.00	7/28/1998	Grand Hotel - 55	Dev loan for low/mod	Yes	7/30/2029	3%	321,911.60
32	Loan	1,795,985.00	5/30/2007	HIP Housing Loan - Commercial Ave	Dev loan for low/mod	Yes	5/30/2062	3%	1,795,985.00
33	Loan	1,795,985.00	5/30/2007	HIP Housing Loan - Commercial Ave	Dev loan for low/mod	Yes	5/30/2062	3%	1,795,985.00
34	Loan	827,293.56	3/27/1996	Martin Metro	Dev loan for low/mod	Yes	2/25/2029	3%	827,293.56
35	Loan	827,293.56	3/27/1996	Martin Metro	Dev loan for low/mod	Yes	2/25/2029	3%	827,293.56
36	Loan	88,000.00	4/15/2009	Martin Metro	Dev loan for low/mod	Yes	4/15/2014	4%	18,990.00
37	Loan	88,000.00	4/15/2009	Martin Metro	Dev loan for low/mod	Yes	4/15/2014	4%	18,990.00
38	Loan	615,000.00	1/4/1999	Mid Pen - 383 Susie Way	Dev loan for low/mod	Yes	1/4/2039	3%	615,000.00
39	Loan	615,000.00	1/4/1999	Mid Pen - 383 Susie Way	Dev loan for low/mod	Yes	1/4/2039	3%	615,000.00
40	Loan	9,988,434.09	3/11/2011	Mid Pen - 636 El Camino Real	Dev loan for low/mod	Yes	3/11/2066	3%	9,988,434.09
41	Loan [1]	9,988,434.09	3/11/2011	Mid Pen - 636 El Camino Real	Dev loan for low/mod	Yes	3/11/2066	3%	9,988,434.09
42	Loan	3,500,000.00	1/4/1999	Mid Peninsula Housing-Willow	Dev loan for low/mod	Yes	1/4/2039	3%	2,491,572.14
43	Loan	3,500,000.00	1/4/1999	Mid Peninsula Housing-Willow	Dev loan for low/mod	Yes	1/4/2039	3%	2,491,572.14
44	Loan	120,000.00	3/3/1989	Mid Peninsula-Belle Haven, Inc.	Dev loan for low/mod	Yes	upon sale	0%	120,000.00
45	Loan	120,000.00	3/3/1989	Mid Peninsula-Belle Haven, Inc.	Dev loan for low/mod	Yes	upon sale	0%	120,000.00
46	Loan	940,000.00	9/30/1998	MP Greenridge	Dev loan for low/mod	Yes	9/30/2038	3%	711,467.91
47	Loan	940,000.00	9/30/1998	MP Greenridge	Dev loan for low/mod	Yes	9/30/2038	3%	711,467.91

[1] This loan amount includes \$5,690,960 that came from 80% tax increment (see Exhibit A, item 8).

City of South San Francisco
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
1	Land Rent	Low mod housing	City owns land and leases land to the non-profit housing developer who owns and manages the housing units	City	City	Future affordable housing dev	Yes	California Redevelopment Law / Bond Covenants	7
									Item # from Exhibit D
2	1st time homebuyer loan repymt.	Low mod housing	Andersen	City	City	Future affordable housing dev	No	N/A	2
3	1st time homebuyer loan repymt.	Low mod housing	Clemente	City	City	Future affordable housing dev	Yes	Calif. Redev. Law	5
4	1st time homebuyer loan repymt.	Low mod housing	Fong	City	City	Future affordable housing dev	Yes	Calif. Redev. Law	6
5	1st time homebuyer loan repymt.	Low mod housing	Parivar	City	City	Future affordable housing dev	No	N/A	17
6	1st time homebuyer loan repymt.	Low mod housing	Stone	City	City	Future affordable housing dev	No	N/A	18
7	1st time homebuyer loan repymt.	Low mod housing	Tong & Lam	City	City	Future affordable housing dev	No	N/A	19
8	Developer loan repymt. for low/mod	Low mod housing	Grand Hotel - 54	City	City	Future affordable housing dev	Yes	Calif. Redev. Law	24
9	Developer loan repymt. for low/mod	Low mod housing	Grand Hotel - 55	City	City	Future affordable housing dev	Yes	Calif. Redev. Law	25

Note: This Exhibit indicates properties with mixed ownership and properties owned by others that began to produce rental revenues and loan repayments to the housing successor agency as of 2/1/12.

a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit F - Rents

City of South San Francisco
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
1	Rent	Low mod housing	City	City	City	property operating costs	No	N/A	1
2	Rent	Low mod housing	City	City	City	property operating costs	No	N/A	2
3	Rent	Low mod housing	City	City	City	property operating costs	No	N/A	3
4	Rent	Low mod housing	City	City	City	property operating costs	No	N/A	4
5	Rent	Low mod housing	City	City	City	property operating costs	No	N/A	5
6	Rent	Low mod housing	City	City	City	property operating costs	No	N/A	6

Note: This Exhibit indicates properties owned by the housing successor agency that began to produce rental revenues to the housing successor agency as of 2/1/12.

a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.



Redevelopment Successor Agency Oversight Board Staff Report

DATE: August 14, 2012

TO: Members of the Oversight Board

FROM: Marty Van Duyn, Assistant City Manager

SUBJECT: ADOPT A RESOLUTION APPROVING AN AMENDMENT TO THE
LEASE AGREEMENT WITH SITIKE COUNSELING CENTER
FOR THE FACILITY AT 306 SPRUCE AVENUE

RECOMMENDATION

It is recommended that the Oversight Board adopt a resolution authorizing an amendment to the lease agreement with Sitike Counseling Center for the facility at 306 Spruce Avenue and authorize the City Manager or his designee to execute the Lease Amendment.

BACKGROUND/DISCUSSION

The medical facility located at 306 Spruce Avenue/472 Grand Avenue, is a 14,000 square foot parcel containing a three story building and an adjacent parking lot. The facility also has a dedicated parking lot at 468 Miller Avenue. The basement level of the building contains vacant office space, the building's mechanical systems (electrical, fire alarms, HVAC and boiler) and restrooms. The San Mateo County Health Center occupies the second floor and Sitike Counseling Center occupies the first floor. The roof of the building contains cell tower equipment installed by Sprint and the building's exhaust fans.

Sitike's tenant space is partitioned into office spaces and counseling rooms, with an entry lobby, kitchen, child care facility, two disabled accessible restrooms, and access to an outdoor patio. Their lease includes four (4) on-site parking spaces and seven (7) spaces at the Miller Avenue parking lot.

The Health Center is a primary care medical facility with exam rooms, a large office area, counseling rooms, a lobby, a computer server room, a meeting room and kitchen, and two disabled (men's and women's) accessible restrooms. The Health Center lease includes five parking spaces in the adjacent lot and eleven spaces in the lot on Miller Avenue

Because of the Health Center, the elevator serving the building must be maintained to CAL OSHA standards and have yearly load testing. Additionally, the Health Center requires the ambient temperature be maintained at a constant 72 degrees and that the exhaust fans circulate at levels specified by CAL OSHA, thus requiring monitoring on a quarterly basis.

The two tenants, the San Mateo County Health Center and Sitike Counseling Center have held leases for 15 years and 16 years respectively. The Leases for both tenants require the Lessee's to pay for all their utilities and to provide janitorial services while landscaping and all maintenance and repairs are the responsibility of the Lessor. Sitike's lease expired in February

of 2012 and the County's lease is to expire on September 30, 2012. Both tenants have requested lease extensions for 5 years and 3 years respectively. .

Sitike Counseling Center:

When the former Redevelopment Agency (Agency) acquired the medical building at 306 Spruce Avenue it assumed the existing ten year lease with Sitike. That Original Lease Agreement, dated December 2, 1996, expired on February 28, 2007. The Agency amended the Original Lease Agreement with Sitike on June 13, 2007 effectuating the five year option of the Original Lease, with an expiration date of February 28, 2012.

The terms of the 2007 Lease Amendment included a lease amount of \$6,882.75, or \$1.21 per square foot which was considered to be within the market range at that time. The Agency did not provide a five year option as the Agency did not want to limit its options to sell the property in the future. Subsequent to the June, 2007 Amendment, Agency waived all scheduled rent increases due to the soft economy that resulted in lease rates in the Downtown remaining stable or dropping. Furthermore, in March, 2010, based on a request by Sitike, the Agency Board reduced the rent 11% (from \$6,882.75/mo. to \$6,125.65/mo., or \$1.21/SF to \$1.08/SF).

When Sitike's lease expired on February, 2012, Sitike requested a lease extension, however, the Agency was unable to accommodate the request due to ABx1 26 which terminated redevelopment agencies. Sitike has been renting the space on a month-to-month basis since then. On June 18, 2012, Sitike's Executive Director submitted a letter asking the Successor Agency and the Successor Agency Oversight Board for a Lease Amendment which included the following terms:

- A 5 year Lease renewal with an option to extend the Lease for another 5 year term
- A clause stating that Sitike would receive a notice of no less than 6 months to vacate
- A rent reduction of 4.63% from \$1.08/SF to \$1.03/SF or a total annual reduction of \$3,204.12

Sitike states in their request that their organization has not received cost of living increases from San Mateo County for the last 5 years; and that insurance costs have risen by 20% over the last 3 years while contributions from foundations and donors have decreased. Sitike further states that it has been forced to offer fewer benefits at greater cost to employees and that other costs such as supplies and materials are also increasing.

Sitike has made a significant investment in the facility. In 1997, they secured \$150,000 to remodel their offices with a \$50,000 contribution from their own reserves and matching funds from the City of South San Francisco and San Mateo County Community Development Block Grant funds. Sitike is an excellent tenant and pays rent on time. They are conscientious about caring for their facility to City standards and have good working relationships with the County Health Clinic and other immediate neighbors. Sitike pays full utility costs for their facility and their current rent generates \$73,508 per year which is deposited into the Successor Agency Fund to pay for expenditures approved in the City's Recognized Payment Obligation Schedule (ROPS).

The Successor Agency appreciates Sitike's presence in the building and their critical services to the community. Sitike has attempted to acquire a building of their own, however, the lack of suitable office space, severe budget cuts and limited foundation funding has prevented them from doing so. Further, with state and county mandated accessibility requirements, there are few buildings in town

that provide the required accessibility. That was the main reason they moved from Mission Road to the Spruce Avenue facility in 1996.

San Mateo County Health Center:

On April 4, 2000, the Agency entered into a Lease Agreement (“Clinic Lease”) with the County of San Mateo for the tenant space in the building located at 306 Spruce Avenue (“Premises”), authorized by Resolution No. 63515. As noted earlier, the Premises are located on the second floor and consist of approximately 6,225 square feet. The County uses the Premises to provide health care services and a women and infant care program for residents of South San Francisco.

Prior to the Lease expiring on September 30, 2011 the County notified the City that it would like to extend the Lease for one year. Although the Lease provided the County with the option to extend its tenancy for five years, the County elected only to extend the lease by one year due to uncertainty regarding their continued presence at this location. On September 14, 2011 the City, which temporarily took possession of the property from the Redevelopment Agency, approved a Lease amendment extending the County’s tenancy until September 30, 2012.

The County is currently seeking a three year extension of the Lease with a provision to terminate the Lease with six-month’s notice. The proposed extension falls within the five year option period provided in the original Lease and would be unlikely to interfere with any future land disposition. Currently, the base rent is \$8,771.32 with annual cost-of-living adjustments based on the consumer price index.

The County Health Center has not requested a lease rate reduction and has had annual cost-of-living rent increases in the past. This has created a disparity wherein cost-of-living adjustments are eliminated for one tenant but not the other. To some extent the difference in rent rates for Sitike and the County Health Center can be justified by the nature of each tenant space and the Health Center’s requirements to provide a computer support room, elevator maintenance to OSHA standards and exhaust fan performance. The Health Center also receives more parking spaces than the counseling center. However, in moving forward it would be prudent for the Successor Agency treat both tenant equally. Given market conditions in South San Francisco, it would be reasonable to provide the Medical Clinic with a similar rent reduction and thus ensure they continue to provide services to South San Francisco residents at this location.

Lease Extensions:

The State Legislature adopted AB 1484 on June 27, 2012 with the intent of clarify provisions of ABx1 26. AB 1484 has new provision which require Successor Agencies to prepare an Asset Management Plan with respect to the properties owned by the former Redevelopment Agency. Until the Oversight Board and DOF approve the Asset Management Plan, the Successor Agency may not take actions that would affect the long term uses of property assets.

Therefore, staff recommends a one year Lease Amendment for both Sitike and the Health Center. Alternatively, the Oversight Board may consider three year lease extensions for both groups as such leases would not affect the long term use or disposition of the building. However, it should be noted that DOF called for a review of the lease criteria the Oversight Board approved for the rental of One Chestnut Avenue. This demonstrates DOF is diligently reviewing Successor Agency actions with

respect to land assets. Although DOF will have the authority to review the proposed leases, staff believes that because the medical facility is a public use property it will not be necessary to wait for ruling from DOF before moving forward with a short-term lease. One additional provision of the lease is that both tenants have requested 6 months notices to vacate which is reasonable given the complexities of moving large operations and the difficulty involved in securing a suitable space that meets their size and accessibility requirements.

Current office rents in the Downtown area range between \$0.89 (in the South Linden industrial area) to \$1.50 (South Spruce large commercial/retail space) per square foot. A medical office space in the So. Spruce Avenue commercial corridor is currently being offered at \$1.00 per square foot. Given current market conditions, staff believes that a rental rate of \$1.00 to \$1.34 per square foot is reasonable for an older building in the downtown core. Sitike has requested a rate of \$1.03 per square foot for a total payment of \$5,858.64 per month. This will decrease rent revenue by \$3,204 *per year* to \$70,304. The Health Center currently pays \$8,771.32 per month, or \$1.41 per square foot. Staff recommends a similar rent reduction of 4.63% (from \$1.41 to \$1.34 per square foot) for the Health Center, an annual rent decrease of \$4,805 (see table below).

	Sitike	Clinic
Area (SF)	5,688	6,225
Current Rent/Mo.	\$6,125.65	\$8,771.32
Current Rent/SF	\$1.08	\$1.41
Annual Rent	\$73,507.80	\$105,255.80
Proposed % Rent Decrease	4.63%	4.63%
Proposed Rent/Mo.	\$5,858.64	\$8,370.89
Proposed Rent/SF	\$1.03	\$1.34
Proposed Annual Rent	\$70,303.68	\$100,450.80
Annual Rent Decrease	\$3,204.12	\$4,805.09

CONCLUSION:

Staff is recommending the Oversight Board approve one year lease extension amendments with a six-month notice to vacate without cause for Sitike Counseling Center and the County Health Center. Staff does not recommend extended leases due to State law requiring the Successor Agency to prepare a Property Asset Management Plan. Staff recommends Sitike receive 4.63 % rent reduction from \$1.08/SF to \$1.03/SF, for a total of \$5,858.64 per month and that the Health Center receive a 4.63 % reduction from \$1.41/SF to \$1.34/SF, for a total payment of \$8,370.8921 per month, or \$100,450.80 per year. Combined, both tenant leases provide a total of \$170,754.40 per year in revenues.

It is recommended that the Oversight Board adopt a resolution authorizing an amendment to the lease agreement with Sitike Counseling Center for the facility at 306 Spruce Avenue and authorize the City Manager or his designee to execute the Lease Amendment.

By: 
Marty Van Duyn
Assistant City Manager

RESOLUTION NO. ____

OVERSIGHT BOARD TO FORMER REDEVELOPMENT AGENCY, CITY OF
SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

RESOLUTION OF OVERSIGHT BOARD APPROVING AN
AMENDMENT TO THE LEASE AGREEMENT WITH SITIKE
COUNSELING CENTER FOR THE FACILITY AT 306
SPRUCE AVENUE

WHEREAS, on May 2, 2011, the City of South San Francisco (“**City**”) acquired that certain real property located at 306 Spruce Avenue in South San Francisco, California (“**Property**”) from the Redevelopment Agency of the City of South San Francisco (“**Agency**”). The **City** will likely convey the Property to the Successor Agency; and,

WHEREAS, the City has consented to the Amendment and the authority of the Successor Agency to enter into this Amendment on behalf of the City; and,

WHEREAS, pursuant to Resolution No. 08-2012, adopted January 25, 2012, the City of South San Francisco (“**City**”) affirmed its agreement to serve as the Successor Agency to the Redevelopment Agency of the City of South San Francisco (the “**Redevelopment Agency**”) pursuant to Health and Safety Code Section 34173 et seq.; and,

WHEREAS, the former Redevelopment Agency of the City of South San Francisco leased to Sitike Counseling Center, a California nonprofit public benefit corporation (“**Sitike**”), the entire first floor of that certain building located at 306 Spruce Avenue, South San Francisco, CA, pursuant to that certain Retail Lease Agreement dated December 2, 1996 (the “**Lease Agreement**”); and,

WHEREAS, Sitike subsequently exercised its option in 2007 to extend the term of the Lease Agreement for five (5) years through February 28, 2012, continuing month to month thereafter; and,

WHEREAS, on June 18, 2012, Sitike submitted a letter to the Successor Agency and the Oversight Board requesting an Amendment to the Lease Agreement; and,

WHEREAS, the Successor Agency recommends amending the Lease Agreement, including extending the term of the Lease Agreement for one (1) year and reducing the rent.

NOW, THEREFORE, the Oversight Board, does hereby:

1. Approves an Amendment to the Lease Agreement with Sitike at 306 Spruce Avenue, conditioned on Sitike’s timely execution and submission of all required documents.

2. Authorizes the City Manager to execute the Amendment to the Lease Agreement on behalf of the Successor Agency and Oversight Board, and to take such other actions reasonably necessary to carry out the intent of this Resolution.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board to the former Redevelopment Agency of the City of South San Francisco at a meeting held on the _____ day of August, 2012 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____
City Clerk

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT ("**Amendment**") is entered into effective as of _____, 2012 ("**Effective Date**"), by and between the Successor Agency to the Redevelopment Agency of the City of South San Francisco ("**Lessor**") and Sitike Counseling Center, a California nonprofit public benefit corporation ("**Lessee**"). Lessor and Lessee are hereinafter collectively referred to as the "**Parties**".

RECITALS

- A. The Lessee and Janet Siniora entered into that certain Retail Lease Agreement dated December 2, 1996 (the "**Lease**") pursuant to which Lessee leases the entire first floor (the "**Premises**") of that certain building located at 306 Spruce Avenue, South San Francisco, CA (the "**Building**").
- B. On May 2, 2011, the City of South San Francisco ("**City**") acquired that certain real property located at 306 Spruce Avenue in South San Francisco, California ("**Property**") from the Redevelopment Agency of the City of South San Francisco ("**Agency**"). The **City** will likely convey the Property to the Successor Agency. The City has consented to the **Amendment** and the authority of the Successor Agency to enter into this **Amendment**.
- C. The original term of the Lease expired February 28, 2007.
- D. Lessee has exercised its option to extend the term of the Lease for an additional period of five (5) years commencing March 1, 2007, through February 28, 2012.
- E. The Lease has been month to month since February 28, 2012
- F. Accordingly, the Parties desire to amend the Lease pursuant to the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term of the Lease. Notwithstanding anything to the contrary contained in the Lease, the term of the Lease shall be extended for one (1) year commencing on September 1, 2012 and continuing until August 31, 2013 under the same terms and conditions as contained in the Lease and any amendment(s) thereto except as specifically set forth herein.
2. Rent. Commencing on September 1, 2012 the monthly rental payment shall be \$5,858.64.
3. 6-Month Notice to Terminate. Notwithstanding anything to the contrary contained in the Lease, commencing on March 1, 2013, Lessor may terminate the lease six (6) months after delivery of a written notice to vacate the Premises. Termination of the Lease will be effective

six (6) months after receipt of written notice.

4. Amendment. This Amendment may be amended or modified only by a written instrument executed by the Parties.
5. Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Amendment.
6. Action or Approval. Whenever action and/or approval by Lessor is required under this Lease as amended hereby, Lessor's City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to Lessor's Governing Body for consideration.
7. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument.
8. Severability. If any term, provision, or condition of this Amendment is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amendment shall continue in full force and effect unless an essential purpose of this Amendment is defeated by such invalidity or unenforceability.
9. No Third Party Beneficiaries. Nothing contained in this Amendment is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.
10. Entire Agreement. This Amendment, together with the Lease contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements between the Parties with respect thereto.
11. Authorization. The undersigned each hereby represent and warrant that each is duly authorized to execute this Amendment.
12. Effectiveness of Lease. Except as expressly set forth in this Amendment, the Lease remains unmodified and in full force and effect.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment as of the date first written above.

South San Francisco Successor Agency and City of South San Francisco
a public body, corporate and politic

By _____

Its: _____

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

Sitike Counseling Center,
a California nonprofit public benefit corporation

By _____

Its _____

1947092.1



Redevelopment Successor Agency Oversight Board Staff Report

DATE: August 14, 2012
TO: Members of the Oversight Board
FROM: Marty Van Duyn, Assistant City Manager
SUBJECT: ADOPT A RESOLUTION APPROVING AN AMENDMENT TO THE LEASE WITH THE COUNTY OF SAN MATEO EXTENDING THE LEASE FOR ONE YEAR

RECOMMENDATION

It is recommended that the Oversight Board adopt a resolution authorizing an amendment to the lease agreement with the County of San Mateo extending the lease for one year for the facility at 306 Spruce Avenue and authorize the City Manager or his designee to execute the Lease Amendment subject to City Attorney approval of final form.

BACKGROUND/DISCUSSION

The medical facility located at 306 Spruce Avenue/472 Grand Avenue, is a 14,000 square foot parcel containing a three story building and an adjacent parking lot. The facility also has a dedicated parking lot at 468 Miller Avenue. The basement level of the building contains vacant office space, the building's mechanical systems (electrical, fire alarms, HVAC and boiler) and restrooms. The San Mateo County Health Center occupies the second floor and Sitike Counseling Center occupies the first floor. The roof of the building contains cell tower equipment installed by Sprint and the building's exhaust fans.

Sitike's tenant space is partitioned into office spaces and counseling rooms, with an entry lobby, kitchen, child care facility, two disabled accessible restrooms, and access to an outdoor patio. Their lease includes four (4) on-site parking spaces and seven (7) spaces at the Miller Avenue parking lot.

The Health Center is a primary care medical facility with exam rooms, a large office area, counseling rooms, a lobby, a computer server room, a meeting room and kitchen, and two disabled (men's and women's) accessible restrooms. The Health Center lease includes five parking spaces in the adjacent lot and eleven spaces in the lot on Miller Avenue

Because of the Health Center, the elevator serving the building must be maintained to CAL OSHA standards and have yearly load testing. Additionally, the Health Center requires the ambient temperature be maintained at a constant 72 degrees and that the exhaust fans circulate at levels specified by CAL OSHA, thus requiring monitoring on a quarterly basis.

The two tenants, the San Mateo County Health Center and Sitike Counseling Center have held leases for 15 years and 16 years respectively. The Leases for both tenants require the Lessee's to pay for all their utilities and to provide janitorial services while landscaping and all

maintenance and repairs are the responsibility of the Lessor. Sitike's lease expired in February of 2012 and the County's lease is to expire on September 30, 2012. Both tenants have requested lease extensions for 5 years and 3 years respectively. .

Sitike Counseling Center:

When the former Redevelopment Agency (Agency) acquired the medical building at 306 Spruce Avenue it assumed the existing ten year lease with Sitike. That Original Lease Agreement, dated December 2, 1996, expired on February 28, 2007. The Agency amended the Original Lease Agreement with Sitike on June 13, 2007 effectuating the five year option of the Original Lease, with an expiration date of February 28, 2012.

The terms of the 2007 Lease Amendment included a lease amount of \$6,882.75, or \$1.21 per square foot which was considered to be within the market range at that time. The Agency did not provide a five year option as the Agency did not want to limit its options to sell the property in the future. Subsequent to the June, 2007 Amendment, Agency waived all scheduled rent increases due to the soft economy that resulted in lease rates in the Downtown remaining stable or dropping. Furthermore, in March, 2010, based on a request by Sitike, the Agency Board reduced the rent 11% (from \$6,882.75/mo. to \$6,125.65/mo., or \$1.21/SF to \$1.08/SF).

When Sitike's lease expired on February, 2012, Sitike requested a lease extension, however, the Agency was unable to accommodate the request due to ABx1 26 which terminated redevelopment agencies. Sitike has been renting the space on a month-to-month basis since then. On June 18, 2012, Sitike's Executive Director submitted a letter asking the Successor Agency and the Successor Agency Oversight Board for a Lease Amendment which included the following terms:

- A 5 year Lease renewal with an option to extend the Lease for another 5 year term
- A clause stating that Sitike would receive a notice of no less than 6 months to vacate
- A rent reduction of 4.63% from \$1.08/SF to \$1.03/SF or a total annual reduction of \$3,204.12

Sitike states in their request that their organization has not received cost of living increases from San Mateo County for the last 5 years; and that insurance costs have risen by 20% over the last 3 years while contributions from foundations and donors have decreased. Sitike further states that it has been forced to offer fewer benefits at greater cost to employees and that other costs such as supplies and materials are also increasing.

Sitike has made a significant investment in the facility. In 1997, they secured \$150,000 to remodel their offices with a \$50,000 contribution from their own reserves and matching funds from the City of South San Francisco and San Mateo County Community Development Block Grant funds. Sitike is an excellent tenant and pays rent on time. They are conscientious about caring for their facility to City standards and have good working relationships with the County Health Clinic and other immediate neighbors. Sitike pays full utility costs for their facility and their current rent generates \$73,508 per year which is deposited into the Successor Agency Fund to pay for expenditures approved in the City's Recognized Payment Obligation Schedule (ROPS).

The Successor Agency appreciates Sitike's presence in the building and their critical services to the community. Sitike has attempted to acquire a building of their own, however, the lack of suitable office space, severe budget cuts and limited foundation funding has prevented them from doing so.

Further, with state and county mandated accessibility requirements, there are few buildings in town that provide the required accessibility. That was the main reason they moved from Mission Road to the Spruce Avenue facility in 1996.

San Mateo County Health Center:

On April 4, 2000, the Agency entered into a Lease Agreement (“Clinic Lease”) with the County of San Mateo for the tenant space in the building located at 306 Spruce Avenue (“Premises”), authorized by Resolution No. 63515. As noted earlier, the Premises are located on the second floor and consist of approximately 6,225 square feet. The County uses the Premises to provide health care services and a women and infant care program for residents of South San Francisco.

Prior to the Lease expiring on September 30, 2011 the County notified the City that it would like to extend the Lease for one year. Although the Lease provided the County with the option to extend its tenancy for five years, the County elected only to extend the lease by one year due to uncertainty regarding their continued presence at this location. On September 14, 2011 the City, which temporarily took possession of the property from the Redevelopment Agency, approved a Lease amendment extending the County’s tenancy until September 30, 2012.

The County is currently seeking a three year extension of the Lease with a provision to terminate the Lease with six-month’s notice. The proposed extension falls within the five year option period provided in the original Lease and would be unlikely to interfere with any future land disposition. Currently, the base rent is \$8,771.32 with annual cost-of-living adjustments based on the consumer price index.

The County Health Center has not requested a lease rate reduction and has had annual cost-of-living rent increases in the past. This has created a disparity wherein cost-of-living adjustments are eliminated for one tenant but not the other. To some extent the difference in rent rates for Sitike and the County Health Center can be justified by the nature of each tenant space and the Health Center’s requirements to provide a computer support room, elevator maintenance to OSHA standards and exhaust fan performance. The Health Center also receives more parking spaces than the counseling center. However, in moving forward it would be prudent for the Successor Agency treat both tenant equally. Given market conditions in South San Francisco, it would be reasonable to provide the Medical Clinic with a similar rent reduction and thus ensure they continue to provide services to South San Francisco residents at this location.

Lease Extensions:

The State Legislature adopted AB 1484 on June 27, 2012 with the intent of clarify provisions of ABx1 26. AB 1484 has new provision which require Successor Agencies to prepare an Asset Management Plan with respect to the properties owned by the former Redevelopment Agency. Until the Oversight Board and DOF approve the Asset Management Plan, the Successor Agency may not take actions that would affect the long term uses of property assets.

Therefore, staff recommends a one year Lease Amendment for both Sitike and the Health Center. Alternatively, the Oversight Board may consider three year lease extensions for both groups as such leases would not affect the long term use or disposition of the building. However, it should be noted that DOF called for a review of the lease criteria the Oversight Board approved for the rental of One Chestnut Avenue. This demonstrates DOF is diligently reviewing Successor Agency actions with

respect to land assets. Although DOF will have the authority to review the proposed leases, staff believes that because the medical facility is a public use property it will not be necessary to wait for ruling from DOF before moving forward with a short-term lease. One additional provision of the lease is that both tenants have requested 6 months notices to vacate which is reasonable given the complexities of moving large operations and the difficulty involved in securing a suitable space that meets their size and accessibility requirements.

Current office rents in the Downtown area range between \$0.89 (in the South Linden industrial area) to \$1.50 (South Spruce large commercial/retail space) per square foot. A medical office space in the So. Spruce Avenue commercial corridor is currently being offered at \$1.00 per square foot. Given current market conditions, staff believes that a rental rate of \$1.00 to \$1.34 per square foot is reasonable for an older building in the downtown core. Sitike has requested a rate of \$1.03 per square foot for a total payment of \$5,858.64 per month. This will decrease rent revenue by \$3,204 *per year* to \$70,304. The Health Center currently pays \$8,771.32 per month, or \$1.41 per square foot. Staff recommends a similar rent reduction of 4.63% (from \$1.41 to \$1.34 per square foot) for the Health Center, an annual rent decrease of \$4,805 (see table below).

	Sitike	Clinic
Area (SF)	5,688	6,225
Current Rent/Mo.	\$6,125.65	\$8,771.32
Current Rent/SF	\$1.08	\$1.41
Annual Rent	\$73,507.80	\$105,255.80
Proposed % Rent Decrease	4.63%	4.63%
Proposed Rent/Mo.	\$5,858.64	\$8,370.89
Proposed Rent/SF	\$1.03	\$1.34
Proposed Annual Rent	\$70,303.68	\$100,450.80
Annual Rent Decrease	\$3,204.12	\$4,805.09

CONCLUSION:

Staff is recommending the Oversight Board approve one year lease extension amendments with a six-month notice to vacate without cause for Sitike Counseling Center and the County Health Center. Staff does not recommend extended leases due to State law requiring the Successor Agency to prepare a Property Asset Management Plan. Staff recommends Sitike receive 4.63 % rent reduction from \$1.08/SF to \$1.03/SF, for a total of \$5,858.64 per month and that the Health Center receive a 4.63 % reduction from \$1.41/SF to \$1.34/SF, for a total payment of \$8,370.8921 per month, or \$100,450.80 per year. Combined, both tenant leases provide a total of \$170,754.40 per year in revenues.

It is recommended that the Oversight Board adopt a resolution authorizing an amendment to the lease agreement with the County of San Mateo extending the lease for one year for the facility at 306 Spruce Avenue and authorize the City Manager or his designee to execute the Lease Amendment subject to City Attorney approval of final form.

By: 
Marty Van Duyn
Assistant City Manager

RESOLUTION NO. _____

OVERSIGHT BOARD TO FORMER REDEVELOPMENT AGENCY OF THE CITY OF
SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

A RESOLUTION OF THE OVERSIGHT BOARD APPROVING
AN AMENDMENT TO LEASE WITH THE COUNTY OF SAN
MATEO EXTENDING THE LEASE FOR ONE YEAR

WHEREAS, on May 2, 2011, the City of South San Francisco (“**City**”) acquired that certain real property located at 306 Spruce Avenue in South San Francisco, California (“**Property**”) from the Redevelopment Agency of the City of South San Francisco (“**Agency**”). The **City** will likely convey the Property to the Successor Agency.

WHEREAS, the City has consented to the **Amendment** and the authority of the Successor Agency to enter into this **Amendment** on behalf of the City;

WHEREAS, the Property is subject to that certain Lease Agreement (“**Lease**”) dated April 4, 2000 by and between the Agency and the County of San Mateo (“**County**”) pursuant to which the County leased the Property from the Agency to operate a health services clinic;

WHEREAS, the City assumed the Lease from the Agency pursuant to that certain Assignment of Leases dated May 2, 2011 by and between the Agency and the City;

WHEREAS, the current term of the Lease will expire on October 31, 2012;

WHEREAS, the City and the County desire to extend the lease for an additional year and to decrease the rent; and

WHEREAS, pursuant to a proposed Amendment to Lease, a copy of which is on file with the City Clerk, the term of the Lease would be extended for one (1) additional year under the same terms and conditions contained in the Lease except that the rent will decrease to \$8,315.21 per month, as of the effective date.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby:

1. Approves the Amendment to the Lease Agreement with the County of San Mateo at 306 Spruce Avenue, conditioned on County’s timely execution and submission of all required documents; and
2. Authorizes the City Manager to execute the Amendment to the Lease Agreement on behalf of the Successor Agency and Oversight Board, and to take such other actions reasonably

necessary to carry out the intent of this Resolution.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board to the former Redevelopment Agency of the City of South San Francisco at a meeting held on the _____ day of August, 2012 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____
Clerk

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE (“**Amendment**”) is entered into effective as of October 1, 2012 (“**Effective Date**”), by and between Successor Agency to the Redevelopment agency of the City of South San Francisco (“**Lessor**”) and the County of San Mateo, a political subdivision of the State of California (“**Lessee**”). Lessor and Lessee are hereinafter collectively referred to as the “**Parties**”.

RECITALS

- A. On May 2, 2011, the City of South San Francisco (“**City**”) acquired that certain real property located at 306 Spruce Avenue in South San Francisco, California (“**Property**”) from the Redevelopment Agency of the City of South San Francisco (“**Agency**”). The **City** will likely convey the Property to the Successor Agency. The City has consented to the **Amendment** and the authority of the Successor Agency to enter into this **Amendment** on behalf of the City.
- B. The Property is subject to that certain Lease Agreement (“**Lease**”) dated April 4, 2000 by and between the Agency and the County of San Mateo (“**County**”) pursuant to which the County leased the Property from the Agency to operate a health services clinic.
- C. The City assumed the Lease from the Agency pursuant to that certain Assignment of Leases dated May 2, 2011 by and between the Agency and the City;
- D. The original term of the Lease will expire on September 30, 2011.
- E. The term of the lease was extended for one year through September 30, 2012.
- F. The Parties desire to amend the Lease pursuant to the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term of the Lease. The Term of the Lease shall be extended for one (1) year commencing on November 1, 2012 and continuing until October 31, 2013 under the same terms and conditions as contained in the Lease except as specifically set forth herein.
2. Rent. Commencing on the Effective Date, the Base Rent shall be \$8,370.89 per month.
3. 6-Month Notice to Terminate. Notwithstanding anything to the contrary contained in the Lease, commencing on May 1, 2013, Lessor may terminate the lease six (6) months after delivery of a written notice to vacate the Premises. Termination of the Lease will be effective six (6) months after receipt of written notice.

4. Parties. The term “Agency” as used in the Lease shall mean the Successor agency as the Redevelopment Agency’s and City’s successor in interest.
5. Amendment. This Amendment may be amended or modified only by a written instrument executed by the Parties.
6. Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Amendment.
7. Action or Approval. Whenever action and/or approval by Lessor is required under this Lease as amended hereby, Lessor’s City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to Lessor’s City Council for consideration.
8. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument.
9. Severability. If any term, provision, or condition of this Amendment is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amendment shall continue in full force and effect unless an essential purpose of this Amendment is defeated by such invalidity or unenforceability.
10. No Third Party Beneficiaries. Nothing contained in this Amendment is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.
11. Entire Agreement. This Amendment, together with the Lease contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements between the Parties with respect thereto.
12. Authorization. The undersigned each hereby represent and warrant that each is duly authorized to execute this Amendment.
13. Effectiveness of Lease. Except as expressly set forth in this Amendment, the Lease remains unmodified and in full force and effect.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment as of the date first written above.

South San Francisco Successor Agency and City of South San Francisco,
a municipal corporation

By: _____

Its: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

County of San Mateo,
a political subdivision of the State of California

By: _____

Its: _____

ATTEST:

By: _____
County Clerk

APPROVED AS TO FORM:

By: _____
County Counsel



Redevelopment Successor Agency Oversight Board Staff Report

DATE: August 14, 2012
TO: Members of the Oversight Board
FROM: Marty Van Duyn, Assistant City Manager
SUBJECT: ADOPT A RESOLUTION REGARDING USE OF UNSPENT HOUSING
BOND PROCEEDS

RECOMMENDATION

It is recommended that the Oversight Board adopt a resolution authorizing the use of unspent housing bond proceeds for affordable housing projects, and directing staff to include such expenditures and housing bond debt service payments on the next Recognized Obligations Payment Schedule (ROPS).

BACKGROUND/DISCUSSION

On June 27, 2012 the Governor signed AB 1484, the budget trailer bill applicable to the dissolution of redevelopment agencies. Per AB 1484, the proceeds of housing bonds issued before December 31, 2010 may be used for purposes consistent with the bond covenants. The Finance Director estimates the Successor Agency is holding \$2.38 million in unspent housing bond proceeds. Prior to AB 1484, the Oversight Board had committed funds in the ROPS to pay down the outstanding housing bonds. Consistent with AB 1484, City staff has recommended that the City, as Housing Successor, consent to retain these funds for affordable housing projects, and the City Council and Successor Agency governing board have requested the Successor Agency and the Oversight Board to include future expenditures of housing bond proceeds and continued housing bond debt service payments on the ROPS.

The former Redevelopment Agency (Agency) originally issued the housing bonds for Mid-Peninsula Housing Coalition's (Mid-Pen) Willow Gardens redevelopment project. Ultimately, Mid Pen concluded it was in its interest to structure the Willow Gardens financing as a loan, but IRS rules do not permit tax exempt bonds to be used for loans. Thus, the loan structure precluded the Agency from using the bond funds as originally intended. Since that time, the Agency has sponsored many other affordable housing developments with loans to nonprofit housing developers. Since the Agency structured all of these projects as loans, it was not able to utilize the tax-exempt bond proceeds.

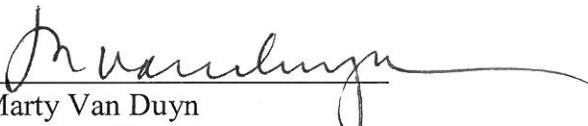
Although the State of California ended redevelopment and will recapture the former Agency's unencumbered funds on deposit in the low- and moderate-income housing fund, AB 1484 provides an opportunity for the City, acting as the Housing Successor, to use unspent housing bond proceeds for future affordable housing projects. AB 1484 provides that review of commitments to use the proceeds of housing bonds issued prior to December 31, 2010 is limited to a determination that the commitments are consistent with the bond covenants and that sufficient funds are available.

The City is currently considering several housing projects that could be affordable or include an affordable housing component. Potential projects include (but are not limited to) 418 Linden Avenue, 310-314 Miller Avenue, a project on Grand Cypress and Shelter Network's HOT program. Staff will continue to evaluate these projects that are at various stages of development from conceptual to entitled, and return in the near future with a recommendation for utilizing the bond funds. Given IRS requirements, the bond funds will be used for a city-owned affordable housing project or granted to a private nonprofit or for-profit developer that will develop affordable housing or construct affordable units within a market-rate project.

At its July 25, 2012 meeting, the City Council and the governing board of the Successor Agency adopted resolutions authorizing the use of unspent housing bond proceeds for affordable housing projects, and directing staff to include such expenditures and housing bond debt service payments on the next Recognized Obligations Payment Schedule (ROPS).

FUNDING

If approved by the Oversight Board and the State Department of Finance, the City will retain the balance of housing bond proceeds, approximately \$2.38 million, for use in future affordable housing projects. Future property taxes that would have flowed to taxing entities in the amount of approximately \$289,000 annually will be needed to pay debt service until the bonds are retired in 2018. Those dollars will come from property tax revenue deposited into the Redevelopment Property Tax Trust Fund (RPTTF).

By: 
Marty Van Duyn
Assistant City Manager

Attachment: Resolution authorizing the use of unspent housing bond proceeds for affordable housing projects

RESOLUTION NO. _____

OVERSIGHT BOARD FOR THE FORMER REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

RESOLUTION CONSENTING TO THE USE OF UNSPENT HOUSING BOND PROCEEDS
FOR AFFORDABLE HOUSING PROJECTS AND THE INCLUSION OF SUCH
EXPENDITURES AND HOUSING BOND DEBT SERVICE PAYMENTS ON THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

WHEREAS, pursuant to Resolution No. 8-2012, adopted by the City Council of the City of South San Francisco on January 25, 2012, the City of South San Francisco (“City”) agreed that upon dissolution of the Redevelopment Agency of the City of South San Francisco (the “Redevelopment Agency”) on February 1, 2012 pursuant to Assembly Bill x1 26 (“ABx1 26”), the City: (i) would serve as the successor agency to the Redevelopment Agency (“Successor Agency”), and (ii) would assume the housing functions of the Redevelopment Agency;

WHEREAS, Health and Safety Code Section 34176(g), added by Assembly Bill 1484 enacted June 27, 2012, modified ABx1 26 to provide that the entity that assumes the housing functions formerly performed by a redevelopment agency (the “Housing Successor”) may designate the use of, and commit unobligated proceeds of bonds that were issued prior to January 1, 2011 for affordable housing purposes, provided that the Housing Successor provides notice to the successor agency of such proposed designations and commitments at least 20 days prior to the deadline for submission of the Recognized Obligation Payment Schedule (ROPS) to the oversight board established for the successor agency; and

WHEREAS, the City Council of the City of South San Francisco, acting in its capacity as Housing Successor, has adopted a resolution requesting the Successor Agency to include on the ROPS: (i) commitments for the expenditure of unspent housing bond proceeds for affordable housing projects, and (ii) housing bond debt service payments.

NOW THEREFORE, BE IT HEREBY RESOLVED that the Oversight Board for the former Redevelopment Agency of the City of South San Francisco hereby:

1. Subject to approval by the Department of Finance to the extent required by law, consents to (i) the City’s use of unspent housing bond proceeds for affordable housing projects, and (ii) the inclusion on the ROPS of such commitments and housing bond debt service payments.
2. Authorizes the Executive Director and designees to undertake all actions necessary to implement this Resolution.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board of the Former Redevelopment Agency of the City of South San Francisco at a special meeting held on the ____th day of _____, 2012 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____
City Clerk



Redevelopment Successor Agency Oversight Board Staff Report

DATE: August 14, 2012

TO: Members of the Oversight Board

FROM: Jim Steele, Finance Director

SUBJECT: APPROVAL OF THE DRAFT RECOGNIZED OBLIGATION PAYMENT
SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2013

RECOMMENDATION

It is recommended that the Oversight Board approve the attached draft Recognized Obligation Payment Schedule (ROPS) for the period January through June 2013.

BACKGROUND/DISCUSSION

Attached please find the next six month period proposed ROPS. This third ROPS will form the basis for the County's distribution of property taxes to the City as Successor Agency to pay enforceable obligations for the period January through June 2013. Assembly Bill 1484 requires the ROPS to be submitted to the State and County no later than September 1, 2012 in form approved by the Oversight Board. The proposed ROPS was approved by the City Council in its capacity as the governing board of the Successor Agency on August 8, 2012.

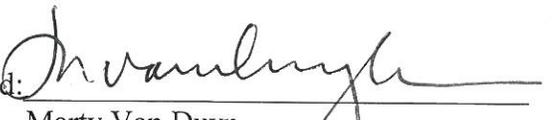
CONCLUSION

Adoption of this resolution and schedule will fulfill the requirements of Health and Safety Code Section 34177(l) regarding adoption of a ROPS for the period January through June 2013.

By: _____


Jim Steele
Finance Director

Approved: _____


Marty Van Duyn
Assistant City Manager and Director of
Economic and Community Development

Attachments: Resolution
Draft ROPS
Support for Other Revenues Appearing on the Draft ROPS

RESOLUTION NO. _____

**OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO**

**APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR
THE PERIOD JANUARY 1 – JUNE 30, 2013, PURSUANT TO HEALTH AND SAFETY
CODE SECTION 34177(I)**

WHEREAS, pursuant to Health and Safety Code Section 34177(I), before each six-month fiscal period, the successor agency to a dissolved redevelopment agency is required to prepare a draft Recognized Obligation Payment Schedule (“ROPS”) that lists all of the obligations that are “enforceable obligations” within the meaning of Health and Safety Code Section 34177, and which identifies a source of payment for each such obligation from among (i) the Low and Moderate Income Housing Fund, (ii) bond proceeds, (iii) reserve balances, (iv) the administrative cost allowance, (v) revenues from rents, concessions, interest earnings, and asset sales, and (vi) the Redevelopment Property Tax Trust Fund established by the County Auditor-Controller to the extent no other source of funding is available or payment from property tax is contractually or statutorily required;

WHEREAS, the draft ROPS must be concurrently submitted to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance and the Oversight Board established to review Successor Agency actions; and

WHEREAS, once the ROPS is approved by the Oversight Board, the ROPS must be posted on the Successor Agency’s website and transmitted to the County Auditor-Controller, the State Department of Finance, and the State Controller.

NOW, THEREFORE, the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of South San Francisco does hereby resolve as follows:

1. The Recitals set forth above are true and correct, and are incorporated herein by reference.
2. The Recognized Obligation Payment Schedule (ROPS) and administrative budget for the period January 1, 2013 through June 30, 2013 attached hereto as Exhibit A are hereby approved.
3. The Finance Director is authorized to modify the ROPS to correct errors and provide clarifications consistent with requirements of the Department of Finance and the intent of this Resolution.
4. The City Manager or designee is authorized and directed to take all actions necessary to implement this Resolution, including without limitation, the submittal of the ROPS to the County Auditor-Controller, the County Administrative Officer, the State Department of Finance, and the State Controller, and the posting of this Resolution and the ROPS on the Successor Agency’s website.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of South San Francisco at a special meeting held on the 14th day of August, 2012 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____
City Clerk

1947680.2

Successor Agency Contact Information

Name of Successor Agency:
County:

South San Francisco
San Mateo

Primary Contact Name:
Primary Contact Title:

Jim Steele
Finance Director
City of South San Francisco
P.O. Box 711, South San Francisco, CA
94083

Address
Contact Phone Number:
Contact E-Mail Address:

650-877-8509
jim.steele@ssf.net

Secondary Contact Name:
Secondary Contact Title:

Bertha Aguilar
Management Analyst
City of South San Francisco
P.O. Box 711, South San Francisco, CA
94083

Secondary Contact Phone Number:
Secondary Contact E-Mail Address:

bertha.aguilar@ssf.net

TO: OVERSIGHT BOARD

The DOF changed the summary form to this new ROPS schedule on 8/9/12, after this staff report was prepared. The formulas embedded on this form indicate we are not entitled to a higher reimbursement for the administrative costs we actually incurred. Staff will be seeking clarification, hopefully before the Board meets on 8/14/12. In the meantime, we are presenting the Board with both summary page versions as "A" and "B".

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

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

Name of Successor Agency: South San Francisco

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		\$ 89,774,627
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	\$ 3,847,937
B	Anticipated Enforceable Obligations Funded with RPTTF	\$ 10,651,947
C	Anticipated Administrative Allowance Funded with RPTTF	\$ 319,000
D	Total RPTTF Requested (B + C = D)	\$ 10,970,947
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>		\$ 14,818,884
E	Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	\$ 10,970,947
F	Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ -
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 <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$ 15,859,744
H	Enter Actual Obligations Paid with RPTTF	\$ 15,595,478
I	Enter Actual Administrative Expenses Paid with RPTTF	\$ 641,446
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-
K	Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 10,970,947

Note to item G above - There was a total of \$19,347,437 in RPTTF. However, the City remitted \$3,401,246.54 to the County to make passthrough payments in the amount of \$3,314,697.54 and to fund the AB 26 County-Auditor Controller costs of \$86,549.00. Additionally \$863.20 of residual RPTTF was distributed and \$85,582.91 was residual outstanding. Note to item J above - The actual administrative expenses exceeded the estimate by \$377,180 but were within the maximum administrative budget.

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.

Neil Cullen
 Name
 San Mateo County Flood Control District Appointee - Largest Special District
 Title
 Signature
 Date

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: South San Francisco

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		\$ 89,774,627
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	\$ 3,847,937
B	Enforceable Obligations Funded with RPTTF	\$ 10,651,947
C	Administrative Allowance Funded with RPTTF	\$ 319,000
D	Total RPTTF Funded (B + C = D)	\$ 10,970,947
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>		\$ 14,818,884
E	Enter Total Six-Month Anticipated RPTTF Funding	\$ 10,970,947
F	Variance (D - E = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ -
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 <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i>	\$ 15,859,744
H	Enter Actual Obligations Paid with RPTTF	\$ 15,595,478
I	Enter Actual Administrative Expenses Paid with RPTTF	\$ 641,446
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	\$ (377,180)
K Adjustment to RPTTF		\$ 11,348,127

Note to item G above - There was a total of \$19,347,437 in RPTTF. However, the City remitted \$3,401,246.54 to the County to make passthrough payments in the amount of \$3,314,697.54 and to fund the AB 26 County-Auditor Controller costs of \$86,549.00. Additionally \$863.20 of residual RPTTF was distributed and \$85,582.91 was residual outstanding.
 Note to item J above - The actual administrative expenses exceeded the estimate by \$377,180 but were within the maximum administrative budget.

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.

Neil Cullen San Mateo County Flood Control District Appointee - Largest Special District
 Name Title

 Signature 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 as of Jan. 1, 2013	Total Due During Fiscal Year 2012-13	LM/HF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
Grand Total							\$ 89,774,027	\$ 22,883,106	\$ -	\$ 2,381,532	\$ -	\$ 319,000	\$ 10,851,947	\$ 1,466,405	\$ 14,818,884
1	Debt Serv Principal COPs	1999	see notes	Bank of New York	1999 COPs Conference Center	Merged	-	-	-	-	-	-	-	-	-
2	Debt Serv Interest COPs	1999	see notes	Bank of New York	1999 COPs Conference Center	Merged	-	-	-	-	-	-	-	-	-
3	Debt Serv Principal Tax Alloc Bonds	2006	see notes	Bank of New York	2006 Tax Alloc Bonds (TABs)	Merged	see notes	1,337,900	-	-	-	-	-	-	-
4	Debt Serv Interest Tax Alloc Bonds	2006	see notes	Bank of New York	2006 Tax Alloc Bonds (TABs)	Merged	see notes	1,559,081	-	-	-	-	-	-	-
5	Debt Serv Principal HUD 108 Loans	2001	see notes	Bank of New York	HUD 108 Loans	Merged	-	-	-	-	-	-	34,717	1,466,405	1,501,122
6	Debt Serv Interest HUD 108 Loans	2001	see notes	Bank of New York	HUD 108 Loans	Merged	-	-	-	-	-	-	-	-	-
7	Debt Serv Principal Hsg Rev Bonds	1999	see notes	Bank of New York	1999 Housing Revenue Bonds	Merged	1,510,000	210,000	-	-	-	-	-	-	-
8	Debt Serv Interest Hsg Rev Bonds	1999	see notes	Bank of New York	1999 Housing Revenue Bonds	Merged	275,560	79,995	-	-	-	-	37,530	-	37,530
9	Item removed														
10	Item removed														
11	Item removed														
12	Item removed														
13	Bond Admin/Disclosure Costs COPs	1999	see notes	Bank of New York/Willdan	Costs to administer the bonds	Merged	-	-	-	-	-	-	-	-	-
14	Bond Admin/Disclosure Costs TABs	2006	see notes	Bank of New York/Willdan	Costs to administer the bonds	Merged	20,000	5,000	-	-	-	-	5,000	-	5,000
15	Bond Admin/Disc Costs Hsg Bonds	1999	see notes	Bank of New York/Willdan	Costs to administer the housing bonds	Merged	15,000	2,500	-	-	-	-	2,500	-	2,500
16	Item removed														
17	Item removed														
18	Oyster Point Ventures DDA	3/23/11	11/11/2026	Oyster Pt Ventures, LLC	Section 3.4.1 of DDA-infrastr. required indemnification; 5.3 methane monitoring	Merged	20,463,230	6,000,000	-	-	-	-	3,000,000	-	3,000,000
19	Oyster Point Ventures DDA	3/23/11	11/11/2026	Various contractors/staff	Soft project management costs	Merged	20,100,000	-	-	-	-	-	-	-	-
20	Oyster Point Ventures DDA	3/23/11	11/11/2026	Legal/Staff costs	Soft project management costs	Merged	1,378,895	36,000	-	-	-	-	18,000	-	18,000
21	Harbor District Agreement	3/25/11	11/11/2026	Harbor District	Secs. 6.1 Imprvmnts; 9 cost reimbursement	Merged	-	2,600,000	-	-	-	-	-	-	-
22	Harbor District Agreement	3/25/11	11/11/2026	Harbor District	Secs. 5.0 lease rev; 7.0 temp. office	Merged	1,793,248	-	-	-	-	-	-	-	-
23	Harbor District Agreement	3/25/11	11/11/2026	Legal/Staff costs	Soft project management costs	Merged	831,330	36,000	-	-	-	-	18,000	-	18,000
24	Miller Parking Structure (pf1012)	see notes	see notes	Various contractors/staff	Finish project and pay retainments	Merged	-	-	-	-	-	-	-	-	-
25	Item removed														
26	418 Linden Housing Dev. (pf1027)	1/13/2010	see notes	Brookwood Group	Contracted project work	Merged	-	-	-	-	-	-	-	-	-
27	418 Linden Housing Dev.	1/13/2010	see notes	Legal/Staff costs	Soft project management costs	Merged	-	-	-	-	-	-	-	-	-
28	Train Station Imprvmnts Ph. 1(pf1002)	3/11/2009	12/31/2012	TechAccuiter/Wisley Ham	Contracted work-site remediation	Merged	-	-	-	-	-	-	-	-	-
29	Train Station Imprvmnts Phase 1	3/11/2009	12/31/2012	Staff Costs	Soft project management costs	Merged	-	-	-	-	-	-	-	-	-
30	Train Station Imprvmnts Phase 2	12/9/2009	see notes	Various contractors	Site remediation per Cal Trans Agrmt.	Merged	663,000	23,200	-	-	-	-	1,200	-	1,200
31	Train Station Imprvmnts Phase 2	12/9/2009	see notes	Legal/Staff costs	Soft project management costs	Merged	127,842	900,000	-	-	-	-	900,000	-	900,000
32	Two Housing Replacement Units	5/13/2009	June 2013	Future Developer	Replacement housing obligation	Merged	-	-	-	-	-	-	-	-	-
33	Two Housing Replacement Units	5/13/2009	June 2013	Legal/Staff costs	Soft project management costs	Merged	15,405	16,758	-	-	-	-	12,000	-	12,000
34	Item removed														
35	Shearwater/Bay West OPA	11/21/2000	1/6/2027	Staff Costs	Soft project management costs	Merged	41,257	-	-	-	-	-	-	-	-
36	Gateway OPA	11/19/1981	6/17/2022	Staff Costs	Soft project management costs	Merged	-	-	-	-	-	-	-	-	-
37	Item removed														
38	C.I.D. Housing Access	4/13/2011	5/31/2012	C.I.D. Housing Access	Grant to non-profit	Merged	-	-	-	-	-	-	-	-	-
39	Neigh. Servs. Ctr.(NPNSC) HH	4/13/2011	5/31/2012	Neigh. Servs. Ctr.	Grant to non-profit	Merged	-	-	-	-	-	-	-	-	-
40	Rebuilding Together-Pen-Najai R.Day	4/13/2011	5/31/2012	Rebuilding Together-Pen.	Grant to non-profit	Merged	-	-	-	-	-	-	-	-	-
41	Rebuilding Together-Pen-Safe Home	4/13/2011	5/31/2012	Rebuilding Together-Pen.	Grant to non-profit	Merged	-	-	-	-	-	-	-	-	-
42	HIP Housing-Home Sharing Prog	4/13/2011	5/31/2012	HIP Housing	Grant to non-profit	Merged	-	-	-	-	-	-	-	-	-
43	Shelter Network-Crossroads	4/13/2011	5/31/2012	Shelter Network	Grant to non-profit	Merged	-	-	-	-	-	-	-	-	-
44	Shelter Network-Maple Street	4/13/2011	5/31/2012	Shelter Network	Grant to non-profit	Merged	-	-	-	-	-	-	-	-	-
45	Samaritan House-Safe Harbor	7/1/2010	6/30/2011	Samaritan House	Grant to non-profit from 10-11	Merged	-	-	-	-	-	-	-	-	-
46	Samaritan House-Safe Harbor	4/13/2011	5/31/2012	Samaritan House	Grant to non-profit from 11-12	Merged	-	-	-	-	-	-	-	-	-
47	Sitlke Counseling Center	4/13/2011	5/31/2012	Sitlke Counseling Center	Grant to non-profit	Merged	-	-	-	-	-	-	-	-	-
48	Mgmt. of grants in rows 39-47 above	4/13/2011	see notes	Staff costs	Soft project management costs	Merged	-	6,750	-	-	-	-	-	-	-
49	Station Area/Planning LU Program	2/9/11	1/6/2012	Staff Costs	Match funding for State grant (101102)	Merged	101,562	60,000	-	-	-	-	30,000	-	30,000
50	Mid Peninsula Loan	11/19/2008	12/21/2010	Union Bank (for Mid Pen)	Loan for affordable housing project	Merged	-	-	-	-	-	-	-	-	-
51	Buon Gusto Ristorante Loan	12/21/2010	see notes	Ristorante Buon Gusto	Loan for commercial expansion project	Merged	-	-	-	-	-	-	-	-	-
52	Item removed														
53	Reserve for Existing Claims	7/8/2011	undetermined	Claimants	Reserves for costs for existing litigation	Merged	7,200,000	29,725	-	-	-	-	-	-	-
54	Item now included under row 63														
55	Item now included under row 63														
56	Local Tax Compliance/Rptg. Services	6/24/2011	6/30/2013	Muni Financial Services	Contracted roll correction work	Merged	-	10,163	-	-	-	-	-	-	-
57	Item removed														
58	Item removed														
59	Maintenance of Non-Hsg Properties	ongoing	undetermined	Various contractors	Rehab. repair, maintenance, & utilities	Merged	3,722,758	116,340	-	-	-	-	45,000	-	45,000
60	Maintenance of Non-Hsg Properties	ongoing	undetermined	Legal/Staff costs	Soft project management costs	Merged	1,489,630	135,732	-	-	-	-	54,000	-	54,000
61	Item removed														
62	Item removed														
63	Administration Costs	ongoing	upon full dissolution	Various contractors/misc	Costs to administer Successor Agency	Merged	undetermined	135,175	-	-	-	95,873	-	-	95,873
64	Administration Costs	ongoing	upon full dissolution	Legal/Staff costs	Costs to administer Successor Agency	Merged	undetermined	446,255	-	-	-	223,127	-	-	223,127

**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 as of Jan. 1, 2013	Total Due During Fiscal Year 2012-13	Funding Source							
									LMHIF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total	
65	Item removed															
66	Item removed															
67	Property Disposition Costs	reqd. by AB 26	undetermined	Various contractors	Initial envir. testing, noticing, listing costs	Merged	2,571,100	150,000					90,000			90,000
68	Property Disposition Costs	reqd. by AB 26	undetermined	Legal/Staff costs	Soft project management costs	Merged	284,378	197,000					45,000			45,000
69	Item removed															
70	Item removed															
71	Accrued PERS Pension Obligations	1980s	once funded	PERS	Costs accrued to date	Merged	3,523,000	3,523,000								3,523,000
72	Accrued Retiree Health Obligations	1980s	once funded	Kaiser/Blue Shield	Costs accrued to date	Merged	2,766,000	2,766,000								2,766,000
73	Redemption 1999 Housing Rev Bonds	5/8/2012	see notes	Bank of New York	Early payoff rows 8 & 9	Merged										
74	Prepay HUD 108 Loans&1999 COPs	5/8/2012	see notes	Bank of New York	Early payoff rows 2, 3, 6, & 7	Merged										
75	Fund Escrow Acct to call 2006 Tax Allocation Bonds	5/8/2012	9/1/2016-see notes	Bank of New York	Fund escrow acct to call rows 4 & 5 at first redemption date of 9/1/2016	Merged	18,500,000	100,000					50,000			50,000
76	LMHIF and Non Hsg Fund Audits	reqd. by AB 1484	sometime in 2013	Bedawi & Associates	New audits required by AB1484	Merged	20,000	20,000					20,000			20,000
77	1999 Housing Bond Proceeds	1999	9/1/2018 or sooner	Future Developer	To be used on low/mod housing dev	Merged	2,381,532	2,381,532				2,381,532				2,381,532

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

Item #	Notes/Comments
2, 3, 13, 74	COPS - On 5/8/12 the Oversight Board approved an early payoff of this obligation and funding was set aside in a reserve. The final payment was wired in August 2012. This obligation is complete.
4, 5, 14, 75	TABS - On 5/8/12 the Oversight Board approved funding of an escrow account to call the 2006 Tax Alloc Bonds at first redemption date of 9/1/16 and funding was set aside in a reserve.
6, 7, 74	HUD - On 5/8/12 the Oversight Board approved an early payoff of these obligations and funding was set aside in a reserve. The final payments were wired July 20, 2012. This obligation is complete.
8, 9, 15, 73, 77	Hsg Bonds - On 5/8/12 the Oversight Board approved an early payoff of these obligations and funding was set aside in a reserve. AB 1484 allows these funds to be used for affordable housing. The Oversight Board is scheduled to determine on 8/14/12 whether to pay this obligation early, or allow the City, as Housing Successor to utilize the bond proceeds for affordable housing. Last bond payment is due 9/1/2018.
18	\$9 million is currently held in a separate reserve-this ROPS Jan-June 2013 payment will increase the reserve to \$12 million. A trust agreement is also being prepared.
21	This \$2.6 million Harbor District Agreement obligation is expected to be disbursed during the July-Dec 2012 ROPS period.
24	This multi-year parking structure project was nearing completion at the time of RDA dissolution but had 10 outstanding agreements with contractors. These obligations were all completed by 6/8/12.
26 and 27	This phased project was completed on 6/29/12 ahead of the contract expiration date. This obligation is now completed.
30 and 31	The remediation of this site includes both an initial Phase 1 (rows 28 and 29 of the ROPS) and a later Phase 2. Once the work in the initial Phase 1 is complete, staff will have a better estimate of the length of time and the cost required to complete the final phase of the environmental remediation of this site.
32 and 33	This obligation must be completed by June of 2013. At that time, it is anticipated the replacement project will have been funded, with the units to be occupied soon afterward.
36	The Gateway OPA is inactive and no activity is currently expected between now and the time the OPA expires.
38 - 47	All grant funds were either disbursed or the grant expired and this obligation was complete in July 2012 (date of last disbursement for work completed in May).
50	The last required loan payment was disbursed 1/6/12. This obligation is complete.
51	This loan obligation no longer exists due to a change or ownership of the subject property.
71-72	These obligations have been accruing since the RDA began in the 1980s. The obligation amounts were calculated by an actuary.
Notes relating to Schedule on following page - Prior Period Estimated Obligations vs. Actual Payments January 1, 2012 to June 30, 2012	
9	The January through June 2012 prior period ROPS inadvertently listed this obligation as being funded from reserves instead of being funded from LMIHF.
74	The final payments to call the HUD loans and 1999 COPS were made in July (HUD) and August (COPS) 2012 from reserve funds.
75	TABS - On 5/8/12 the Oversight Board approved funding of an escrow account to call the 2006 Tax Alloc Bonds at first redemption date of 9/1/16 and funding was set aside in a reserve. After the books close for 2011/12, the reserve amount available will change depending on final year end available cash. Year end final amount will be known by 11/30/12.

Name of Successor Agency: South San Francisco
 County: San Mateo

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

Page/ Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMHFF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	
		Grand Total				\$ 2,062,925	\$ 2,087,180	\$ 6,529,141	\$ 6,180,372	\$ 53,348,280	\$ 53,031,185	\$ 264,266	\$ 641,446	\$ 15,595,478	\$ 15,595,478	\$ -
1	1	Item removed														
1	2	Debt Serv Principal COPs	Bank of New York	1999 COPs Conference Center	Merged					165,000.00	165,000.00					
1	3	Debt Serv Interest COPs	Bank of New York	1999 COPs Conference Center	Merged					115,250.00	115,250.00					
1	4	Debt Serv Principal Tax Alloc Bonds	Bank of New York	2006 Tax Alloc Bonds (TABs)	Merged											
1	5	Debt Serv Interest Tax Alloc Bonds	Bank of New York	2006 Tax Alloc Bonds (TABs)	Merged											
1	6	Debt Serv Principal HUD 108 Loans	Bank of New York	HUD 108 Loans	Merged					1,529,059.38	1,529,059.38					
1	7	Debt Serv Interest HUD 108 Loans	Bank of New York	HUD 108 Loans	Merged											
1	8	Debt Serv Principal Hsg Rev Bonds	Bank of New York	1999 Housing Revenue Bonds	Merged					32,580	32,580					
1	9	Debt Serv Interest Hsg Rev Bonds	Bank of New York	1999 Housing Revenue Bonds	Merged					42,465	42,465					
1	10	Item removed														
1	11	Item removed														
1	12	Item removed														
1	13	Bond Admin/Disclosure Costs COPs	Bank of New York/William	Costs to administer the bonds	Merged			6,000,000	6,000,000	5,200	2,200					
1	14	Bond Admin/Disclosure Costs TABs	Bank of New York/William	Costs to administer the bonds	Merged					10,950	4,505					
1	15	Bond Admin/Disc. Costs Hsg Bonds	Bank of New York/William	Costs to administer the housing bonds	Merged	4,600	1,000									
1	16	Item removed														
1	17	Item removed														
1	18	Oyster Point Ventures DDA	Oyster Pt Ventures, LLC	Section 3.4.1 of DDA-infrastr. required	Merged											
1	19	Oyster Point Ventures DDA	Various contractors/staff	Indemnification; 5.3 methane monitoring	Merged											
1	20	Oyster Point Ventures DDA	Legal/Staff costs	Soft project management costs	Merged					20,480	7,287					
1	21	Harbor District Agreement	Harbor District	Secs. 6.1 Imprvmnts; 9 cost reimbursmt.	Merged											
1	22	Harbor District Agreement	Harbor District	Secs. 5.0 lease rev; 7.0 temp. office	Merged											
1	23	Harbor District Agreement	Legal/Staff costs	Soft project management costs	Merged					13,605	5,305					
1	24	Miller Parking Structure (pf1012)	Various contractors/staff	Finish project and pay retentions	Merged			356,856	38,527							
1	25	Item removed														
1	26	418 Linden Housing Dev. (pr1027)	Brookwood Group	Contracted project work	Merged					94,385	91,450					
1	27	418 Linden Housing Dev.	Legal/Staff costs	Soft project management costs	Merged					13,217	15,212					
1	28	Train Station Impr Ph 1(pr1002)	TechAccuter/Wisley Ham	Contracted work-site remediation	Merged											
1	29	Train Station Imprvmnts Phase 1	Staff Costs	Soft project management costs	Merged			134,088	130,464							
1	30	Train Station Imprvmnts Phase 2	Various contractors	Site remediation per Cal Trans Agrmt.	Merged			16,759								
1	31	Train Station Imprvmnts Phase 2	Legal/Staff costs	Soft project management costs	Merged			3,000	500							
2	32	Two Housing Replacement Units	Future Developer	Replacement housing obligation	Merged											
2	33	Two Housing Replacement Units	Legal/Staff costs	Soft project management costs	Merged											
2	34	Item removed														
2	35	Shearwater/Bay West OPA	Staff Costs	Soft project management costs	Merged					18,980	9,000					
2	36	Gateway OPA	Staff Costs	Soft project management costs	Merged											
2	37	Item removed														
2	38	C.I.D. Housing Access	C.I.D. Housing Access	Grant to non-profit	Merged			13,500	5,722							
2	39	Neigh. Servs. Ctr.(NFNSO) HH	Neigh. Servs. Ctr.	Grant to non-profit	Merged			20,000	19,986							
2	40	Rebuilding Together-Pen-Natl R Day	Rebuilding Together-Pen.	Grant to non-profit	Merged			8,000	8,000							
2	41	Rebuilding Together-Pen-Safe Home	Rebuilding Together-Pen.	Grant to non-profit	Merged			15,000	14,988							
2	42	HIP Housing-Home Sharing Prog	HIP Housing	Grant to non-profit	Merged			6,678	6,678							
2	43	Shelter Network-Crossroads	Shelter Network	Grant to non-profit	Merged			13,500	11,986							
2	44	Shelter Network-Maple Street	Shelter Network	Grant to non-profit	Merged			5,625	5,625							
2	45	Samaritan House-Safe Harbor	Samaritan House	Grant to non-profit from 10-11	Merged			1,952	1,952							
2	46	Samaritan House-Safe Harbor	Samaritan House	Grant to non-profit from 11-12	Merged			5,176	5,176							
2	47	Stilke Counseling Center	Stilke Counseling Center	Soft project management costs	Merged			7,725	7,725							
2	48	Mgmt. of grants in rows 38-47 above	Staff Costs	Match funding-State grant (101102)	Merged			5,877	5,877							
2	49	Stiation Areas/Planning LU Program	Union Bank	Loan for affordable housing project	Merged											
2	50	Mid Peninsula Loan	Ristorante Buon Gusto Inc	Loan for commercial expansion project	Merged			18,438	12,861							
2	51	Buen Gusto Ristorante Loan	Claimants	Reserves existing litigation	Merged					1,222,054	1,222,054					
2	52	Item removed														
2	53	Reserve for Existing Claims	Claimants	Reserves existing litigation	Merged					70,275	22,917					
2	54	Item now included under row 63														
2	55	Item now included under row 63														
2	56	Local Tax Compliance/Rptg. Services	Muni Financial Services	Contracted roll correction work	Merged											
2	57	Item removed														
2	58	Item removed								20,327	10,163					
2	59	Maintenance of Non-Hsg Properties	Various contractors	Rehab. repair, maintenance, & utilities	Merged					53,958	51,980					
2	60	Maintenance of Non-Hsg Properties	Legal/Staff costs	Soft project management costs	Merged					63,351	25,630					
2	61	Item removed														

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

Page/ Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMHFF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
	2	62	Item removed														
	3	63	Administration Costs	Various contractors/misc	Merged							61,897				101,918	
	3	64	Administration Costs	Legal/Staff costs	Merged							202,369				539,528	
	3	65	Item removed														
	3	66	Item removed														
	3	67	Property Disposition Costs	Various contractors	Merged						60,000					1,200	
	3	68	Property Disposition Costs	Legal/Staff costs	Merged						83,622					24,871	
	3	69	Item removed														
	3	70	Item removed														
	3	71	Accrued PERS Pension Obligations	PERS	Merged												
	3	72	Accrued Retiree Health Obligations	Kaiser/Blue Shield	Merged												
	3	73	Redemption 1999 Housing Rev Bonds	Bank of New York	Merged					1,950,000							
	3	74	Prepay HUD 108 Loans&1989 COPs	Bank of New York	Merged											5,300,000	
	3	75	Fund Escrow Acct to call the 2006 Tax Allocation Bonds	Bank of New York	Merged											44,404,522	
				Fund escrow acct to call rows 4 & 5 at first redemption date of 9/11/2016												15,595,478	
																15,595,478	

**SUPPORT FOR ESTIMATED OTHER REVENUES APPEARING ON THE
JAN THROUGH JUNE 2013 ROPS**

**For Successor Agency and Oversight Board Information Only
(not part of State and County ROPS submittal)**

Item #	Source of Revenue	Estimated Total to be Received During Fiscal Year 2012-13	Estimated Other Revenue Six Month Total
1)	Rents	270,000.00	\$ 135,000.00
2)	Interest on Investments	34,200.00	\$ 17,100.00
3)	Interest from Business Loans	28,965.48	\$ 14,482.74
4)	Principal from Business Loans	43,644.12	\$ 21,822.06
5)	Repayment from Sewer Fund Interfund Loan	778,000.00	\$ 778,000.00
6)	Estimated Repayment from Oyster Point Impact Fee Interfund Loan	500,000.00	\$ 500,000.00
Totals		\$ 1,654,809.60	\$ 1,466,404.80



Oversight Board for the Successor Agency to the South San Francisco Redevelopment Agency Staff Report

DATE: August 14, 2012
TO: Honorable Chairperson and Oversight Board Members
FROM: Steven T. Mattas, Successor Agency Counsel
SUBJECT: Consideration of Bond Counsel Opinion Regarding Payment to Defeasance 2006
RDA Bonds

Recommendation:

It is recommended that the Oversight Board consider the opinion of bond counsel regarding the authority to pay funds into an irrevocable trust account to be used with other funds to call the 2006 Redevelopment Agency bonds on September 1, 2016, the first call date for the bonds. It is further recommended that staff be directed to implement the direction provided on Line 75 of Jan/June 2012 ROPS to place the funds in an irrevocable trust to be used to call the 2006 RDA bonds.

Discussion:

The Oversight Board approved the ROPS for the time period January 1, 2012 through June 30, 2012 on May 17, 2012. The Department of Finance approved that ROPS on May 27, 2012.

Line 75 of the ROPS authorized the expenditure of up to \$60 million dollars to be placed in an irrevocable trust account to be used along with other funds to be set aside in subsequent ROPS to call the 2006 Redevelopment Agency bonds on September 1, 2016. The decision of the Successor Agency and the Oversight Board to include Line 75 on the ROPS was based in part on the benefit provided to taxing entities through interest payment savings, reduced administrative expenses incurred to service the debt in the future and through a predictable stream of revenue to taxing entities over ensuing years.

The Oversight Board also asked for an opinion of bond counsel as to the authority to place the funds in the irrevocable trust account for use to call the 2006 RDA bonds. Steve Taber, bond counsel, provided the Oversight Board with a reasoned opinion in which he concludes that the Oversight Board is authorized to make the payment identified in the ROPS.

Staff Report
August 14, 2012

Page 2 of 2

Once the Oversight Board has completed its consideration of the opinion, staff recommends that the Oversight Board direct staff to implement the direction by placing the funds into an irrevocable trust to be used along with other funds to be authorized by the Oversight Board in the future to call the 2006 Redevelopment Agency bonds on September 1, 2016.

By: 
Steven Mattas, Successor Agency Counsel

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