

Oversight Board of the Successor Agency  
to the Redevelopment Agency of the City of Santa Cruz  
809 Center Street  
Santa Cruz, CA 95060



## OVERSIGHT BOARD AGENDA

### Regular Meeting

December 13, 2012

9:30A.M. PUBLIC COMMENTS SESSION, CONSENT AND GENERAL BUSINESS, COUNCIL  
CHAMBERS

### Call to Order

### Roll Call

- \_\_\_\_\_ Hilary Bryant, City of Santa Cruz Vice Mayor
- \_\_\_\_\_ Neal Coonerty, Santa Cruz County Supervisor, District 3
- \_\_\_\_\_ J. Guevara, former Redevelopment Employee, Mid-Managers Association
- \_\_\_\_\_ Doug Ley, Parking District Representative
- \_\_\_\_\_ Cynthia Mathews, Public Member-at-Large
- \_\_\_\_\_ Alvaro Meza, Assistant Superintendent, Santa Cruz County Office of  
Education
- \_\_\_\_\_ Rachael Spencer, Cabrillo College Trustee

### Administrative Business

### Public Comments Session

1. Due Diligence Review for Non-Low and Moderate Income Housing Funds
  - a. Staff Presentation
  - b. Public Comments

### Presentations

### Additions and Deletions

### Consent Agenda

2. Approve Minutes for the October 11, 2012 Oversight Board Meeting

### General Business

3. Accept Outside Legal Counsel Subcommittee's Recommendation to Retain  
David Kahn

Discussion regarding retaining David Kahn as independent legal counsel for the Oversight Board along with the payment structure of sharing the potential cost amongst taxing entities for outside legal counsel services.

**Oral Communications**

**Adjournment**

**Next Scheduled Meeting**

January 10, 2013 at 9:30AM



ECONOMIC DEVELOPMENT AND REDEVELOPMENT

337 Locust Street, Santa Cruz, CA 95060 • 831 420-5150 • Fax: 831 420-5151 • www.cityofsantacruz.com

December 10, 2012

Oversight Board to the Successor Agency of the City of Santa Cruz  
337 Locust Street  
Santa Cruz, CA 95060

**PUBLIC COMMENTS SESSION,  
CONSENT AGENDA, AND GENERAL BUSINESS RECOMMENDATIONS  
FOR THE DECEMBER 13, 2012 REGULAR MEETING OF THE OVERSIGHT BOARD**

Dear Oversight Board Members:

This letter serves as a comprehensive staff report to the Oversight Board of the Successor Agency of the City of Santa Cruz for all agenda items for the Regular Meeting of the Oversight Board on Thursday, December 13, 2012.

**Public Comments Session**

1. Due Diligence Review for Non-Low and Moderate Income Housing Funds
  - a. Staff Presentation
  - b. Public Comments

AB 1484 requires the Oversight Board to hold a public comments session at least five days before the Oversight Board votes to approve and submit the Due Diligence Review for Non-Low and Moderate Income Housing Funds (Due Diligence Review for Non-LMIHF) to the Department of Finance. The Draft Due Diligence Review for Non-LMIHF is attached and posted on the City's website on the Successor Agency page (located under the Department of Economic Development). The Oversight Board will convene the Public Comments Session of the meeting to receive any feedback from members of the public regarding the Due Diligence Review for Non-LMIHF. No action will be conducted by the Oversight Board at the December 13<sup>th</sup> Meeting. The Oversight Board will meet again on Thursday, January 10<sup>th</sup> to consider approval of the Due Diligence Review for Non-LMIHF prior to submittal to the Department of Finance by the statutory deadline of January 15, 2013.

**Consent Agenda**

2. Minutes of the October 11, 2012 Oversight Board Meeting

Recommended Action: Approve as submitted.

## General Business

### 3. Accept Outside Legal Counsel Subcommittee's Recommendation to Retain David Kahn

At the October 11, 2012 regular meeting, the Oversight Board appointed a three-member subcommittee to evaluate outside legal counsel candidates and provide a recommendation to the Oversight Board. The subcommittee reviewed references and unanimously recommends David Kahn for the Oversight Board's outside legal counsel. Mr. Kahn's billing rates are provided in the attached letter dated November 9, 2012.

Also discussed at the October 11, 2012 regular meeting was the need for taxing entities to share the potential cost of the outside legal counsel as a debt obligation pending the Department of Finance's (DOF) final determination on the Recognized Obligation Payment Schedule for January 1, 2013 through June 30, 2013. Should the DOF deny the debt obligation, staff has submitted a recommendation to the Successor Agency for any outside legal counsel costs to be paid proportionally by each taxing entity based upon the taxing entity's proportion of property tax.

The following table provides the adjusted property tax shares for all taxing entities represented on the Oversight Board totaling 98.6%. The remaining 1.4% of property tax consists of the unrepresented Flood Special District receiving 0.4% and the Santa Cruz Port District receiving 1.0%. Dividing the remaining 1.4% equally amongst the taxing entities represented on the Oversight Board, an additional 0.28% is added to the property tax percentage share in order to reach 100% for the proportional payment of legal counsel charges.

<b>Taxing Entity</b>	<b>Proportional Share (Property Tax % + 0.28%)</b>	<b>Maximum Obligation for Outside Legal Counsel</b>
County of Santa Cruz	26.180%	\$2,618.00
Santa Cruz Elementary *	25.193%	\$2,519.33
City of Santa Cruz	20.880%	\$2,088.00
Santa Cruz High School *	16.193%	\$1,609.33
Cabrillo College	7.080%	\$708.00
County Office of Education *	3.193%	\$309.34
Downtown Parking District	1.480%	\$148.00
<b>TOTAL</b>	<b>100%</b>	<b>\$10,000.00</b>

\* Since the single County Office of Education Oversight Board Member represents three taxing entities (Santa Cruz Elementary, Santa Cruz High School, and the County Office of Education) the 0.28% adjustment is further subdivided into thirds, or 0.193%, for the three represented taxing entities with the final .001% remainder, or one cent, added to the County Office of Education.

Based on the consensus reached at the October 11, 2012 meeting, the Oversight Board agreed to a payment schedule where all non-City taxing entities would first pay their share of the potential legal costs before the City would begin paying its proportional share since the City already subsidizes the wind down costs above and beyond the administrative allowance. Therefore, the City would not begin paying additional legal counsel costs until costs exceed \$7,912 of the maximum \$10,000.

To allow time for each taxing entity to discuss the merits of this cost-sharing arrangement, staff recommends that a final retainer agreement and cost-sharing resolution be approved at the January 10, 2013 meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bonnie Lipscomb', with a long horizontal flourish extending to the right.

Bonnie Lipscomb  
Director of Economic Development

# DRAFT

**Successor Agency of the Former  
City of Santa Cruz Redevelopment Agency**

**Due Diligence Review  
of the Other Redevelopment Agency Funds  
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6)  
of Assembly Bill No. 1484 of 2012**

**Lance Soll & Lunghard, LLP**

Orange County  
Silicon Valley  
Temecula Valley

[www.lslcpas.com](http://www.lslcpas.com)

Successor Agency of the Former  
City of Santa Cruz Redevelopment Agency

Due Diligence Review  
of the Other Redevelopment Agency Funds  
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6)  
of Assembly Bill No. 1484 of 2012



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP  
*A Professional Corporation*
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

# DRAFT

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Successor Agency of the  
Former City of Santa Cruz Redevelopment Agency  
City of Santa Cruz, California

We have performed the procedures enumerated in Attachment A for the Other Redevelopment Agency Funds, which were agreed to by the California State Controller's Office and the State of California Department of Finance (State Agencies) solely to assist you in ensuring that the dissolved redevelopment agency is complying with Assembly Bill 1484, Chapter 26, Section 17's amendment to health and safety code 34179.5. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Management of the successor agency is responsible for providing all the information obtained in performing these procedures. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As stated above, the scope of this engagement was limited to performing the procedures identified in Attachment A, which specified the "List of Procedures for the Due Diligence Review" obtained from the California Department of Finance Website.

The results of the procedures performed are identified in Attachment B1 through B11.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of a certified opinion as to the appropriateness of the results of the procedures performed. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to the Successor Agency.

This report is intended solely for the information and use of the Successor Agency Oversight Board, the Successor Agency and the applicable State Agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Lance, Soll & Lunghard, LLP*

Brea, California  
December 6, 2012



**List of Procedures for Due Diligence Review of the Other Redevelopment Agency Funds**

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.
2. If the State Controller's Office has completed its review of transfers required under both sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - a. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - b. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - c. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.
3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - a. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - b. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - c. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

4. Perform the following procedures:
  - a. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
  - b. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
  - c. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
  - d. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.
5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listing should be attached as an exhibit to the appropriate AUP report.
6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
  - a. Unspent bond proceeds:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
  - b. Grant proceeds and program income that are restricted by third parties:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
    - c. Other assets considered to be legally restricted:
      - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
      - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
      - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
    - d. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.
7. Perform the following:
- a. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
  - b. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
  - c. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
  - d. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.
8. Perform the following:
- a. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
    - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

- ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- b. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- c. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- d. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.
9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.
10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).
11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Procedure 1

List of Assets Transferred from the Former Redevelopment Agency to the Successor Agency  
 Other Redevelopment Agency Funds  
 As of February 1, 2012

Asset	Balance at 2/1/2012
Cash	
Pooled cash	\$ 7,507,523
Debt proceeds held by City	2,889,454
Allowance for fair value of investments with City - current	72,118
Cash held by fiscal agent	
Cash held by fiscal agent	12,912,737
Reserve account - cash	724,828
Debt service payment account	3
Project account investments	11,689,391
Reserve account - investments	2,110,000
Allowance for FV of investments with fiscal agent - current	66,432
Interest Receivable	
Pooled cash interest receivable	17,827
Trustee account interest receivable	45,184
Taxes receivable - current	45,023
Accounts receivable	101,351
Grants receivable	465,700
Notes receivable	663,181
Allowance for uncollectible notes	(158,334)
Advances to other funds	208,623
	<hr/>
<b>Total Assets transferred:</b>	<b>\$ 39,361,041</b>

Procedure 2

**Listing of Transfers (Excluding Payments for Goods and Services) to the City  
Other Redevelopment Agency Funds  
For the Period from January 1, 2011 through June 30, 2012**

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<u>Describe Purpose of Transfer</u>	<u>Enforceable Obligation (EO)/ Other Legal Requirement (LR)</u>	<u>Amount</u>	<u>Legal Documentation Obtained? (Y/N)</u>
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**From former Redevelopment Agency to City for January 1, 2011 through January 31, 2012**

No transfers were made to the City during this time period or they were de minimus

**From Successor Agency to City for February 1, 2012 through June 30, 2012**

No transfers were made to the City during this time period or they were de minimus

**Listing of Transfers (Excluding Payments for Goods and Services) to Other Public Agencies or Private Parties  
Other Redevelopment Agency Funds  
For the Period from January 1, 2011 through June 30, 2012**

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Describe Purpose of Transfer	Enforceable Obligation (EO)/ Other Legal Requirement (LR)	Amount	Legal Documentation Obtained? (Y/N)
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**From former Redevelopment Agency to other public agencies or private parties for January 1, 2011 through January 31, 2012**

No transfers were made to the other public agencies or private parties during this time period or they were de minimus

**From Successor Agency to other public agencies or private parties for February 1, 2012 through June 30, 2012**

No transfers were made to the other public agencies or private parties during this time period or they were de minimus



Procedure 4  
 Summary of the Financial Transactions of Redevelopment Agency and Successor Agency  
 All Funds  
 Per schedule attached to List of Procedures for Due Diligence Review

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
<b>Assets (modified accrual basis):</b>				
Cash and cash equivalents	\$ 10,901,436	\$ 13,913,970	\$ 11,878,732	\$ 11,427,740
Interest receivable	39,505	79,379	90,562	25,631
Taxes receivable	374,948	373,562	56,278	-
Accounts receivable	1,097	31,160	109,462	22,500
Grants receivable	144,601	1,608,718	465,700	69,482
Restricted cash and investments	2,853,428	35,663,068	38,632,677	28,470,619
Notes receivable	8,445,431	8,723,259	8,913,822	502,182
Advances to Other Funds	320,672	750,623	708,623	178,623
<b>Total Assets</b>	<b>\$ 23,081,118</b>	<b>\$ 61,143,739</b>	<b>\$ 60,855,856</b>	<b>\$ 40,696,777</b>
<b>Liabilities (modified accrual basis):</b>				
Accounts payable	\$ 300,967	\$ 1,553,778	\$ 434,369	\$ 3,528,338
Deferred revenue	140,486	803,928	743,455	5,962
Deposits	7,634	7,634	8,567	5,709
<b>Total Liabilities</b>	<b>449,087</b>	<b>2,365,340</b>	<b>1,186,391</b>	<b>3,540,009</b>
<b>Equity</b>	<b>22,632,031</b>	<b>58,778,399</b>	<b>59,669,465</b>	<b>37,156,768</b>
	<b>\$ 23,081,118</b>	<b>\$ 61,143,739</b>	<b>\$ 60,855,856</b>	<b>\$ 40,696,777</b>
<b>Total Revenues:</b>	<b>\$ 12,981,775</b>	<b>\$ 53,502,304</b>	<b>\$ 8,346,833</b>	<b>\$ 15,273,981</b>
<b>Total Expenditures:</b>	<b>12,829,122</b>	<b>16,523,037</b>	<b>7,455,768</b>	<b>17,093,178</b>
<b>Total Transfers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in equity</b>	<b>152,653</b>	<b>36,979,267</b>	<b>891,065</b>	<b>(1,819,197)</b>
<b>Beginning Equity:</b>	<b>21,646,479</b>	<b>21,799,132</b>	<b>58,778,399</b>	<b>59,669,464</b>
<b>Ending Equity:</b>	<b>\$ 21,799,132</b>	<b>\$ 58,778,399</b>	<b>\$ 59,669,464</b>	<b>\$ 57,850,267</b>
<b>Other Information (show year end balances for all four periods presented):</b>				
<b>Capital assets as of end of year</b>	<b>\$ 15,394,109</b>	<b>\$ 21,578,573</b>	<b>\$ 21,945,473</b>	<b>\$ 11,532,028</b>
<b>Long-term debt as of end of year</b>	<b>5,563,327</b>	<b>40,284,585</b>	<b>39,255,215</b>	<b>39,260,000</b>

Procedure 5  
 Listing of All Assets  
 Other Redevelopment Agency Funds  
 As of June 30, 2012

Assets			<u>Amount</u>
Cash			
381-11101	Pooled cash	\$ 2,950,351	
382-11101	Pooled cash	143,907	
383-11101	Pooled cash	438,962	
385-11101	Pooled cash	564,158	
481-11101	Pooled cash	210,899	
482-11101	Pooled cash	901,475	
485-11101	Pooled cash	16,278	
486-11101	Pooled cash	502	
381-11116	Debt proceeds held by City	2,889,454	
381-11901	Allowance for FV of invest with City	22,655	
382-11901	Allowance for FV of invest with City	491	
383-11901	Allowance for FV of invest with City	883	
385-11901	Allowance for FV of invest with City	8,623	
481-11901	Allowance for FV of invest with City	3,425	
482-11901	Allowance for FV of invest with City	2,889	
485-11901	Allowance for FV of invest with City	82	
486-11901	Allowance for FV of invest with City	(1)	
<b>TOTAL CASH:</b>		8,155,033	\$ 8,155,033
Cash with fiscal agent			
381-11150	Cash held by fiscal agent	18,370,686	
381-18151	Project account - investments	6,289,391	
381-11902	Allow for FV of invest with fiscal agent	35,701	
481-11154	Reserve account - cash	2,823,841	
481-11155	Debt service payment account - cash	1	
483-11154	Reserve account - cash	950,998	
<b>TOTAL CASH WITH FISCAL AGENT:</b>		28,470,618	28,470,618
Interest receivable			
381-12101	Pooled cash interest receivable	11,041	
381-12103	Trustee account interest receivable	8,117	
382-12101	Pooled cash interest receivable	263	
383-12101	Pooled cash interest receivable	787	
385-12101	Pooled cash interest receivable	1,419	
481-12101	Pooled cash interest receivable	642	
481-12103	Trustee account interest receivable	18	
482-12101	Pooled cash interest receivable	1,666	

**Procedure 5**  
**Listing of All Assets**  
**Other Redevelopment Agency Funds**  
**As of June 30, 2012**

**ATTACHMENT B5**

			<u>Amount</u>
<b>Assets</b>			
	483-12003	Trustee account interest receivable	8
	485-12101	Pooled cash interest receivable	30
	486-12101	Pooled cash interest receivable	1
	487-12101	Pooled cash interest receivable	1,640
	<b>TOTAL INTEREST RECEIVABLE:</b>		<u>25,632</u>
Accounts Receivable			
	385-12301	Accounts receivable-CURRENT	22,500
	<b>TOTAL ACCOUNTS RECEIVABLE:</b>		<u>22,500</u>
Notes Receivable			
	382-15201	Notes receivable - noncurrent	98,334
	382-15202	Allowance for uncollectible notes	(98,334)
	383-15201	Notes receivable - noncurrent	98,772
	481-15201	Notes receivable - noncurrent	463,410
	481-15202	Allowance for uncollectible notes	(60,000)
	481-16990	Advances to other funds	178,623
	<b>TOTAL NOTES RECEIVABLE:</b>		<u>680,805</u>
Grants Receivable			
	381-12501	Grants receivable	69,482
	<b>TOTAL GRANTS RECEIVABLE:</b>		<u>69,482</u>
Capital Assets			
	680-17110	Land	902,621
	680-17310	Buildings	2,066,911
	680-17320	Leasehold Improvements	240,267
	680-17115	Land Improvements	66,637
	680-17510	Machinery and Equipment	110,026
	680-17710	Software	10,966
	680-17910	Construction in Progress	8,134,600
	<b>TOTAL ACCOUNTS RECEIVABLE:</b>		<u>11,532,028</u>
			<u><u>11,532,028</u></u>
<b>TOTAL ASSETS AT 6/30/2012:</b>			<b>\$ <u>48,956,098</u></b>

Procedure 6  
 Listing of Assets that are Restricted  
 Other Redevelopment Agency Funds  
 As of June 30, 2012

Item #	Description	Documentation Referenced	Amount	Purpose	Legal Documentation Obtained? (Y/N)
1	Cash with fiscal Agent				
	a) Reserve account	481-11154	\$ 2,823,841	Reserve requirement per trust indenture	Y
	b) Reserve account	483-11154	950,998	Reserve requirement per trust indenture	Y
	c) Debt service account	481-11155	1	Debt service payments per trust indenture	Y
	d) Trustee account interest receivable	481-12103	18	Interest receivable on trustee investments	Y
2	Unspent bond proceeds				
	a) Debt proceeds held by City	381-11116	2,889,454	2004 TABS	Y
	b) 2011 TABS, Series B & C	381-11150	18,370,686	Qualified non-housing projects per Coop Agmt	Y
	c) 2011 TABS, Series B & C	381-18151	6,289,391	Qualified non-housing projects per Coop Agmt	Y
	d) Allow for FV of invest with fiscal agent	381-11902	35,701	Fair market value adjustment of investments	Y
	e) Trustee account interest receivable	381-12103	8,117	Interest receivable on trustee investments	Y
		<b>TOTAL:</b>	<b>\$ 31,368,207</b>		

Procedure 7

**Listing of Assets That Are Not Liquid or Otherwise Available for Distribution  
Other Redevelopment Agency Funds  
As of June 30, 2012**

Item #	Description	Reference	Amount	Value Method	Variance Noted? (Y/N)
1	Capital Assets				
	a) Land	680-17110	\$ 902,621	Cost	N
	b) Buildings	680-17310	2,066,911	Cost	N
	c) Leasehold Improvements	680-17320	240,267	Cost	N
	d) Land Improvements	680-17115	66,637	Cost	N
	e) Machinery and Equipment	680-17510	110,026	Cost	N
	f) Software	680-17710	10,966	Cost	N
	g) Construction in Progress	680-17910	8,134,600	Cost	N
2	Long-term receivable				
	a) North Bay Ford OPA	382-15201	98,334.00	Cost	N
	b) Allowance-North Bay Ford OPA	382-15202	(98,334.00)	Cost	N
	c) Del-Mar Nickelodeon Equipment Loan	383-15201	98,772.38	Cost	N
	d) Tannery Artspace Loan	481-15201	397,448.00	Cost	N
	e) Zero Motorcycle OPA	481-15201	60,000.00	Cost	N
	f) Zero Motorcycle OPA Allowance	481-15202	(60,000.00)	Cost	N
	g) Tannery Artspace Int	481-15201	5,961.72	Cost	N
	h) Advances to other funds	481-16990	178,623.00	Cost	N
TOTAL RESTRICTIONS OF NON-CASH ITEMS			<u>\$ 12,212,833</u>		

Procedure 8a

**Listing of Assets (resources) that are dedicated or restricted for the funding of enforceable obligations  
Other Redevelopment Agency Funds  
As of June 30, 2012**

Item #	Project Name	Reference	Approved Obligation Amount	Amount Paid in Period Ending June 30, 2012	Amount Restricted for Obligation for June 30, 2012 Balance	Legal Documentation Obtained? (Y/N)
1	MBUAD-Powertrain R & D (Zero Motorcycles)	ROPS I, Page 2, line 1	\$ 17,791	\$ -	\$ 17,791	Y
2	MBUAD-Trolley Grant Agreement	ROPS I, Page 2, line 2	19,000	6,795	12,205	Y
3	Tannery Digital Media Center - Kron Construction-CRW	ROPS I, Page 2, line 3	300,000	-	300,000	Y
4	Tannery Digital Media Center - Kron Construction-CRW	ROPS I, Page 2, line 4	254,556	142,132	112,424	Y
5	Tannery Digital Media Center - Kron Construction-CRW	ROPS I, Page 2, line 5	386,535	-	386,535	Y
6	Tannery Digital Media Center - Kron wage monitoring	ROPS I, Page 2, line 6	16,800	7,500	9,300	Y
7	Tannery Digital Media Center - Ifland	ROPS I, Page 2, line 7	2,000	1,050	950	Y
8	Tannery Digital Media Center - Express Fence	ROPS I, Page 2, line 8	1,000	651	349	Y
9	Tannery Digital Media Center - First Alarm	ROPS I, Page 2, line 9	2,300	1,692	608	Y
10	Tannery Digital Media Center - Labor Consultants	ROPS I, Page 2, line 10	1,200	-	1,200	Y
11	Tannery Digital Media Center - Kron architect-Carey & Co	ROPS I, Page 2, line 11	21,831	15,067	6,764	Y
12	Tannery Digital Media Center - Kron geotechnical svcs-TRC	ROPS I, Page 2, line 12	8,168	-	8,168	Y
13	Tannery Digital Media Center - ARC	ROPS I, Page 2, line 13	1,187	520	667	Y
14	Tannery Digital Media Center - Mark Cavagnero Assoc	ROPS I, Page 2, line 14	5,000	-	5,000	Y
15	Tannery Digital Media Center - Kron landscaping	ROPS I, Page 2, line 16	75,000	-	75,000	Y
16	Tannery Digital Media Center - Kron utilities	ROPS I, Page 2, line 17	6,837	-	6,837	Y
17	Tannery Digital Media Center - Kron House Const. Inspections	ROPS I, Page 2, line 18	10,000	1,421	8,579	Y
18	Tannery Digital Media Center Property Mgmt - John Stewart Co.	ROPS I, Page 2, line 19	3,475	2,475	1,000	Y
19	Tannery Digital Media Center - erosion control	ROPS I, Page 2, line 20	500	480	20	Y
20	Tannery Digital Media Center - Space 110 architectural services- Mark Primack	ROPS I, Page 2, line 22	25,000	-	25,000	Y
21	Tannery Digital Media Center-Space 110 Blue Print Dist	ROPS I, Page 2, line 23	3,000	-	3,000	Y
22	Tannery Digital Media Center-Space 110 Project Admin	ROPS I, Page 2, line 24	8,000	-	8,000	Y
23	Tannery Digital Media Center-Space 110 - permit fees	ROPS I, Page 2, line 25	5,000	-	5,000	Y
24	Tannery Digital Media Center-Space 110 - bid dependent	ROPS I, Page 2, line 26	392,210	-	392,210	Y
25	Tannery Digital Media Center-Space 110 Const. Inspections	ROPS I, Page 2, line 27	5,000	-	5,000	Y
26	Monterey Bay National Marine Sanctuary - Various TBD	ROPS I, Page 3, line 1	251,160	-	251,160	Y
27	Del Mar Property management - Various TBD	ROPS I, Page 3, line 4	19,890	12,823	7,067	Y
28	Del Mar Property management - exterior painting	ROPS I, Page 3, line 6	100,000	-	100,000	Y
29	Del Mar Property management - roof replacement	ROPS I, Page 3, line 7	100,000	-	100,000	Y
30	Del Mar Property management - parking lot reconstruction	ROPS I, Page 3, line 8	30,000	-	30,000	Y
31	Contract for professional / legal services ARC TCS 500	ROPS I, Page 3, line 11	900	-	900	Y
32	Contract for professional / legal services - Best, Best & Krieger LLP	ROPS I, Page 3, line 12	33,262	13,548	19,714	Y
33	Contract for professional services - Frazier & Assoc	ROPS I, Page 3, line 19	23,050	3,900	19,150	Y
34	Contract for professional services - Keyser marston	ROPS I, Page 3, line 22	36,220	15,628	20,592	Y
35	Contract for professional services - Work in Progress Coaching	ROPS I, Page 3, line 24	4,438	-	4,438	Y

Procedure 8a

**Listing of Assets (resources) that are dedicated or restricted for the funding of enforceable obligations  
Other Redevelopment Agency Funds  
As of June 30, 2012**

Item #	Project Name	Reference	Approved Obligation Amount	Amount Paid in Period Ending June 30, 2012	Amount Restricted for Obligation for June 30, 2012 Balance	Legal Documentation Obtained? (Y/N)
36	Trolley Agreement - Kimley Horn	ROPS I, Page 3, line 25	15,473	407	15,066	Y
37	Trolley repairs-Santa Cruz Trolley Consortium	ROPS I, Page 3, line 26	16,950	-	16,950	Y
38	Lower Pacific Aavenue Parking Study - Kimley	ROPS I, Page 3, line 28	82,362	45,313	37,049	Y
39	Lower Pacific Aavenue Parking Study - Marquez	ROPS I, Page 3, line 29	4,310	2,670	1,640	Y
40	Ocean Street Corridor Plan	ROPS I, Page 3, line 30	3,331	-	3,331	Y
41	Pacific Avenue (Beach Area) Streetscape	ROPS I, Page 3, line 31	88,472	-	88,472	Y
42	To repay portion of Tannery acquisition loan	ROPS I, Page 3, line 34	100,000	-	100,000	Y
43	Construct Refuse Collection Site	ROPS I, Page 4, line 2	69,550	69,482	68	Y
44	Downtown Directory Sign Program	ROPS I, Page 4, line 11	7,715	1,323	6,392	Y
45	Façade Improvement Program - Breakers Hotel	ROPS I, Page 4, line 21	20,000	-	20,000	Y
46	Façade Improvement Program - Garbriella (John C. Daly)	ROPS I, Page 4, line 22	12,368	10,061	2,307	Y
47	Façade Improvement Program - L Kershner Design	ROPS I, Page 4, line 23	3,000	-	3,000	Y
48	Façade Improvement Program - Mark Primack	ROPS I, Page 4, line 24	1,000	-	1,000	Y
49	Façade Improvement Program - Nielson Architects	ROPS I, Page 4, line 25	3,000	-	3,000	Y
50	Façade Improvement Program - Wayne Palmer Design	ROPS I, Page 4, line 26	3,800	-	3,800	Y
51	Façade Improvement Program - Zero Motorcycles	ROPS I, Page 4, line 27	-	-	-	Y
52	Graffiti Abatement Program	ROPS I, Page 4, line 28	30,000	9,795	20,205	Y
53	Branciforte Creek Bike/Ped Bridge Phase I (Design)	ROPS I, Page 5, line 5	79,437	48,208	31,229	Y
54	Branciforte Creek Bike/Ped Bridge Phase I City Public Works	ROPS I, Page 5, line 6	320,563	-	320,563	Y
55	Highway 1/9 Intersection PHASE I - BKF Engineers	ROPS I, Page 5, line 7	155,058	32,509	122,549	Y
56	Highway 1/9 Intersection PHASE I - BKF Engineers (Environmental Review)	ROPS I, Page 5, line 8	2,178	1,154	1,024	Y
57	Highway 1/9 Intersection PHASE I - Various & City Public Works	ROPS I, Page 5, line 9	4,320	-	4,320	Y
58	San Lorenzo River Bridge Replacement-Phase I - AECOM Tech Services	ROPS I, Page 5, line 14	15,480	14,242	1,238	Y
59	Wharf Master Plan Phase I - Moffett & Nichol Engineers	ROPS I, Page 5, line 17	49,497	36,173	13,324	Y
60	Soquel Frederick Int. Improvement	ROPS I, Page 8, line 1	148,300	-	148,300	Y
61	Soquel/Park Way Int. Improvement	ROPS I, Page 8, line 2	214,515	-	214,515	Y
			<u>\$ 3,620,989</u>	<u>\$ 497,019</u>	<u>\$ 3,123,970</u>	

**Procedure 8b**

**Listing of Assets (resources) that need to be retained due to insufficient funding for the funding of enforceable obligations**

**Other Redevelopment Agency Funds**

**As of June 30, 2012**

---

No assets need to be retained due to insufficient funding for the funding of enforceable obligations



**Procedure 8c**

**Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for bond debt payments**

**Other Redevelopment Agency Funds**

**As of June 30, 2012**

---

No assets need to be retained due to projected insufficient property tax revenues for bond debt payments

**Procedure 9**

**Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for future ROPS**

**Other Redevelopment Agency Funds**

**As of June 30, 2012**

---

No assets need to be retained due to projected insufficient property tax revenues for future ROPS

**Procedure 10****Summary of Other Redevelopment Agency Funds Available for Allocation to Affected Taxing Entities**

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$	48,956,098
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		
	To City	-
	To other parties	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		(31,368,207)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(12,212,833)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		(3,123,970)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)		-
Less the amount of payments made on July 12, 2012 to the County Auditor - Controller as directed by the California Department of Finance		<u>(3,206,863)</u>
Amount to be remitted to county for disbursement to taxing entities	<u>\$</u>	<u>(955,775)</u>

**Economic Development and  
Successor Agency (Redevelopment)**

337 Locust Street  
Santa Cruz, CA 95060  
Ph: 831.420.5150  
Fax: 831.420.5151

# M E M O

DATE: December 10, 2012  
TO: Oversight Board to the Successor Agency  
FROM: J. Guevara, Redevelopment Manager  
RE: ROPS II and ROPS III provided with the Due Diligence Review

---

Dear Oversight Board:

The original Recognized Obligation Payment Schedules for the current period (i.e. ROPS II for July 1, 2012 through December 31, 2012) and the upcoming period (i.e. ROPS III for January 1, 2013 through June 30, 2013) are provided to you along with the Draft Due Diligence Review for Non-Low and Moderate Income Housing Funds in accordance with Health and Safety Code Section 34179.6, which states:

The review required pursuant to Section 34179.5 shall be submitted to the oversight board for review. The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the county administrative officer, the county auditor-controller, and the Department of Finance at the same time that the successor agency submits the review to the oversight board for review.

While the Oversight Board has already approved and submitted these ROPS, Successor Agency staff is providing them for your reference as you review the draft Due Diligence Review for Non-Low and Moderate Income Housing Funds.

Sincerely,



J. Guevara  
Redevelopment Manager

Attachments: ROPS for July 1, 2012 to December 31, 2012 (ROPS II)  
ROPS for January 1, 2013 to June 30, 2013 (ROPS III)

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED  
FILED FOR THE JULY 1 - DECEMBER 31, 2012 PERIOD**

(4-4-12)

**Name of Successor Agency** City of Santa Cruz

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
<b>Outstanding Debt or Obligation</b>	\$ 101,261,052	\$ 13,639,136
	<b>Total Due for Six Month Period</b>	
<b>Outstanding Debt or Obligation</b>	\$ 7,895,120	
<b>Available Revenues other than anticipated funding from RPTTF</b>	\$ 4,750,738	
<b>Enforceable Obligations paid with RPTTF</b>	\$ 3,144,382	
<b>Administrative Cost paid with RPTTF</b>	\$ -	
	\$ -	
<b>Administrative Allowance</b> (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowa	\$ 125,000	

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

Cynthia Mathews Chair  
Name Title  
Cynthia Mathews 4/12/12  
Signature Date

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation July 1, 2012	Total Due During Fiscal Year 2012-2013	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)							
							Payments by month							Total
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012		
1) 2004 Tax Allocation Bonds	Bank of New York	Bond issue to fund projects	Merged	6,553,258	328,844	RPTTF			238,145				\$ 238,145	
2) 2011 A Housing Bonds	JP Morgan	Bonds issued to fund housing projects	Merged	11,936,552	925,668	RPTTF			674,589				\$ 674,589	
3) 2011 B Non Housing Taxable	JP Morgan	Bonds issued to fund projects	Merged	31,078,150	2,088,284	RPTTF			1,460,025				\$ 1,460,025	
4) 2011 C Non Housing Tax Exempt	JP Morgan	Bonds issued to fund projects	Merged	10,062,953	676,019	RPTTF			512,081				\$ 512,081	
5) Bond expenses	Bank of New York	Bond Trustee Fess 14-19 years	Merged	127,400	8,300	RPTTF							\$ -	
6) 1010 Pacific OPA	1010 Pacific Investors	Payments per OPA	Merged	4,197,572	159,880	RPTTF	78,431						\$ 78,431	
7) 1280 Shaffer OPA	1280 Shaffer Rd Inv.	Payments per OPA	Merged	6,560,234	248,000	RPTTF	122,981						\$ 122,981	
8) Chestnut LLC OPA	Developer Deferred City Fees	Payments per OPA	Merged	344,025	116,261	RPTTF						58,130	\$ 58,130	
													\$ -	
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Totals - This Page (RPTIF Funding)				\$ 70,860,144	\$ 4,551,256	N/A	\$ 201,412	\$ -	\$ 2,884,840	\$ -	\$ -	\$ 58,130	\$ 3,144,382	
Totals - Page 2 (Grants & Grant Match)				\$ 157,018	\$ 157,018	N/A	\$ 57,279	\$ 57,280	\$ 11,934	\$ 9,725	\$ 9,725	\$ 9,725	\$ 155,668	
Totals - Page 3 (Other Funding)				\$ 1,484,966	\$ 166,903	N/A	\$ 2,256	\$ 2,256	\$ 2,256	\$ 2,256	\$ 2,256	\$ 92,085	\$ 103,365	
Totals - Page 4 (Other Funding)				\$ 2,363,325	\$ 873,173	N/A	\$ 62,525	\$ 62,526	\$ 62,526	\$ 62,526	\$ 62,526	\$ 129,517	\$ 442,146	
Totals - Page 5 (Other Funding)				\$ 26,270,599	\$ 7,640,786		\$ 626,315	\$ 626,315	\$ 626,315	\$ 626,315	\$ 626,315	\$ 688,818	\$ 3,820,393	
Totals - Page 6 (Administrative Cost Allowance)				\$ 125,000	\$ 250,000		\$ 20,834	\$ 20,834	\$ 20,834	\$ 20,834	\$ 20,830	\$ 125,000	\$ 229,166	
Totals - Page 7 (LMHF Informational Only)													\$ -	
Grand total - All Pages				\$ 101,261,052	\$ 13,639,136		\$ 970,621	\$ 769,211	\$ 3,608,705	\$ 721,656	\$ 721,652	\$ 1,103,275	\$ 7,895,120	

**\*\* All totals due during fiscal year and payment amounts are projected.**  
**\*\*\* Funding sources from the successor agency:**  
RPTTF - Redevelopment Property Tax Trust Fund      Bonds - Bond proceeds      Other - reserves, rents, interest earnings, etc  
LMHF - Low and Moderate Income Housing Fund      Admin - Successor Agency Administrative Allowance

**Exhibit E**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
Per AB 26 - Section 34177**

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation July 1, 2012	Total Due During Fiscal Year 2012-2013	Funding Source ***	Payable from Other Revenue Sources						Total
							Payments by month						
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
1) MBUACPD-Powertrain r & d	Zero Motorcycles	Grant Agreement-Pass through	Merged	2,209	2,209	Other			2,209				\$ 2,209
2) MBUAD-Trolley Grant Agreement	Trolley Consortium/bid depend	Grant Agreement-Pass through	Merged	57,000	57,000	Other	9,500	9,500	9,500	9,500	9,500	9,500	\$ 57,000
3) EDA/CCHE Grant Agmt.	CRW	TDMC-Kron Construction	Merged	0	0	Other	0	0	0	0	0	0	\$ -
4) EDA/CCHE Grant Agmt.	CRW	TDMC-Kron Construction	Merged	95,109	95,109	Other	47,554	47,555					\$ 95,109
5) EDA/CCHE Grant Agmt.	Labor Consultants	TDMC-Kron wage monitoring	Merged	0	0	Other	0	0	0	0	0	0	\$ -
6) EDA/CCHE Grant Agmt.	Gary Ifland & Associates, Inc.	Tannery Digital Media Center	Merged	0	0	Other	0	0	0	0	0	0	\$ -
7) EDA/CCHE Grant Agmt.	Express Fence, LLC	Tannery Digital Media Center	Merged	0	0	Other	0	0	0	0	0	0	\$ -
8) EDA/CCHE Grant Agmt.	First Alarm Security	Tannery Digital Media Center	Merged	2,700	2,700	Other	225	225	225	225	225	225	\$ 1,350
9) EDA/CCHE Grant Agmt.	Labor Consultants	Tannery Digital Media Center	Merged	0	0	Other	0	0	0	0	0	0	\$ -
10) EDA/CCHE Grant Agmt.	Carey & Co, Inc.	TDMC-Kron architect	Merged	0	0	Other	0	0	0	0	0	0	\$ -
11) EDA/CCHE Grant Agmt.	TRC	TDMC-Kron geotechnical svcs	Merged	0	0	Other	0	0	0	0	0	0	\$ -
12) EDA/CCHE Grant Agmt.	ARC	Tannery Digital Media Center	Merged	0	0	Other	0	0	0	0	0	0	\$ -
13) EDA/CCHE Grant Agmt.	Mark Cavagnero Assoc.	Tannery Digital Media Center	Merged	0	0	Other	0	0	0	0	0	0	\$ -
14) EDA/CCHE Grant Agmt.	City Planning Dept	TDMC-Kron permit fees	Merged	0	0	Other	0	0	0	0	0	0	\$ -
15) EDA/CCHE Grant Agmt.	Various (bid dependent)	TDMC-Kron landscaping	Merged	0	0	Other	0	0	0	0	0	0	\$ -
16) EDA/CCHE Grant Agmt.	Various (bid dependent)	TDMC-Kron utilities	Merged	0	0	Other	0	0	0	0	0	0	\$ -
17) EDA/CCHE Grant Agmt.	HP Inspections	TDMC-Kron House Const. Inspections	Merged	0	0	Other	0	0	0	0	0	0	\$ -
18) EDA/CCHE Grant Agmt.	John Stewart Co.	TDMC Property Mgmt	Merged	0	0	Other	0	0	0	0	0	0	\$ -
19) EDA/CCHE Grant Agmt.	TBD	Tannery Digital Media Center-erosion contr	Merged	0	0	Other	0	0	0	0	0	0	\$ -
20) EDA/CCHE Grant Agmt.	Mark Primack Architect, Inc.	TDMC-Space 110 architectural services	Merged	0	0	Other	0	0	0	0	0	0	\$ -
21) EDA/CCHE Grant Agmt.	TBD	TDMC-Space 110 architectural services	Merged	0	0	Other	0	0	0	0	0	0	\$ -
22) EDA/CCHE Grant Agmt.	ARC	TDMC-Space 110 Blue Print Dist	Merged	0	0	Other	0	0	0	0	0	0	\$ -
23) EDA/CCHE Grant Agmt.	Labor Compliance	TDMC-Space 110 Project Admin	Merged	0	0	Other	0	0	0	0	0	0	\$ -
24) EDA/CCHE Grant Agmt.	City Planning Dept	TDMC-Space 110-permit fees	Merged	0	0	Other	0	0	0	0	0	0	\$ -
25) EDA/CCHE Grant Agmt.	Various (bid dependent)	TDMC-Space 110	Merged	0	0	Other	0	0	0	0	0	0	\$ -
26) EDA/CCHE Grant Agmt.	Various (bid dependent)	TDMC-Space 110 Const. Inspections	Merged	0	0	Other	0	0	0	0	0	0	\$ -
27)													\$ -
28)													\$ -
29)													\$ -
30)													\$ -
31)													\$ -
32)													\$ -
33)													\$ -
Totals - LMHF													\$ -
Totals - Bonds													\$ -
Totals - Other				\$ 157,018	\$ 157,018	\$ -	\$ 57,279	\$ 57,280	\$ 11,934	\$ 9,725	\$ 9,725	\$ 9,725	\$ 155,668
Grand total - This Page				\$ 157,018	\$ 157,018		\$ 57,279	\$ 57,280	\$ 11,934	\$ 9,725	\$ 9,725	\$ 9,725	\$ 155,668

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust Fund

Bonds - Bond proceeds

Other - reserves, rents, interest earnings, etc

LMHF - Low and Moderate Income Housing Fund

Admin - Successor Agency Administrative Allowance

Exhibit E

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation July 1, 2012	Total Due During Fiscal Year 2012-2013	Funding Source ***	Payable from Other Revenue Sources						
							Payments by month						
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total
1) Monterey Bay Nat'l Marine Sanctua	Various - TBD	Capital Project	Merged	-									\$ -
2) Monterey Bay Nat'l Marine Sanctua	Meltdown Glass Art & Design	Contract for glass art building façade	Merged	-									\$ -
3) Monterey Bay Nat'l Marine Sanctua	Wowhaus	Contract for courtyard sculpture	Merged	-									\$ -
4) Del Mar Property Management	Various - TBD	Del Mar Facility maintenance & mgmt	Merged	97,280.	24,320	Other	2,027	2,027	2,027	2,027	2,027	2,025	\$ 12,160
5) Del Mar Property Management	Coyote Industrial	Sidewalk and misc cleaning	Merged	-		Other							\$ -
6) Del Mar Property Management	Various (bid dependent)	Del Mar Theater exterior painting	Merged	-		Other							\$ -
7) Del Mar Property Management	Various (bid dependent)	Del Mar Theater roof replacement	Merged	-		Other							\$ -
8) Del Mar Parking Lot 7 Reconst.	City-Public Works	Capital Project	Merged	39,831	39,831	Other						39,831	\$ 39,831
9) Employee Costs	City of Santa Cruz	Project Mgmt & Delivery, Planning, Admin	Merged	-		Other							\$ -
10) Project Mgmt & Delivery, Planning,	City of Santa Cruz	Project Mgmt & Delivery, Planning, Admin	Merged	-		Other							\$ -
11) Agency Admin & Planning	ARC TCS 500	Contract for professional / legal services	Merged	-		Other							\$ -
12) Agency Admin & Planning	Best Best & Krieger LLP	Contract for professional / legal services	Merged	-		Other							\$ -
13) Agency Admin & Planning	CapitalEdge Advocacy LLC	Contract for professional / legal services	Merged	-		Other							\$ -
14) Agency Admin & Planning	CIF Property Management	330 Locust Space Rental	Merged	-		Other							\$ -
15) Agency Admin & Planning	Coastal Evergreen Co.	330 Locust Landscape Maintenance	Merged	-		Other							\$ -
16) Agency Admin & Planning	Earthmine Inc	Mapping Services	Merged	-		Other							\$ -
17) Agency Admin & Planning	First Alarm Inc.	Contract for professional / legal services	Merged	2,752	2,752	Other	229	229	229	229	229	229	\$ 1,374
18) Agency Admin & Planning	First Alarm Inc.	Contract for professional / legal services	Merged	-		Other							\$ -
19) Agency Admin & Planning	Fraser & Associates	Contract for professional / legal services	Merged	-		Other							\$ -
20) Agency Admin & Planning	Hinderliter de Llamas & Associates	Contract for professional / legal services	Merged	-		Other							\$ -
21) Agency Admin & Planning	Hinderliter de Llamas & Associates	Property Tax Analysis & Reports Contract	Merged	-		Other							\$ -
22) Agency Admin & Planning	Keyser Marston Associates, Inc	Contract for professional / legal services	Merged	-		Other							\$ -
23) Agency Admin & Planning	The Gualco Group	Contract for professional / legal services	Merged	-		Other							\$ -
24) Agency Admin & Planning	Work In Progress Coaching	Contract for professional / legal services	Merged	-		Other							\$ -
25) Trolley Study	Kimley-Horn and Associates, In	Contract for professional services	Merged	-		Other							\$ -
26) Trolley Repairs	Santa Cruz Trolley Consortium	Contract for professional services	Merged	-		Other							\$ -
27) Economic Development	Warren Consulting	Contract for professional / legal services	Merged	-		Other							\$ -
28) Lower Pacific Avenue Parking Stud	Kimley-Horn and Associates, In	Economic Development	Merged	-		Other							\$ -
29) Lower Pacific Avenue Parking Stud	Marquez, Ron	Economic Development	Merged	-		Other							\$ -
30) Ocean St Corridor Plan	Design Community & Environm	Capital Project	Merged	-		Other							\$ -
31) Pacific Avenue (Beach Area) Street	City-Public Works	Capital Project	Merged	-		Other							\$ -
32) RDA Public Art-Sculptour	City Arts fund	Installation & related costs	Merged	-		Other							\$ -
33) RDA Public Art-Storefront Galleries	City Arts fund	Installation & related costs	Merged	-		Other							\$ -
34) Tannery Acq Cost loan from hsg	LMHF	To repay portion of Tannery acquisition	Merged	1,345,103	100,000	Other						50,000	\$ 50,000
Totals - LMHF													0
Totals - Bonds													0
Totals - Other				1,484,966	166,903		2,256	2,256	2,256	2,256	2,256	92,085	103,365
Grand total - This Page				1,484,966	166,903		2,256	2,256	2,256	2,256	2,256	92,085	103,365

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust Fund

Bonds - Bond proceeds

Other - reserves, rents, interest earnings, etc

LMHF - Low and Moderate Income Housing Fund

Admin - Successor Agency Administrative Allowance



Exhibit E

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation July 1, 2012	Total Due During Fiscal Year 2012-2013	Funding Source ***	Payable from Other Revenue Sources						Total
							Payments by month						
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
1) Acquire/Construct Refuse Collec. S	Labor Consultants	Professional services -wage monitoring	Merged	0	0	Other	0	0	0	0	0	0	\$ -
2) Acquire/Construct Refuse Collec. S	Barry Swenson Builder	Construct Refuse Collection Site	Merged	0	0	Other							\$ -
3) Acquire/Construct Refuse Collec. S	Various	Capital Project	Merged	16,985	16,985	Bonds	1,415	1,416	1,416	1,416	1,416	1,416	\$ 8,495
4) Beach Area Motel Improv. Program	Various	Agreement for façade improvements	Merged	425,000	225,000	Bonds	18,750	18,750	18,750	18,750	18,750	18,750	\$ 112,500
5) Beach Area Motel Improv. Program	Beach Street Inn & Suites	Agreement for façade improvements	Merged	0	0	Bonds							\$ -
6) Community Service Officer	City of Santa Cruz Police Dept	Interfund labor charge	Merged	0	0	Other							\$ -
7) Community Service Officer	City of Santa Cruz Police Dept	Interfund labor charge	Merged	344,000	86,000	Bonds						43,000	\$ 43,000
8) Downtown Alley Improvements	Various	Capital Project	Merged	153,337	50,000	Bonds	4,167	4,167	4,167	4,167	4,167	4,165	\$ 25,000
9) Downtown Alley Improvements	Coyote Industrial	Downtown Alley blight removal	Merged	3,600	3,600	Bonds	300	300	300	300	300	300	\$ 1,800
10) Downtown Directory program	Various	Downtown Directory program	Merged	4,618	4,618	Bonds	770	770	770	770	770	768	\$ 4,618
11) Downtown Directory program	Type Factory	Contract - Downtown directory program	Merged	0	0	Other							\$ -
12) Downtown Outreach Program	Santa Cruz County	Contract for mental health worker	Merged	0	0	Other							\$ -
13) Downtown Outreach Program	Santa Cruz County	Contract for mental health worker	Merged	300,000	75,000	Bonds	6,250	6,250	6,250	6,250	6,250	6,250	\$ 37,500
14) Downtown Security Services	City-Police Dept	Security contract in downtown	Merged	0	0	Other							\$ -
15) Downtown Security Services	City-Police Dept	Security contract in downtown	Merged	140,000	35,000	Bonds						17,500	\$ 17,500
16) Econ Dev Marketing Workplan	Various	Economic Development	Merged	0	0	Other							\$ -
17) Econ Dev Marketing Workplan	Various	Economic Development	Merged	94,000	75,000	Bonds	6,250	6,250	6,250	6,250	6,250	6,250	\$ 37,500
18) Econ Dev Marketing Workplan	Cabrillo Small Bus Dev Ctr	Contract for Business Dev Svcs	Merged	0	0	Other							\$ -
19) Econ Dev Marketing Workplan	Cabrillo Small Bus Dev Ctr	Contract for Business Dev Svcs	Merged	200,000	50,000	Bonds	4,167	4,167	4,167	4,167	4,167	4,165	\$ 25,000
20) Façade Program	Various	Capital Project	Merged	252,985	136,670	Bonds	11,389	11,389	11,389	11,389	11,389	11,388	\$ 68,335
21) Façade Program	Breakers Hotel LLC (S. Beach Pizz	Agreement for façade improvements	Merged	0	0	Other							\$ -
22) Façade Program	John C. Daly(Gabriella, Spex, SC	Agreement for façade improvements	Merged	0	0	Other							\$ -
23) Façade Program	L Kershner Design	Contract for services	Merged	3,000	3,000	Bonds	250	250	250	250	250	250	\$ 1,500
24) Façade Program	Mark Primack Architect, Inc.	Contract for services	Merged	1,000	1,000	Bonds	83	83	83	83	83	85	\$ 500
25) Façade Program	Nielsen Architects	Contract for services	Merged	3,000	3,000	Bonds	250	250	250	250	250	250	\$ 1,500
26) Façade Program	Wayne Palmer Design Associates	Contract for services	Merged	3,800	3,800	Bonds	317	317	317	317	317	315	\$ 1,900
27) Façade Program	Zero Motorcycles	Agreement for façade improvements	Merged	0	0	Bonds							\$ -
28) Graffiti Abatement Program	Graffiti Protective Coatings, Inc.	Contract for graffiti removal	Merged	0	0	Other							\$ -
29) Graffiti Abatement Program	Graffiti Protective Coatings, Inc.	Contract for graffiti removal	Merged	200,000	50,000	Other	4,167	4,167	4,167	4,167	4,167	4,165	\$ 25,000
30) Grow Santa Cruz	National Dev. Council	Contract for business loan services	Merged	0	0	Bonds							\$ -
31) Grow Santa Cruz	National Dev. Council	Contract for business loan services	Merged	192,000	48,000	Bonds	4,000	4,000	4,000	4,000	4,000	4,000	\$ 24,000
32) Green Business Program	City-Public Works	Green Business Program staff	Merged	0	0	Other							\$ -
33) Green Business Program	City-Public Works	Green Business Program staff	Merged	26,000	6,500	Bonds						6,500	\$ 6,500
Totals - LMHF													0
Totals - Bonds				2,163,325	823,173		58,358	58,359	58,359	58,359	58,359	125,352	417,146
Totals - Other				200,000	50,000		4,167	4,167	4,167	4,167	4,167	4,165	25,000
Grand total - This Page				2,363,325	873,173		62,525	62,526	62,526	62,526	62,526	129,517	442,146

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust Fund

LMHF - Low and Moderate Income Housing Fund

Bonds - Bond proceeds

Other - reserves, rents, interest earnings, etc

Admin - Successor Agency Administrative Allowance

Exhibit E

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation July 1, 2012	Total Due During Fiscal Year 2012-2013	Funding Source ***	Payable from Other Revenue Sources						
							Payments by month						
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total
1) Project for Innovation & Entrepreneurship	Various	UCSC Coop/Program related costs	Merged	0	0	Other	0	0	0	0	0	0	\$ -
2) Project for Innovation & Entrepreneurship	Various	UCSC Coop/Program related costs	Merged	80,000	10,000	Bonds	833	833	833	833	833	835	\$ 5,000
3) Skills Center Job Training	Hope Services	Costs for job training program	Merged	0	0	Other	0	0	0	0	0	0	\$ -
4) Skills Center Job Training	Hope Services	Costs for job training program	Merged	240,000	60,000	Bonds	5,000	5,000	5,000	5,000	5,000	5,000	\$ 30,000
5) Branciforte Creek Bike/Ped Bridge	Strelow, TRC, City-Public Works	Capital Project	Merged	0	0	Other	0	0	0	0	0	0	\$ -
6) Branciforte Creek Bike/Ped Bridge	City-Public Works	Capital Project	Merged	0	0	Bonds	0	0	0	0	0	0	\$ -
7) Highway 1/9 Intersection PHASE I	BKF Engineers	Highway 1/9 Intersection PHASE I	Merged	0	0	Other	0	0	0	0	0	0	\$ -
8) Highway 1/9 Intersection PHASE I	BKF Engineers	Environmental Review Services HWY 1/9	Merged	0	0	Other	0	0	0	0	0	0	\$ -
9) Highway 1/9 Intersection PHASE I	Various, City Public Works	Project Delivery	Merged	12,705	12,705	Other	1,059	1,059	1,059	1,059	1,059	1,058	\$ 6,353
10) Highway 1/9 Intersection PHASE II	City Public Works, Various	Capital Project	Merged	869,819	869,819	Other	72,485	72,485	72,485	72,485	72,485	72,483	\$ 434,908
11) Highway 1/9 Intersection PHASE II	City Public Works, Various	Highway 1/9 Intersection PHASE II	Merged	1,000,000	250,000	Bonds	20,833	20,833	20,833	20,833	20,833	20,835	\$ 125,000
12) Riverside Ave Improvements I	City-Public Works	Capital Project	Merged	0	0	Other	0	0	0	0	0	0	\$ -
13) Riverside Ave Improv Phase II	City-Public Works	Capital Project	Merged	2,148,418	537,105	Bonds	44,759	44,759	44,759	44,759	44,759	44,758	\$ 268,553
14) San Lorenzo River Bridge Replacement	AECOM Technical Services	Capital Project	Merged	0	0	Other	0	0	0	0	0	0	\$ -
15) San Lorenzo River Bridge Replacement	Various	Capital Project	Merged	150,660	150,660	Bonds	12,555	12,555	12,555	12,555	12,555	12,555	\$ 75,330
16) San Lorenzo River Bridge Replacement	Various	Capital Project	Merged	1,500,000	375,000	Bonds	31,250	31,250	31,250	31,250	31,250	31,250	\$ 187,500
17) Wharf Master Plan Phase I	(Moffatt & Nichol Engineers) City	Capital Project	Merged	0	0	Other	0	0	0	0	0	0	\$ -
18) Wharf Capital Improv & Master Plan	Various	Capital Project	Merged	2,215,000	553,750	Bonds	46,146	46,146	46,146	46,146	46,146	46,145	\$ 276,875
19) Citywide Sign Program-design phase	Various	Citywide Sign Program-design	Merged	310,997	310,997	Bonds	25,916	25,916	25,916	25,916	25,916	25,919	\$ 155,499
20) City Wide Sign Program-Phase II	Various	Capital Project	Merged	0	0	Bonds	0	0	0	0	0	0	\$ -
21) Lower Pacific Avenue Improvement	Various	Capital Project	Merged	2,500,000	625,000	Bonds	52,083	52,083	52,083	52,083	52,083	52,085	\$ 312,500
22) Mural Project	Various	Capital Project	Merged	200,000	50,000	Bonds	4,167	4,167	4,167	4,167	4,167	4,165	\$ 25,000
23) Ocean Street Corridor Improvement	Various	Capital Project	Merged	2,500,000	625,000	Bonds	52,083	52,083	52,083	52,083	52,083	52,085	\$ 312,500
24) Pacific Station Project	Various	Capital Project	Merged	100,000	100,000	Bonds	8,333	8,333	8,333	8,333	8,333	8,335	\$ 50,000
25) River Street South Intersection Study	City Public Works, Various	Capital Project	Merged	500,000	125,000	Bonds						62,500	\$ 62,500
26) Employee Costs	City of Santa Cruz	Project Mgmt & Delivery, Planning	Merged	6,000,000	1,500,000	Bonds	125,000	125,000	125,000	125,000	125,000	125,000	\$ 750,000
27) Project Mgmt & Delivery, Planning	City of Santa Cruz	Project Mgmt & Delivery, Planning	Merged	5,943,000	1,485,750	Bonds	123,813	123,813	123,813	123,813	123,813	123,810	\$ 742,875
28)													0
29)													0
30)													0
31)													0
32)													0
33)													0
Totals - LMHF													0
Totals - Bonds				25,388,075	6,758,262		552,771	552,771	552,771	552,771	552,771	615,277	3,379,132
Totals - Other				882,524	882,524		73,544	73,544	73,544	73,544	73,544	73,541	441,261
Grand total - This Page				26,270,599	7,640,786		626,315	626,315	626,315	626,315	626,315	688,818	3,820,393

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust Fund

Bonds - Bond proceeds

Other - reserves, rents, interest earnings, etc

LMHF - Low and Moderate Income Housing Fund

Admin - Successor Agency Administrative Allowance

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34177**

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation July 1, 2012	Total Due During Fiscal Year 2012-2013	Funding Source **	Payable from the Administrative Allowance Allocation						Total
							Payments by month						
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
1) Admin Employee Costs	City of Santa Cruz	Payroll - Project Mgmt, Admin & Planning	Merged	95,400	190,800	Admin	15,900	15,900	15,900	15,900	15,900	15,900	\$ 95,400
2) Admin City Support Services	City of Santa Cruz	City Mgr, Clerk, Finance, HR	Merged	11,450	22,900	Admin	1,908	1,908	1,908	1,908	1,908	1,908	\$ 11,448
3) Admin Facilities	Various	Rent, Utilities, Maintenance	Merged	9,000	18,000	Admin	1,500	1,500	1,500	1,500	1,500	1,500	\$ 9,000
4) Admin Meetings, Noticing, Travel	Various	Meetings, Training, Travel, Official Notices	Merged	250	500	Admin	42	42	42	42	42	42	\$ 252
5) Admin supplies	Various	Office supplies, postage	Merged	375	750	Admin	63	63	63	63	63	63	\$ 378
6) Admin Legal	BBK, City Attorney	Legal counsel	Merged	5,000	10,000	Admin	833	833	833	833	833	833	\$ 4,998
7) Admin Audit	Lance Soll & Lunghard LLP	Agency Audit for June 30, 2012	Merged	3,525	7,050	Admin	588	588	588	588	588	588	\$ 3,524
8)													\$ -
9)													\$ -
10)													\$ -
11)													\$ -
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32)													\$ -
33)													\$ -
<b>Totals - This Page</b>				<b>125,000</b>	<b>250,000</b>		<b>20,834</b>	<b>20,834</b>	<b>20,834</b>	<b>20,834</b>	<b>20,834</b>	<b>20,830</b>	<b>125,000</b>

\*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency:  
 RPTTF - Redevelopment Property Tax Trust Fund      Bonds - Bond proceeds      Other - reserves, rents, interest earnings, etc  
 LMIHF - Low and Moderate Income Housing Fund      Admin - Successor Agency Administrative Allowance

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation July 1, 2012	Total Due During Fiscal Year 2012-2013	Funding Source ***	Payable from Other Revenue Sources						
							Payments by month						Total
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
1) Employee Costs	City of Santa Cruz	Payroll -Project Mgmt, Admin & Planning	Both	0	0	LMHF	0	0	0	0	0	0	\$ -
2) Other Project, Admin, Planning cost	City of Santa Cruz	Admin & Mgmt (utilites; travel;overhead;etc)	Both	0	0	LMHF	0	0	0	0	0	0	\$ -
3) LMIH Emergency Rent Program	Community Action Board	Contract for service	Both			LMHF							\$ -
4) LMIH Emergency Rent Program	Community Action Board	Contract for service	Both	400,000	100,000	Bonds	16,667	16,667	16,667	16,667	16,667	16,665	\$ 100,000
5) LMIH Rental / Security Deposit Ass	Santa Cruz Housing Auth	Contract for service	Both	0	0	LMHF	0	0	0	0	0	0	\$ -
6) LMIH Rental / Security Deposit Ass	Santa Cruz Housing Auth	Contract for service	Both	300,000	75,000	Bonds	12,500	12,500	12,500	12,500	12,500	12,500	\$ 75,000
7) 110 Lindberg Street Affordable Hou	For the Future of Housing, Inc.	LMIH Housing Project	Both	0	0	LMHF	0	0	0	0	0	0	\$ -
8) Senior Housing Development	Mercy Housing	LMIH Housing Project	Both	0	0	Bonds	0	0	0	0	0	0	\$ -
9) Metro Center Housing	SCMTD	LMIH Housing Project	Both	3,860,000	965,000	Bonds	160,833	160,833	160,833	160,833	160,833	160,835	\$ 965,000
10) Employee Costs	City of Santa Cruz	Payroll -Project Mgmt, Admin & Planning	Both	471,635	117,909	LMHF	9,826	9,826	9,826	9,826	9,826	9,826	\$ 58,956
11) Other Project, Admin, Planning cost	City of Santa Cruz	Admin & Mgmt (utilites; travel;overhead;etc)	Both	226,760	56,690	LMHF	4,724	4,724	4,724	4,724	4,724	4,724	\$ 28,344
12) Other Bond Projects	City of Santa Cruz, Various	Project delivery costs	Both	500,000	250,000	Bonds	25,000	25,000	50,000	50,000	50,000	50,000	\$ 250,000
13)													\$ -
14)													\$ -
15)													\$ -
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32)													\$ -
33)													\$ -
Totals - LMHF				698,395	174,599		14,550	14,550	14,550	14,550	14,550	14,550	87,300
Totals - Bonds				5,060,000	1,390,000		215,000	215,000	240,000	240,000	240,000	240,000	1,390,000
Totals - Other													0
Grand total - This Page				5,758,395	1,564,599		229,550	229,550	254,550	254,550	254,550	254,550	1,477,300

\*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency:  
 RPTTF - Redevelopment Property Tax Trust Fund      Bonds - Bond proceeds      Other - reserves, rents, interest earnings, etc  
 LMIHF - Low and Moderate Income Housing Fund      Admin - Successor Agency Administrative Allowance

**000000**  
**CITY OF SANTA CRUZ**  
**SUCCESSOR AGENCY (REDEVELOPMENT AGENCY)**  
**PROPOSED ADMINISTRATIVE BUDGET**  
**July 1 - Dec 31, 2012**

ADMINISTRATIVE ALLOWANCE EXPENSES	TOTAL
Successor Agency Personnel (percent during period) Director (30%), Redevelopment Manager (20%), Redevelopment Finance Manager (60%), Admin Assistant III (20%)	95,400
City Finance and Human Resources (10% of former charge) Reporting, accounts payable and receivable, accounting, payroll	8,250
City Support Services (5% of former RDA charge) City Manager and City Clerk for implementation & transition planning, meeting and agenda preparation	3,200
Legal - City Attorney (10% of former charges) and RDA counsel	5,000
Rent & Facilities Operation	9,000
Audit Services	3,525
Mtgs, noticing, travel	250
Office supplies & postage	375
<b>TOTAL</b>	<b>\$ <u>125,000</u></b>

**Successor Agency Contact Information**

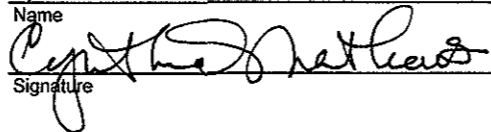
Name of Successor Agency:	<u>City of Santa Cruz</u>
County:	<u>Santa Cruz</u>
Primary Contact Name:	Bonnie Lipscomb
Primary Contact Title:	Executive Director
Address	337 Locust Street Santa Cruz 95060
Contact Phone Number:	<u>831 420-5159</u>
Contact E-Mail Address:	<u>blipscomb@cityofsantacruz.com</u>
Secondary Contact Name:	<u>Kathryn Mintz</u>
Secondary Contact Title:	<u>Redevelopment Finance Manager</u>
Secondary Contact Phone Number:	<u>831 420-5075</u>
Secondary Contact E-Mail Address:	<u>kmintz@cityofsantacruz.com</u>

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

Name of Successor Agency: City of Santa Cruz

	Total Outstanding Debt or Obligation
<b>Outstanding Debt or Obligation</b>	\$ 68,666,141
<b>Current Period Outstanding Debt or Obligation</b>	<b>Six-Month Total</b>
A Available Revenues Other Than Anticipated RPTTF Funding	690,379
B Anticipated Enforceable Obligations Funded with RPTTF	1,420,574
C Anticipated Administrative Allowance Funded with RPTTF	125,000
D Total RPTTF Requested (B + C = D)	1,545,574
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ 2,235,953
E Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller) City of Santa Cruz estimate</i>	4,464,213
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ 2,918,639
<b>Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments</b> (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>	250,000
H Enter Actual Obligations Paid with RPTTF	
I Enter Actual Administrative Expenses Paid with RPTTF	250,000
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>	\$ 1,545,574

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.  
 OB approved August 23, 2012

Cynthia Mathews	Board Chairperson
Name	Title
	8/28/12
Signature	Date

Name of Successor Agency: City of Santa Cruz  
 County: Santa Cruz

Oversight Board Approval Date: \_\_\_\_\_

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

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source								
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total		
<b>Grand Total</b>									68,666,141	\$ 5,877,231	\$ 272,299	\$ -	\$ 311,666	\$ 125,000	\$ 1,420,574	\$ 106,414	\$ 2,235,953
1	2004 Tax Allocation Bonds	4/1/2005	10/1/2031	Bank of New York	Bond issue to fund projects	Merged	6,315,113	328,844					90,699		90,699		
2	2011 A Housing Bonds	3/7/2011	10/1/2024	BNY/J.P. Morgan	Bonds issued to fund housing projects	Merged	11,261,963	925,668					251,079		251,079		
3	2011 B Non Housing Taxable	3/7/2011	10/1/2026	BNY/J.P. Morgan	Bonds issued to fund projects	Merged	29,616,125	2,088,284					628,259		628,259		
4	2011 C Non Housing Tax Exempt	3/7/2011	10/1/2026	BNY/J.P. Morgan	Bonds issued to fund projects	Merged	9,550,872	676,019					163,938		163,938		
5	Bond expenses	4/1/2005, 3/7/2011	10/1/2031, 10/1/2024	Bank of New York	Bond Trustee Fees 14-19 years	Merged	127,400	12,000					12,000		12,000		
6	1010 Pacific OPA	1/18/2002	11/12/2033	1010 Pacific Investors	Payments per OPA	Merged	4,119,141	159,880					81,448		81,448		
7	1280 Shaffer OPA	1/18/2002	11/12/2033	1280 Shaffer Rd Inv.	Payments per OPA	Merged	6,437,253	248,000					125,019		125,019		
8	Chestnut LLC OPA	7/11/2000	11/12/2033	Developer Deferred City Fees	Payments per OPA	Merged	285,895	116,261					58,131		58,131		
15	MBUACPD-Powertrain R & D (Zero)	3/8/2011	3/8/2013	Zero Motorcycles	Grant Agreement-Pass through	Merged	2,209	20,000						2,209	2,209		
16	MBUAD-Trolley Grant Agreement	1/12/2012	1/12/2014	Trolley Consortium/bid depend	Grant Agreement-Pass through	Merged	29,205	69,205						29,205	29,205		
30	EDA/CCH Grant Agmt.	9/30/2009		Various (bid dependent)	TDMC-Kron landscaping	Merged	75,000	75,000						75,000	75,000		
34	EDA/CCH Grant Agmt.	9/30/2009		Tannery Arts Center	TDMC-Space 110 Space Costs -no tenant	Merged	9,000	15,000			9,000				9,000		
45	Del Mar Property Management			Various - TBD	Del Mar Facility maintenance & mgmt	Merged	11,820	24,320			11,820				11,820		
47	Del Mar Property Management			Various (bid dependent)	Del Mar Theater exterior painting	Merged	130,000	150,000			130,000				130,000		
49	Del Mar Parking Lot 7 Reconst.	7/1/2007		City-Public Works	Capital Project	Merged	39,831	69,831			39,831				39,831		
66	Trolley Agreement	3/7/2011		Kimley-Horn and Associates, Inc	Contract for professional services	Merged	7,065	15,065			7,065				7,065		
67	Trolley Repairs	6/13/2011		Santa Cruz Trolley Consortium	Contract for professional services	Merged	7,950	16,950			7,950				7,950		
69	Lower Pacific Avenue Parking Study	3/9/2011		Kimley-Horn and Associates, Inc	Economic Development	Merged	10,000	37,049			10,000				10,000		
70	Lower Pacific Avenue Parking Study	2/16/2011		Marquez, Ron	Economic Development	Merged	0	1,640									
72	Pacific Avenue (Beach Area) Streetscape	9/27/2006		City-Public Works	Capital Project	Merged	44,000	89,472			44,000				44,000		
86	Downtown Directory Sign Program	3/10/2011		Type Factory	Contract - Downtown directory program	Merged	2,000	5,144			2,000				2,000		
103	Graffiti Abatement Program	3/1/2011	6/30/2013	City, Graffiti Protective Coating	Contract for graffiti removal	Merged	175,000	50,000			50,000				50,000		
133	LMIH Project Mgmt & Delivery			City of Santa Cruz	Project Mgmt & Delivery, Planning	Merged	87,299	174,599	87,299						87,299		
155	110 Lindberg Street Affordable Housing	3/8/2011		City of Santa Cruz	Project Delivery Costs	Both	185,000	250,000	185,000						185,000		
135	Admin Employee Costs			City of Santa Cruz	Staff Payroll Costs	Merged	95,400	190,800				95,400			95,400		
136	Admin City Support Services			City of Santa Cruz	City Mgr, Clerk, Finance, HR, IT	Merged	0	11,450									
139	Admin Facilities			Various	Rent, Utilities, Maintenance	Merged	9,000	18,000				9,000			9,000		
140	Admin Meetings, Noticing, Travel			Various	Meetings, Training, Travel, Official Notices	Merged	250	500				625			625		
141	Admin supplies			Various	Office supplies, postage	Merged	375	750									
142	Admin Legal			BBK, City Attorney	Legal counsel, document review	Merged	15,320	20,320				15,320			15,320		
143	Admin Audit			Lance Soil & Lughard LLP	Audits	Merged	4,655	8,180				4,655			4,655		
170	Oversight Board Legal Counsel			To be Determined	Legal counsel available to Oversight Board Members	Merged	10,000	10,000					10,000		10,000		
171																	



Name of Successor Agency: City of Santa Cruz  
County: Santa Cruz

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

Item #	Notes/Comments





Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other		TOTAL	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
5	22	Mural Matching Grant Program	Various	Capital Project	Merged														
5	23																		
5	24																		
5	25																		
5	26	Series C Employee Costs	City of Santa Cruz	Project Mgmt & Delivery, Planning	Merged														
5	27	Admin	City of Santa Cruz	Project Mgmt & Delivery, Planning	Merged														
6	1	Admin Employee Costs	City of Santa Cruz	Payroll	Merged							133,400	133,400					133,400	133,400
6	2	Admin City Support Services	City of Santa Cruz	City Mgr, Clerk, Finance, HR, IT	Merged							34,566	34,566					34,566	34,566
6	3	Admin Insurance	City of Santa Cruz	Liability insurance, surety bonds	Merged							7,602	7,602					7,602	7,602
6	4	Admin Telecommunication Charges	City of Santa Cruz	Telephone, networking, software	Merged							2,222	2,222					2,222	2,222
6	5	Admin Facilities	Various	Rent, Utilities, Maintenance	Merged							16,100	16,100					16,100	16,100
6	6	Admin Meetings, Noticing, Travel	Various	Meetings, Training, Travel, Official Notices	Merged							460	460					460	460
6	7	Admin supplies	Various	Office supplies, postage	Merged							690	690					690	690
6	8	Admin Legal	BBK City Attorney	Legal counsel, document review	Merged							27,600	27,600					27,600	27,600
6	9	Admin Audit	Lance Soll & Lunghard LLP	Agency Audit for January 31, 2011	Merged							7,360	7,360					7,360	7,360
7	1	Employee Costs	City of Santa Cruz	Payroll - Project Mgmt, Admin & Planning	Both	66,976	66,976											66,976	66,976
7	2	Other Project, Admin, Planning costs	City of Santa Cruz	Admin & Mgmt (utilities, travel/overhead, etc)	Both	30,475	30,475											30,475	30,475
7	3	Emergency Rent Program	Community Action Board	Contract for service	Both	80,361	49,151											80,361	49,151
7	4																		
7	5	Rental / Security Deposit Asst	Santa Cruz Housing Auth	Contract for service	Both	35,684	54,712											35,684	54,712
7	6																		
7	7	110 Lindberg Street Affordable Housing	For the Future of Housing	LMIH Housing Project	Both	2,200,000	-											2,200,000	-
7	8																		
7	9																		
7	10																		
7	11																		
7	12	110 Lindberg Street Affordable Housing	City of Santa Cruz	Project Delivery Costs	Both	25,000												25,000	
8	1	Capital Project	City-Public Works	Soquel/Frederick Int. Improvement	Eastside					148,300	-							148,300	-
8	2	Capital Project	City-Public Works	Soquel/Park Way Int. Improvement	Eastside					214,515	-							214,515	-
8	3	Section 33676 Payments	Santa Cruz City Schools	Payments per former CRL 33676	Eastside					64,069	64,069							64,069	64,069
NEW	NEW	Statutory Payments	Santa Cruz County	Payments per CRL (AB 1484)	Eastside									1,040,000				-	1,040,000
9	2	Eastside Street Tree Project	Coastal Evergreen Co	Contract for professional services	Eastside					1,280	1,280							1,280	1,280
10	1	Admin Employee Costs	City of Santa Cruz	Payroll	Eastside							11,600	11,600					11,600	11,600
10	2	Admin City Support Services	City of Santa Cruz	City Mgr, Clerk, Finance, HR, IT	Eastside							3,006	3,006					3,006	3,006
10	3	Admin Insurance	City of Santa Cruz	Liability insurance, surety bonds	Eastside							661	661					661	661
10	4	Admin Telecommunication Charges	City of Santa Cruz	Telephone, networking, software	Eastside							193	193					193	193
10	5	Admin Facilities	Various	Rent, Utilities, Maintenance	Eastside							1,400	1,400					1,400	1,400
10	6	Admin Meetings, Noticing, Travel	Various	Meetings, Training, Travel, Official Notices	Eastside							40	40					40	40
10	7	Admin supplies	Various	Office supplies, postage	Eastside							60	60					60	60
10	8	Admin Legal	BBK City Attorney	Legal counsel, document review	Eastside							2,400	2,400					2,400	2,400
10	9	Admin Audit	Lance Soll & Lunghard LLP	Agency Audit for January 31, 2011	Eastside							640	640					640	640

Oversight Board of the Successor Agency  
to the Redevelopment Agency of the City of Santa Cruz  
809 Center Street  
Santa Cruz, CA 95060



## DRAFT MINUTES OF THE OVERSIGHT BOARD MEETING

### Regular Meeting

October 11, 2012

9:30A.M. CONSENT AND GENERAL BUSINESS, COUNCIL CHAMBERS

### Call to Order

City Clerk Administrator Bren Lehr called the meeting to order at 9:32 a.m. in the City Courtyard Conference Room.

### Roll Call

Present: Board Members Coonerty, Guevara, Meza, Spencer, Vice Chair Ley (arrived at 9:35), and Chair Mathews

Absent: Board Member Bryant

Staff: Economic Development Director B.Lipscomb, Assistant Finance Director, C. Fyfe, and Accountant R. Reader

### Administrative Business

**ACTION:** By consensus, the Board Members agreed that Chair Mathews and Economic Development Director B. Lipscomb would speak to the State Legislature.

Presentations - NONE

Additions and Deletions - NONE

### Consent Agenda

#### 2. Approve Minutes of the October 3, 2012 Oversight Board Meeting

Resolution No. OBSA-3 was adopted to approve the minutes of the October 3, 2012 Oversight Board Meeting.

Chair Mathews opened the public comment period. There were no speakers. Chair Mathews closed the public comment period.

**ACTION:** Motion by Spencer, second by Guevara, and carried by a 6:1:1 vote (Bryant absent, Coonerty abstained); the Board Members approved the Consent Agenda.

### General Business

3. Approve and Submit Low and Moderate Income Fund Due Diligence Review

Resolution No. OBSA-6 was adopted to approve the Low and Moderate Income Fund Due Diligence Review.

Chair Mathews opened the public comment period. There were no speakers. Chair Mathews closed the public comment period.

**ACTION:** Motion by Spencer, second by Coonerty, and carried by a 6:1:0 vote (Bryant absent); the Board Members approved the resolution.

4. Select Oversight Board Legal Counsel

**ACTION:** By consensus, the Board Members agreed to the following:

1. All taxing entities besides the City of Santa Cruz will share the initial cost of outside legal counsel up to \$8,000.00 with the final \$2,000.00 to be paid by the City of Santa Cruz;
2. Formation of a subcommittee to work with staff on the creation of a letter of intent, check references, and interview potential legal counsel. Chair Mathews appointed Ley, Mesa, and Guevara as the subcommittee members.

### Oral Communications

Chair Mathews opened the public comment period and asked Economic Development Director B. Lipscomb to provide updates at this and future meetings. Chair Mathews closed the public comment period.

**Adjournment** - At 9:53 a.m.

APPROVED: \_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
City Clerk Administrator



RENNE SLOAN HOLTZMAN SAKAI LLP

350 Sansome Street, Suite 300  
San Francisco, CA 94104-1304  
t: 415.678.3800  
f: 415.678.3838

November 9, 2012

DAVID KAHN  
(415) 678-3810  
[DKAHN@PUBLICLAWGROUP.COM](mailto:DKAHN@PUBLICLAWGROUP.COM)

VIA EMAIL

J. Guevara  
Redevelopment Manager  
City of Santa Cruz  
Economic Development Dept.  
337 Locust St.  
Santa Cruz, CA 95060

**Re: Legal Service to the City of Santa Cruz Oversight Board**

Dear Mr. Guevara:

We are delighted to be recommended as legal counsel to the City of Santa Cruz Oversight Board.

Per your request, following is a list of Oversight Boards that I provide legal services to:

- City of Healdsburg
- City of Salinas
- City of Petaluma
- City of Santa Monica (effective January 1, 2013)

We are also attaching a sample retainer agreement for as-needed legal counsel. We have no problem providing advice on an "as needed" basis via email or conference call, subject to discussion if it appears that a closed session or other direct communication is required.

We have determined that our firm has represented the County of Santa Cruz in labor and employment matters entirely unrelated to redevelopment issues, and has a current labor matter it is representing the County on. While there is no actual conflict, in view of that representation it will be necessary to obtain waiver letters from the Oversight Board and the County.

We look forward to working with the City of Santa Cruz Oversight Board.

Sincerely,  


David Kahn

DEK/etk  
Attachments



November 9, 2012

DAVID KAHN  
(415) 678-3810  
[DKAHN@PUBLICLAWGROUP.COM](mailto:DKAHN@PUBLICLAWGROUP.COM)

J. Guevara  
Redevelopment Manager  
City of Santa Cruz  
Economic Development Dept.  
337 Locust St.  
Santa Cruz, CA 95060

**Re: Retention of Services**

Dear Mr. Guevara:

This letter sets forth proposed terms for retention of Renne Sloan Holtzman Sakai LLP to provide as-needed Legal Services to the City of Santa Cruz Oversight Board. Please review and return a signed copy.

The Firm will bill the City of Santa Cruz Oversight Board for professional services provided by David Kahn at a public agency discounted billing rate of \$285 per hour. Our associate rates depend on the associate's years of experience out of law school and the rates are \$205 to \$285 per hour. Paralegals are billed at \$95 to \$125 per hour. Billing is done in 1/10s of an hour increments.

In addition, the Firm charges separately for certain costs incurred in the representation, as well as for any disbursements to third parties made on the client's behalf. Such costs and disbursements include, for example, the following: travel (at the IRS rate in effect at the time the travel occurs), computer-assisted research, transcription, overnight delivery and messenger services. For major disbursements to third parties, invoices may be sent directly to you for payment. The Firm also bills for time spent traveling on a client's behalf.

We will bill you on a monthly basis for services performed and costs incurred. Payment is due within 30 days of the date an invoice is rendered. Past due amounts will be shown on the invoice.

You may terminate our services at any time, subject to any applicable requirements for withdrawal of counsel imposed by a tribunal. The Firm reserves the right to withdraw from the representation for failure of the client to make timely payment of fees, costs, and disbursements in accordance with the fee arrangement described in this letter, or for any other reason permitted by the applicable Rules of Professional Conduct.



J. Guevara  
Retention of Services – City of Santa Cruz  
Page Two

Please let me know if you have any questions or comments regarding this letter or any other matter. If the terms are agreeable, please sign below and return the original of this letter to me. Renne Sloan Holtzman Sakai LLP appreciates the opportunity to work with the City of Santa Cruz Oversight Board.

Sincerely,

David Kahn  
Partner

DEK:etk

THE CITY OF SANTA CRUZ OVERSIGHT BOARD AGREES TO THE TERMS SET  
FORTH ABOVE

\_\_\_\_\_

Dated: \_\_\_\_\_, 2012