Appendix A

DEFINITION OF TERMS

Administrative Budget – budget for administrative costs of successor agencies provided in H&S §34177. The following are some of the activities for which successor agencies may be entitled for the payment of administrative costs:

- Implementation/payment of enforceable obligations or those items in the Recognized Obligation Payment Schedule (ROPS);
- prepare or provide documents to Department of Finance (DOF) and State Controller Office (SCO) as requested;
- maintain reserves required by indentures or agency bonds;
- disposal of assets as directed by Oversight Board, etc.(H&S 34171 (a))
- Administrative Cost Allowances, which an administration fee approved by the Oversight Board is paid from property tax revenues to Successor Agency. For FY 2011-12, this allowance is up to 5% of the property tax allocated to Successor Agency. For FY 2012-13 and thereafter, this amount is up to 3% of property tax allocated to Redevelopment Obligation Retirement Fund. Minimum payment is $250,000 and excludes administrative cost paid out of bond proceeds or from sources other than property tax (H&S §34171 (b)).

Affected Taxing Entities (ATE) – cities, counties, a city and county, special districts, and school entities that are within in a RDA project area and consequently share property taxes derived from the project area with the RDA.

Designated Local Authority – is a public body formed with all the powers and duties of a Successor Agency when neither a sponsoring entity nor a local agency becomes a successor entity. (H&S §34173(d)(3))

Enforceable Obligation – refers to the following:

- Bond issued by the former RDA
- Loans borrowed by the RDA
- Payments required by federal, state, and agency's employees related commitments such as pensions, UI, and other Collective Bargaining Agreement obligations
- Judgments and settlements entered by a court of law
- Any legally binding and enforceable agreement or contract not otherwise void as violating debt limit or public policy
- Contracts or agreements necessary for the administration or operation of the Successor Agency

Enforceable Obligation Schedule (EOS) - The schedule of Enforceable Obligations prepared and adopted by the RDA within 60 days of the effective date of the bill or within 60 days of entering dissolution.

Indebtedness Obligation – bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the RDA, or by a joint exercise of powers authority created by the RDA, to third party investors or bondholders to finance or refinance redevelopment projects undertaken by the RDA.

Oversight Board – an appointed body comprised of seven members selected by the county's Board of Supervisors, city mayor, county superintendent Office of Education, Chancellor of California Community Colleges, special districts, and from the recognized employee organization representing the former employees of the RDA. The Oversight Board provides direction to the Successor Agency's activities in winding down the affairs of the former RDA.

Recognized Obligations – obligation listed in the Recognized Obligation Payment Schedule (ROPS).

Recognized Obligation Payment Schedule – the document that sets the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period per H&S §34177.

Residual Balance – The actual cash balance (if any) in the Redevelopment Property Tax Trust Funds (RPTTF) remaining after all other required distributions under H&S 34183 have been made for the period.

School Entity – school districts, community college districts, and other education entities.

Sponsor Community – The county or city sponsoring the RDA/Successor Agency.

Successor Agency – the cities, counties, a city and county that authorized the creation of each redevelopment or another entity as provided in H&S §34173

"Wind Down" Reduction Amount – the amount that Tax Revenues due Successor Agencies are to be reduced for obligations on the ROPS that have been paid-off, retired or other satisfied.