



DATE: January 18, 2018

TO: Successor Agency Oversight Board

FROM: Executive Director

SUBJECT: Approval of the Annual Recognized Obligation Payment Schedule for the Period July 1, 2018 to June 30, 2019 and the Successor Agency Administrative Budget for the Period July 1, 2018 to June 30, 2019

RECOMMENDATION

That the Oversight Board adopts the attached resolution (Attachment II) that approves the Recognized Obligation Payment Schedule (ROPS 18-19) for the period July 1, 2018 through June 30, 2019 and the Successor Agency Administrative Budget for the period July 1, 2018 through June 30, 2019 and authorizes staff to take other administrative actions and execute contracts and such other documents as are appropriate to effectuate the intent of the resolution and all actions necessary to effectuate associated requirements of Assembly Bill x126 and AB 1484 (collectively, the "Dissolution Statutes").

BACKGROUND

Under the Dissolution Statutes, all California redevelopment agencies were dissolved effective February 1, 2012, and various actions are now required by successor agencies to unwind the affairs of all former redevelopment agencies.

The Dissolution Statutes require that the Successor Agency prepare and the Oversight Board approve a recognized obligation payment schedule (individually a "ROPS" and collectively, "ROPS's") setting forth for each twelve-month period all Enforceable Obligations (as defined in the Dissolution Act) of the Dissolved RDA.

The Dissolution Act generally provides that (with exceptions) agreements between the Dissolved RDA and the City are not Enforceable Obligations, but Health and Safety Code Codes 34188(a) and 34190(h) authorize the Successor Agency and the City, with Oversight Board approval, to reenter into such agreements.

DISCUSSION

The intent of this report is to secure approval of the Recognized Obligation Payment Schedule for the period July 1, 2018 through June 30, 2019 (ROPS 18-19) and the Fiscal Year 2019 Administrative Budget (Attachments III and IV). Each year the Successor Agency is required to prepare and submit an Annual ROPS that outlines the required

payments the Successor Agency must make to meet required obligations and to wind-down the affairs of the former Redevelopment Agency. Once the Oversight Board approves these items, staff will submit them to the Department of Finance by the February 1, 2018 deadline.

ROPS 18-19 includes repayment requests, for among other enforceable obligations, the interagency loan approved by the Oversight Board on May 21, 2012 pursuant to Health and Safety Code Sections 34188(a) and Section 34190(h) and the Housing Administrative Cost Allowance as allowed under Health and Safety Code Section 34186.1(a). The Successor Agency will make one repayment to the City of \$800,000 on July 1, 2018 per the Reentered Repayment Agreement.

Implementation Actions: The accompanying resolution authorizes and directs staff to take all administrative steps on behalf of the Successor Agency to implement upcoming requirements under the Dissolution Act and AB 1484, including providing necessary notices, transmittals, and postings regarding the ROPS and Successor Agency administrative budget.

Environmental Review: The actions set forth in the recommended accompanying resolution, as summarized above, are exempt under Guideline 15378(b)(4) of the California Environmental Quality Act (CEQA) in that the actions do not constitute a “project,” but instead are required to continue a governmental funding mechanism for enforceable obligations of the former Redevelopment Agency and to perform the statutorily mandated unwinding of the assets, liabilities, and functions of the former Redevelopment Agency pursuant to the Dissolution Act.

ECONOMIC AND FISCAL IMPACT

Approval of ROPS 18-19 will facilitate the ability of the Successor Agency to continue payment of the enforceable obligations of the former Redevelopment Agency and is among the measures required to be taken to avoid triggering an event of default under any enforceable obligations. Approval of the Successor Agency administrative budget will facilitate the Successor Agency's receipt of the funds to which it is entitled under the Dissolution Act and AB 1484 to implement its administrative responsibilities.

NEXT STEPS

Following approval of the ROPS 18-19 by the Oversight Board, staff will submit this to the Department of Finance by the February deadline for approval. The Department of Finance then has an opportunity to review and object to any items on the ROPS and/or request additional documentation. If any items on the ROPS 18-19 are challenged, the Successor Agency will have an opportunity to request a meet and confer session if staff disagrees with any of the Department of Finance's determinations. All Department of Finance meet and confer determinations must be made fifteen days prior to June 1, 2018, which is when the Successor Agency will receive the first disbursement of tax increment funds approved pursuant to the ROPS 18-19.

Prepared and Recommended by: John Stefanski, Management Analyst II

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, Executive Director