



*SUCCESSOR AGENCY TO THE COSTA MESA
REDEVELOPMENT AGENCY*

AGENDA REPORT

MEETING DATE: September 16, 2014 **ITEM NUMBER:**

SUBJECT: **REVIEW AND APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE 14-15B SIX-MONTH FISCAL PERIOD OF JANUARY 1, 2015 TO JUNE 30, 2015 ("ROPS 14-15B")**

DATE: **September 5, 2014**

FROM: **FINANCE DEPARTMENT**

PRESENTATION BY: **COLLEEN O'DONOGHUE, CPA, ASSISTANT FINANCE DIRECTOR**

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RECOMMENDED ACTION

Adopt Successor Agency Resolution No. 14-__ Approving the Recognized Obligation Payment Schedule for the 14-15B six-month fiscal period of January 1, 2015 to June 30, 2015 ("ROPS 14-15B"), subject to submittal to and review by the Oversight Board and then by the State Department of Finance ("DOF"). Further, the Assistant Finance Director, in consultation with legal counsel, shall be authorized to request and complete meet and confer session(s) with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

BACKGROUND AND DISCUSSION

The Successor Agency to the Costa Mesa Redevelopment Agency is performing its functions under the Dissolution Law, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, the "Dissolution Law"), to administer the enforceable obligations and otherwise unwind the former Agency's affairs, all subject to the review and approval by the seven-member Oversight Board.

At previous meetings of the Successor Agency, pursuant to the Dissolution Law prior Recognized Obligation Payment Schedules I, II, III, 13-14A, 13-14B and 14-15A were approved and thereafter submitted to the DOF, and ultimately approved with modifications. Pursuant to Section 34171(g) of Part 1.85, a "Recognized Obligation Payment Schedule" ("ROPS") means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided

in subdivision (m) of Section 34177. Under the dates in the Dissolution Law, the Successor Agency is required to consider and adopt the ROPS for the 14-15B six-month fiscal period of January 1, 2015 to June 30, 2015 and submit such approved ROPS 14-15B to the DOF on or before October 1, 2014.

Section 34177(l) of Part 1.85 requires the Successor Agency to take actions with regard to each ROPS as follows:

- “(l)(1) Before each six-month fiscal period, prepare a Recognized Obligation Payment Schedule in accordance with the requirements of this paragraph. For each recognized obligation, the Recognized Obligation Payment Schedule shall identify one or more of the following sources of payment:
 - (A) Low and Moderate Income Housing Fund.
 - (B) Bond proceeds.
 - (C) Reserve balances.
 - (D) Administrative cost allowance.
 - (E) The Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of this part.
 - (F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board in accordance with this part.
- (2) A Recognized Obligation Payment Schedule shall not be deemed valid unless all of the following conditions have been met:
 - (A) A Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former redevelopment agency. ...
 - (B) The Recognized Obligation Payment Schedule is submitted to and duly approved by the oversight board. 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 Recognized Obligation Payment Schedule to the oversight board for approval.
 - (C) A copy of the approved Recognized Obligation Payment Schedule is submitted to the county auditor-controller and both the Controller's office and the Department of Finance and be posted on the successor agency's Internet Web site.
- (3) The Recognized Obligation Payment Schedule shall be forward looking to the next six months. ...”

The draft ROPS 14-15B, Attachment 1 to this agenda report, includes listings comparable to the Enforceable Obligations in the DOF-approved ROPS I, II, III, 13-14A, 13-14B and 14-15A in addition to the Section 34191.4 City/Agency reinstated loan approved by the DOF in May 2014. During the presentation of this agenda item, Successor Agency staff will explain the ROPS 14-15B and update the Successor Agency about its communications with the DOF and CAC in implementation of the Dissolution Law.

Staff recommends that the Successor Agency adopt the attached Resolution approving the ROPS 14-15B and authorize the Successor Agency's Assistant Finance Director and her authorized designee(s) to transmit to the Oversight Board for its review and approval, and concurrently to send a copy of the ROPS 14-15B to the State Department of Finance ("DOF"), the County Auditor-Controller ("CAC"), the County Administrative Officer ("CAO"), and State Controller's Office ("SCO"). In the event the ROPS 14-15B is directed to be changed by the DOF, then the Assistant Finance Director and her designees, in consultation with legal counsel, shall be authorized to request and complete meet and confer session(s) with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency and the Oversight Board. Pursuant to the Dissolution Law, the Successor Agency staff will transmit again the ROPS 14-15B after it is approved by the Oversight Board to the SCO, CAC, and DOF.

Section 34177(m) provides that for each ROPS submitted to the DOF, the DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations on each ROPS submitted no later than 45 days after submittal. If an item or items on ROPS 14-15B are disallowed by the DOF, then the Successor Agency may request a formal "meet and confer" meeting with DOF staff, in which event, Successor Agency staff will update the board on this matter.

FISCAL AND LEGAL REVIEW

The Finance Department staff has worked with the Successor Agency's special counsel Stradling Yocca Carlson & Rauth in preparation of this ROPS 14-15B pursuant to the Dissolution Law.

CONCLUSION

Staff recommends adoption of the attached resolution approving the Successor Agency's ROPS 14-15B for the period January 1, 2015 to June 30, 2015.

Thomas R. Hatch
Chief Executive Officer
and Executive Director

Colleen O'Donoghue
Assistant Finance Director

Attachments:

1. [Recognized Obligations Payment Schedule 14-15B for the Six-Month Fiscal Period January 1, 2015 to June 30, 2015](#)
2. [Successor Agency Resolution Approving ROPS 14-15B](#)