



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 1/27/16 **CONTROL NO:** **ITEM NO:** 3

TO: CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

SUBJECT: RESOLUTION NO. OB 16-41 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2016 THROUGH JUNE 30, 2017 AND TAKING RELATED ACTIONS

FROM: Justine Menzel, Deputy Executive Director

PRESENTATION BY: Justine Menzel, Deputy Executive Director

BACKGROUND

Pursuant to Section 34177 of the Health and Safety Code ("HSC"), in order to make payments on enforceable obligations, the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for specified fiscal periods. Previously, each ROPS covered a six-month period (commencing January 1 and July 1, respectively). SB 107, which was enacted in September 2015, amended HSC Section 34177, to provide that, beginning with fiscal year 2016-17, the Successor Agency must prepare a ROPS annually (instead of twice a year).

All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the DOF for review. HSC Section 34177 also requires the Successor Agency to submit an Oversight Board-approved ROPS to the DOF and to the County Auditor-Controller no later than February 1, 2016. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any item on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the

amount and funding source for each enforceable obligation listed on ROPS 16-17 no later than April 15, 2016. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 16-17 may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board at least 60 days before disbursements from the Redevelopment Property Tax Trust Fund ("RPTTF") are required to be made.

The County Auditor-Controller is required to make RPTTF disbursements to the Successor Agency pursuant to the DOF-approved ROPS 16-17 on June 1, 2016 (to cover enforceable obligation payments from July 1, 2016 through December 31, 2016) and January 2, 2017 (to cover enforceable obligation payments from January 1, 2017 through June 30, 2017).

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS 16-17 by February 1, 2016, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that ROPS 16-17 is not submitted to the DOF. The penalty will be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit ROPS 16-17, creditors of the Successor Agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit ROPS 16-17 within 10 days of the February 1, 2016 deadline, the Successor Agency's maximum administrative cost for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations," the DOF may order the County Auditor-Controller to withhold a scheduled RPTTF disbursement to the Successor Agency pending the DOF's review of the related ROPS. (It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations." Possibly, it is referring to October 1 and April 1, the dates by which the County Auditor-Controller must prepare estimates for the upcoming RPTTF disbursements on January 2 and June 1, respectively, and provide the estimates to the DOF, the Successor Agency and the taxing entities.) In conjunction with such a withholding, the DOF may order the County Auditor-Controller to disburse to the taxing entities money from the RPTTF that the DOF determines to be in excess of the amount needed for enforceable obligations.

FISCAL IMPACT

The preparation and submittal of ROPS 16-17 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2016 to June 30, 2017.

RECOMMENDATION

By Minute Motion that the Oversight Board adopt Resolution OB 16-41 approving the Recognized Obligation Payment Schedule for the annual period from July 1, 2016 through June 30, 2017.

ATTACHMENTS

Resolution No. OB 16-41, with Recognized Obligation Payment Schedule for the annual period from July 1, 2016 through June 30, 2017 as Exhibit A

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Artesia
County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	16-17A Total	16-17B Total	ROPS 16-17 Total
A Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds Funding	-	-	-
C Reserve Balance Funding	-	-	-
D Other Funding	-	-	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 697,167	\$ 845,868	\$ 1,543,035
F Non-Administrative Costs	522,167	770,868	1,293,035
G Administrative Costs	175,000	75,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 697,167	\$ 845,868	\$ 1,543,035

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) 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 successor agency.

Name Title

/s/ _____
Signature Date

RESOLUTION NO. OB 16-41

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2016 THROUGH JUNE 30, 2017 AND TAKING RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code Section 34177(o), the Successor Agency to the Artesia Redevelopment Agency (the “Successor Agency”) must prepare a Recognized Obligation Payment Schedule listing the anticipated payments for enforceable obligations to be made by the Successor Agency during the fiscal period from July 1, 2016 through June 30, 2017 (“ROPS 16-17”) and submit ROPS 16-17 to the oversight board of the Successor Agency (the “Oversight Board”) for approval; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(C) and Section 34177(o)(1), the Successor Agency must: (i) submit the Oversight Board-approved ROPS 16-17 to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than February 1, 2016, and (ii) post a copy of the Oversight Board-approved ROPS 16-17 on the Successor Agency’s website;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the proposed ROPS 16-17, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to: (i) submit a copy of Oversight Board-approved ROPS 16-17 to the DOF, the Office of the State Controller, and the County Auditor-Controller and (ii) post a copy of the Oversight Board-approved ROPS 16-17 on the Successor Agency’s Internet website (being a page on the Internet website of the City of Artesia).

Section 3. The Staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and making adjustments to ROPS 16-17 pursuant to the DOF’s instructions, and any such actions previously taken are hereby ratified and confirmed.

PASSED AND ADOPTED this 27th day of January, 2016.

Kathrin Wardle, Vice Chair

ATTEST:

Gloria Considine, Secretary

EXHIBIT A

**SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2016 – June 30, 2017)**