



AGENDA ITEM

- MEETING DATE:** January 14, 2021
- TITLE:** Consideration of an Oversight Board Resolution approving the Recognized Obligation Payment Schedule (ROPS) 21-22 for the period of July 1, 2021 through June 30, 2022.
- PRESENTED TO:** 5th District Consolidated Oversight Board, Stephen Dickinson, Chair
C/O Kenneth Hahn Hall of Administration 500
West Temple Street, Room B-50 Los Angeles,
CA 90012
- RECOMMENDATION:** THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY Adopt an Oversight Board Resolution entitled, "A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GLENDORA COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF GLENDORA, CALIFORNIA, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 21-22 PURSUANT TO THE HEALTH AND SAFETY CODE."
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BACKGROUND:

Pursuant to Health and Safety Code (HSC) section 34177, and most recently SB107, provide that the Successor Agency to the Glendora Community Redevelopment Agency of the City of Glendora is required to submit an annual ROPS to the Oversight Board for approval in order to obtain sufficient funds to meet authorized financial obligations of the Agency. Subsequent to approval of the ROPS, it must then be submitted to the California State Department of Finance (DOF) by February 1, 2021.

DISCUSSION:

Attached is the ROPS 21-22 covering the Successor Agency's annual obligations for the period beginning July 1, 2021 through June 30, 2022.

The ROPS schedule has Redevelopment Property Tax Trust Fund (RPTTF) line items for debt service payments related to the bonds listed below. Principle, interest and related trustee costs on the following debt are the major remaining obligations.

- 2003 Tax Allocation Bonds, Nontaxable Series A
- 2003 Series A Bonds-Low & Moderate Income Obligation
- 2006 Series B Revenue Tax Allocation Bonds

A summary of the ROPS is as follows:

	21-22
RPTTF – Administration	200,000
RPTTF – Bond Reimbursement Agreement	346,753
RPTTF – Bond debt service	2,047,019
RPTTF – Maintenance of Successor Agency property	300
RPTTF – Bond Trustee Fees	4,350
RPTTF – Annual Issuer Fee	2,114
Total ROPS 20-21	2,600,536

Agreement between the City and Successor Agency (Line 1 of the ROPS)

Background: On June 26, 2012, the Oversight Board approved a Designated Agreement between the City and Successor Agency in the amount of \$5,595,000. When adding accrued interest of \$944,800 on the agreements up to the re-approval date in 2012, the total amount owed is at least \$7,213,404. This agreement was necessitated to address the DOF’s denial to recognize this obligation as valid preexisting debt which if the denial remained; the debt could not be included in the ROPS and then repaid to the City.

On May 16, 2014, the Successor Agency was notified by the DOF that after much effort on the Agency’s part, the Re-executed Designated Agreement in the amount of \$5,595,000 is no longer being denied.

Since that time, the Agency and DOF have had several meet and confer appointments. The outcome is that the DOF contends and prevailed during the meet and confer process that the payment for this obligation comes from “residual pass-through amounts distributed to taxing entities” and is subject to recalculation each fiscal year pursuant to HSC 34191.4 (b)(2)(A). The Agency may be eligible for additional funding based on whether there is any residual.

This year the Agency has included a request for residual available from Tax Year 2020-21 in the amount of \$346,753.

Report of Cash Balances

The Report of Cash Balances has been prepared for the period of July 1, 2018 through June 30, 2019. However, the Agency has concerns if the DOF were to use the amount of \$302,916 reported in Column F, Row 6 labeled Other Funds Ending Actual Available Cash Balance to replace a portion of the RPTTF distribution for ROPS 21-22. The Agency has reviewed adjustments since June 30, 2019 and the DOF has adjusted RPTTF distributions by a total of \$312,506 which exceeds the amount reported. A table has been provided below detailing the adjustments made since June 30, 2019. The actual and projected interest earned for the periods after June 30, 2019 is \$43,500 allowing for adjustment in the maximum amount of \$33,910.

Report	ROPS Period Adjusted	RPTTF Reduction
Report of Cash Balances 2016-17	19-20A	90,732
Prior Period Review ROPS 2017-18	20-21A	13,305.00
Report of Cash Balances 2017-18	20-21A	203,668.00
Prior Period Review ROPS 2018-19	20-21B	4,781.00
Total RPTTF Reduction		312,506

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Not Applicable.

FISCAL IMPACT:

In order for the Successor Agency to meet its financial obligations during this period, the ROPS must be approved by the Oversight Board and filed with the DOF by February 1, 2021.

ATTACHMENTS:

Attachment A – Resolution

Attachment B – Glendora ROPS 21-22