



December 24, 2020

Administrative Services

Chair  
C/O Kenneth Hahn Hall of Administration  
500 West Temple Street, Room B-50  
Los Angeles, CA 90012

Re: Submission of Agenda Items for the Successor Agency to the Monrovia  
Redevelopment Agency

Dear Chair,

Attached for consideration are two agenda items for the January 14, 2021, Fifth District Consolidated Oversight Board Meeting, as follows:

1. Adopt Administrative Budgets for the Six-Month Fiscal Periods From July 1, 2021 Through December 31, 2021 ("Administrative Budget 21-22A") and From January 1, 2022 Through June 30, 2022 ("Administrative Budget 21-22B"), Resolution OB 2021-01;
2. Adopt Recognized Obligation Payment Schedule for the Annual Period From July 1, 2021 Through June 30, 2022 ("ROPS 21-22"), Resolution OB 2021-02

Additionally, please note that all items were approved by the Monrovia Successor Agency Board at a regularly scheduled meeting on January 5, 2021.

Thank you for your time and consideration. Should you or your staff have any questions regarding the attached documentation, please feel free to contact me at (626) 932-5513 or via email at [bullis@ci.monrovia.ca.us](mailto:bullis@ci.monrovia.ca.us). Additionally, I will be in attendance at the meeting on January 14, 2021, to answer any questions that the Oversight Board may have regarding the agenda items.

Best Regards,

A handwritten signature in blue ink, appearing to read "Buffy J. Bullis".

Buffy J. Bullis  
Administrative Services Director  
City of Monrovia



## Successor Agency to the Monrovia Redevelopment Agency

### Staff Report

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TO: Los Angeles County Fifth Supervisorial District  
Consolidated Oversight Board

FROM: Successor Agency to the Monrovia Redevelopment Agency

PREPARED BY: Buffy Bullis, Administrative Services Director

SUBJECT: Adopt Recognized Obligation Payment Schedule for the Annual  
Period From July 1, 2021 Through June 30, 2022 (“ROPS 21-22”),  
Resolution OB 2021-02

### **BACKGROUND**

The action before the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board is a request to approve ROPS 21-22 of the Successor Agency to the Monrovia Redevelopment Agency (the “Successor Agency”).

Pursuant to Section 34177 of the Health and Safety Code (“HSC”), the Successor Agency must prepare a ROPS listing the payments to be made by the Successor Agency for each fiscal period. Each ROPS must be approved by the Oversight Board and each Oversight Board-approved ROPS must be submitted to the State Department of Finance (DOF) for review by February 1 of each year. ROPS 21-22 is due to the DOF by February 1, 2021.

Upon review, 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 21-22 no later than April 15, 2021. 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 DOF will issue its final determination after the meet and confer.

The County Auditor-Controller may also 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.

Successor Agency staff has drafted ROPS No. 21-22 (in the format prescribed by the DOF) for the period covering July 1, 2021 through June 30, 2022. ROPS No. 21-22 includes all enforceable obligations of the former Monrovia Redevelopment Agency and is attached to Resolution No. OB 2021-02 as Exhibit A. ROPS No. 21-22 lists all of the Agency's enforceable obligations and includes certain information about each obligation, including the amount of payments obligated to be made through June 2022. As defined in Section 34167 of the Health and Safety Code, an "enforceable obligation" includes (A) bonds issued by an agency (including debt service, reserve set-asides, and any other payments required by the bond documents); (B) loans incurred for a lawful purpose to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms; (C) payments required by the federal government, pre-existing obligations to the state, or obligations imposed by state law, or legally enforceable payments required in connection with an agency's employees, including pension payments and unemployment payments; (D) judgments or settlements entered by a court or binding arbitration decisions; (E) any legally binding and enforceable contract that is not otherwise void as violating the debt limit or public policy; (F)(i) contracts necessary for the administration or operation of an agency to the extent permitted by AB X1 26, including, but not limited to, the purchase or rent of office space, and the purchase of equipment and supplies; (F)(ii) repayment of sponsoring entity loans for legal expenses related to civil actions (only if a final judicial determination granting relief has been obtained); and (G) amounts borrowed from, or owing to, the Low and Moderate Income Housing Fund.

Based on the list of enforceable obligations included on the ROPS, property tax will be distributed by the County Auditor-Controller in June 2021 and January 2022, as needed, from the Redevelopment Property Tax Trust Fund (RPTTF). This distribution of RPTTF property tax will be used to pay the obligations included on the ROPS No. 21-22. After receiving monies on the two designated distribution dates, the Successor Agency is then responsible for making payments on behalf of the former redevelopment agency pursuant to AB X1 26.

#### Approval by Successor Agency to the Monrovia Redevelopment Agency

The ROPS 21-22 was approved by the Successor Agency Board at a regularly scheduled meeting on January 5, 2021 (Item SA CC-3, Resolution SA2021-02).

#### **RECOMMENDED ACTION**

Adopt Resolution OB 2021-02, approving ROPS 21-22 and taking related actions.

#### **Attachments:**

- 1) Oversight Board Resolution OB 2021-02, approving the ROPS 21-22
- 2) ROPS 21-22 (as Exhibit A to the Resolution)



## Successor Agency to the Monrovia Redevelopment Agency

### Staff Report

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TO: Los Angeles County Fifth Supervisorial District  
Consolidated Oversight Board

FROM: Successor Agency to the Monrovia Redevelopment Agency

PREPARED BY: Buffy Bullis, Administrative Services Director

SUBJECT: Adopt Administrative Budgets for the Six-Month Fiscal Periods From July 1, 2021 Through December 31, 2021 (“Administrative Budget 21-22A”) and From January 1, 2022 Through June 30, 2022 (“Administrative Budget 21-22B”), Resolution OB 2021-01

### **BACKGROUND**

The action before the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board is a request to approve proposed administrative budgets for the fiscal period from July 1, 2021 through December 31, 2021, and from January 1, 2022, through June 30, 2022, of the Successor Agency to the Monrovia Redevelopment Agency (the “Successor Agency”).

Pursuant to California Health and Safety Code (HSC) Sections 34171 and 34177, the Successor Agency is required to prepare a proposed administrative budget for each six-month fiscal period. Each proposed administrative budget must include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City or other entity. Each proposed administrative budget must be submitted to the Oversight Board for approval.

Under HSC Section 34171(b), the “Administrative Cost Allowance” is the maximum amount of administrative costs that may be paid by the Successor Agency from the Redevelopment Property Tax Trust Fund (RPTTF) in a fiscal year. Commencing July 1, 2016, and for each fiscal year thereafter, the Administrative Cost Allowance shall be up to three percent of the actual property tax distributed to the Successor Agency in the preceding fiscal year for payment of approved enforceable obligations, reduced by the Successor Agency’s Administrative Cost Allowance and loan repayments made to the

City (if applicable) during the preceding fiscal year. However, the Administrative Cost Allowance shall not be less than \$250,000 in any fiscal year, unless the amount is reduced by the Oversight Board. In addition, the Successor Agency's annual administrative costs (except for administrative costs paid from bond proceeds or grant funds) must not exceed fifty percent of the total RPTTF moneys distributed to pay enforceable obligations in the preceding fiscal year, reduced by the Successor Agency's Administrative Cost Allowance and loan repayments made to the City for loans re-established pursuant to HSC Section 34191.4 during the preceding fiscal year.

Under HSC Section 34177, the Successor Agency is required to: 1) prepare each proposed administrative budget; 2) submit each proposed administrative budget to the Oversight Board for its approval; and 3) provide the administrative cost estimates to the County Auditor-Controller from the approved administrative budget. These cost estimates are to be provided for each six-month period. The Administrative Cost Allowance is allocated to each Successor Agency based upon an approved administrative budget.

In order to facilitate the use of City staff and resources, the City and the Successor Agency entered into a Cooperative Agreement on April 3, 2012. Under the terms of the Agreement, the City will advance administrative costs to the Successor Agency. The Cooperative Agreement provides for the Successor Agency to use the City's staff, facilities, and other resources for the administration and operations of the Successor Agency, and for the Successor Agency to reimburse the City for such advances.

The attached Resolution approves the proposed administrative budget for the six-month periods covering July 1, 2021 to December 31, 2021, and January 1, 2022 to June 30, 2022, attached as Exhibit A to the Resolution. Please note that the Administrative Budget 21-22A and 21-22B has been included as a separate line item on the Recognized Obligation Payment Schedule (ROPS) No. 21-22 that is being presented to the Oversight Board as a separate agenda item during this meeting.

#### Approval by Successor Agency to the Monrovia Redevelopment Agency

The Administrative Budget 21-22A and 21-22B was approved by the Successor Agency Board at a regularly scheduled meeting on January 5, 2021 (Item SA CC-2, Resolution SA2021-01).

#### **RECOMMENDED ACTION**

Adopt Resolution OB 2021-01, approving Administrative Budget 21-22A and 21-22B and taking related actions.

#### **Attachments:**

- 1) Oversight Board Resolution OB 2021-01, approving Administrative Budget 21-22A and 21-22B
- 2) Administrative Budget 21-22A and 21-22B (as Exhibit A to the Resolution)