City of
HUNTINGTON PARK california
COMMUNITY DEVELOPMENT DEPARTMENT
6550 MILES AVENUE
HUNTINGTON PARK, CA 90255

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK REPORT

DATE: August 16, 2012

TO: Honorable Chair and Board Members of the Oversight Board

FROM: Jack Wong, Interim Community Development Director

BY: Fernanda Palacios, Project Manager

SUBJECT: Recommendation to approve a resolution of the Oversight Board for the Successor Agency to the Community Development Commission of the City of Huntington Park approving the third Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013.

BACKGROUND: The Community Development Commission of the City of Huntington Park (CDC) was dissolved on February 1, 2012, pursuant to AB X1 26. On September 19, 2011, the City Council elected to become a Successor Agency to the Community Development Commission in order to ensure that projects currently underway are completed, to retain control over the disposition of assets and to make obligation payments identified in a Recognized Obligation Payment Schedules (ROPS). The ROPS serves to identify all of the enforceable obligations by the former CDC (i.e. bond payments, loans, contracts, projects, etc). Each ROPS is prepared by the Successor Agency and approved by the Oversight Board setting forth the amounts due for each enforceable obligation during each six-month period. The ROPS is then sent to the Department of Finance (DOF) for final review and approval.

On June 27, 2012, the Legislature adopted a redevelopment trailer bill AB 1484, amending many provisions of AB X1 26. Particularly, AB 1484 establishes a schedule for adoption of the ROPS for the Period ending June 30, 2013 (ROPS No. 3) and all subsequent ROPS.

DISCUSSION: Although a previous schedule distributed by the DOF indicated that a Successor Agency and its Oversight Board would have until October 1, 2012 to approve ROPS #3, AB 1484 requires a Successor Agency to submit ROPS No. 3 to the DOF and the County Auditor-Controller (CAC) no later than **September 1, 2012**. Beginning with the fourth ROPS (for the period July 1, 2013 - December 31, 2013), a Successor Agency will be required to submit an Oversight Board approved ROPS to the CAC and DOF within 90 days prior to the semiannual Redevelopment Property Tax Trust Fund property fund distribution. Property fund distributions are made by the County in January and June of each year. If a Successor Agency fails to timely

submit ROPS approved by the Oversight Board within the specified deadlines, AB 1484 gives standing to creditors of a Successor Agency, the DOF and affected taxing entities to file suit for writ of mandate to compel the Successor Agency to adopt a ROPS, and exposes the Successor Agency to the following penalties:

1. Sponsoring Community (City) may be subject to a $10,000 per day civil penalty for each day the ROPS is delinquent.

2. In addition, failure to submit the ROPS within 10 days of the deadline may result in a 24% reduction of a Successor Agency's maximum administrative cost allowance for the period covered by the delinquent ROPS

3. If Successor Agency fails to submit an Oversight Board approved ROPS pursuant to the requirements of AB 1484 within five business days after the April 1 and October 1 dates on which the CAC releases the estimated property tax allocation, the DOF may determine if any amount should be withheld to pay enforceable obligations, pending DOF approval of a ROPS (rather than the county auditor-controller disbursing that amount to the taxing entities). If the DOF gives written notice to the county auditor-controller that a portion of any of the withheld sums are in excess of the amount needed to pay enforceable obligations, then the county auditor-controller must distribute any such amount to the taxing entities.

The attached ROPS No. 3 was approved by the Successor Agency on August 6, 2012 and provides a list of obligations and amounts due for the period January 1, 2013 -June 30, 2013. ROPS No. 3 was subsequently presented to the Oversight Board at a meeting held on August 8th. The Oversight Board requested additional documentation on a number of items (i.e. project delivery expenses, legal fees, etc) presented in ROPS No. 3. The attached ROPS No. 3 is presented in the latest template provided by the DOF. Also included is additional supporting documentation requested by the Board. Upon approval of the Oversight Board, ROPS No. 3 will be submitted to DOF and CAC for final review and approval.

FISCAL IMPACT: The obligations listed in ROPS No. 3 will be paid from the Successor Agency's Redevelopment Property Tax Trust Fund account.

RECOMMENDATION: Staff recommends that the Oversight Board adopt the attached Resolution approving a Recognized Obligation Payment Schedule (ROPS No. 3) for the period January 1, 2013 - June 30, 2013.

Attachment: Resolution
Additional Supporting Documentation

RESOLUTION NO. OSB 2012-2

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK APPROVING A THIRD RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS No. 3") FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013

RECITALS:

WHEREAS, the Oversight Board of the Successor Agency to the Community Development Commission of the City of Huntington Park has been appointed pursuant to the provisions of Health & Safety Code Section 34179; and

WHEREAS, the City of Huntington Park ("City"), acting in its capacity as the Successor Agency ("Successor Agency") to the dissolved Community Development Commission of the City of Huntington Park ("CDC"), duly approved the third ROPS (ROPS No. 3) for the period of January 1, 2013 through June 30, 2013 in accordance with Health and Safety Code Section 34177, and all duly approved actions approving the identified ROPS No. 3 for the identified period is on file with the City Clerk of the City of Huntington Park acting in its capacity as the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code sections 34177 (l) and 34180 (g), the Oversight Board must approve a Recognized Obligation Payment Schedule for it to become established, valid, and operative for the applicable six-month fiscal period.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD AS FOLLOWS:

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

Section 2. The third ROPS (ROPS No. 3) covering the period of January 1, 2013 through June 30, 2013, attached hereto and incorporated herein by reference as Exhibit A, is hereby approved pursuant to Health and Safety Code Sections 34177 and 34180, and any other law that may apply to the approval by the Oversight Board to the identified ROPS for the identified period.

Section 3. The Secretary or authorized designee is hereby directed to post this Resolution and the identified third ROPS (ROPS No. 3) for the identified period on the Successor Agency's website, and to provide a copy of the identified ROPS to the State Controller's Office, State Department of Finance, and the County Auditor-Controller by September 1, 2012.

Section 4. The Secretary shall certify to the adoption of this Resolution

PASSED AND ADOPTED this 16th day of August, 2013.

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CHAIR, OVERSIGHT BOARD

ATTEST:

_____

Ivonne Evelyn Umana (Rhonda Rangel), Deputy Clerk
Los Angeles County Board of Supervisors Acting as Secretary to the Huntington Park Oversight Board

EXHIBIT A

ROPS No. 3

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF HUNTINGTON PARK)

I, _____Secretary of the Oversight Board, DO HEREBY CERTIFY that the foregoing Oversight Board Resolution No. OB 2012-2 was duly adopted by the Oversight Board and approved by the Chair at a meeting of said Oversight Board held on the 16th day of August, 2012 and that it was so adopted as follows:

AYES:

NOES:

ABSENT:

ABSTAINING:

Dated:

_____
Ivonne Evelyn Umana (Rhonda Rangel), Deputy Clerk
Los Angeles County Board of Supervisors Acting as Secretary
to the Huntington Park Oversight Board