



Legislation Text

File #: 20-002SA, **Version:** 1

Recommendation to approve the draft Recognized Obligation Payment Schedule 20-21, for the period of July 1, 2020 through June 30, 2021. (Citywide)

Section 34177(o)(1) of the California Health and Safety Code, as adopted by AB1X 26 (the Dissolution Act) and amended by Senate Bill (SB) 107, requires the Successor Agency to the Redevelopment Agency of the City of Long Beach (Successor Agency) to prepare a draft Recognized Obligation Payment Schedule (ROPS) covering the period from July 1, 2020 to June 30, 2021, and for each period from July 1 to June 30 thereafter. Each ROPS must list dates, amounts, and payment sources of the former Redevelopment Agency of the City of Long Beach's (Agency) enforceable obligations. The attached draft ROPS represents the anticipated enforceable obligations for the period of July 1, 2020 through June 30, 2021 (Attachment A).

The ROPS is based on the Enforceable Obligation Payment Schedule, a list of the total outstanding debts and obligations of the Agency, which was certified by the California Department of Finance (DOF) on March 30, 2012.

The ROPS must identify the source of payment for each obligation from among the following:

- The Redevelopment Property Tax Trust Fund - RPTTF (maintained by the County);
- Bond Proceeds;
- Reserve Balances;
- Administrative Cost Allowance; and,
- Other revenue sources including rents and interest earnings.

This ROPS also requires approval by the Oversight Board to the Successor Agency, and will be agendized for its review on January 28, 2020. In accordance with SB 107, each annual ROPS must be submitted to the DOF for review and certification no later than February 1, 2020, and each February 1 thereafter.

Upon certification, the DOF will transmit a copy of the ROPS to the Los Angeles County Auditor-Controller (Auditor-Controller). Prior to July 1, 2020, the Auditor-Controller will distribute property tax revenue to the Successor Agency from the RPTTF for approved payments listed on the ROPS. This distribution will be from property taxes the Auditor-Controller received from former Long Beach redevelopment project areas from January 1, 2020 through April 30, 2020. Another distribution is anticipated on January 1, 2021, from property taxes collected from May 1, 2020 through December 31, 2020.

Additionally, pursuant to Section 34171(b)(3) of the Dissolution Act, the Successor Agency is allowed an administrative allowance, subject to Oversight Board approval. The allowance is capped at 3 percent of the actual property tax allocated to the Successor Agency during the prior ROPS period, less that period's administrative allowance. The administrative allowance includes items such as salaries, citywide and departmental overhead for Successor Agency and other City staff carrying out the actions necessary to wind down the Successor Agency's affairs and associated operational costs. The proposed Administrative Budget for the Successor Agency for the period of July 1, 2020 through June 30, 2021 (Attachment B).

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 25, 2019 and by Grants and Projects Officer Arlen Crabtree on November 26, 2019.

Successor Agency action is requested on January 7, 2020, to allow for the transmittal of the ROPS to the Oversight Board for approval on January 28, 2020, and to the DOF prior to the February 1, 2020 deadline for submission.

The proposed Administrative Budget from July 1, 2020 through June 30, 2021, is approximately \$881,769, or 3 percent of \$29,392,287, which represents RPTTF funds remitted for the prior ROPS period less the administrative allowance and City loan repayment made during that same period. The final loan repayment was made during the ROPS 19-20 period.

Approve recommendation.

LINDA F. TATUM, FAICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA
ACTING CITY MANAGER