



# CITY OF LONG BEACH

AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

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July 24, 2012

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
OF THE CITY OF LONG BEACH  
City of Long Beach  
California

## RECOMMENDATION:

Approve the revised Recognized Obligation Payment Schedule for the period of January 1, 2012 through June 30, 2012; and

Approve the revised Recognized Obligation Payment Schedule for the period of July 1, 2012 through December 31, 2012, as certified by the California Department of Finance. (Citywide)

## DISCUSSION

Pursuant to Health & Safety Code (HSC) Section 34177 (2)(C), the Recognized Obligation Payment Schedule (ROPS) for the periods of January 1 through June 30, 2012 (Exhibit A), and July 1 through December 31, 2012 (Exhibit B), were transmitted to the California Department of Finance (DOF) for certification on May 8, 2012. The ROPS were approved by the Successor Agency on February 21, 2012 and April 17, 2012, respectively, and by the Oversight Board on May 7, 2012.

Through the certification process, the DOF reviews each ROPS line item to verify compliance with the characteristics of an Enforceable Obligation. DOF certification is mandatory and proof of such certification must be provided to the County Auditor-Controller before they will authorize Redevelopment Property Tax Trust Fund (RPTTF) disbursements to Successor Agencies.

During the review process, staff worked closely with the DOF, providing documentation to substantiate enforceable obligations, answering questions and providing additional information on Redevelopment Agency- and Housing-related projects, programs and associated contracts, as requested.

On May 25, the DOF certified both ROPS, with the understanding that the following items would be removed. The DOF opined that these items did not meet the characteristics of an Enforceable Obligation and requested they be removed as a condition to providing certification. Staff agreed to remove the items for certification purposes; however, reserved the right to contest DOF's position and will pursue further DOF consideration of the rejected items. It is staff's opinion that the rejected items meet the characteristics of an

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Enforceable Obligation and should be approved for payment from the RPTTF or from 2005 Housing Bond proceeds as follows:

- 1) City/Redevelopment Agency loans (project area planning)
- 2) CityPlace parking structure upgrade costs reimbursement
- 3) Belwood Apartments affordable housing – rehabilitation
- 4) Ramona Park Apartments affordable senior housing – new construction

The chart below summarizes the DOF certified RPTTF amounts of the ROPS, including funds for administrative costs. On June 4, 2012, the SA received a \$33,446,016 disbursement from the County Auditor-Controller for payment of Enforceable Obligation's approved in the July-December 2012 ROPS. No funds were received from the Auditor-Controller for the January-June 2012 ROPS. Enforceable Obligation costs for this period were funded with tax increment the former Redevelopment Agency received from the Auditor-Controller through January 31, 2012.

A	B	C	D
ROPS Period	Maximum Admin. Allow.	RPTTF Obligations	Total Maximum RPTTF B+C
January - June 2012	\$ 1,705,932	\$ 44,275,123	\$ 45,981,055
July - December 2012	\$ 974,156	\$ 32,471,860	\$ 33,446,016

As an administrative function, and to keep the Successor Agency informed of updates, staff is requesting Successor Agency approval of the revised ROPS. Upon approval, the ROPS will be scheduled for Oversight Board concurrence on August 27, 2012. Pursuant to Health and Safety Code Section 34177 (2)(B) certified ROPS require OB approval in order to validate the documents. The Successor Agency reserves the right to challenge the DOF on disallowed items. Today's approval does not preclude our right to pursue additional discussions with the DOF on this matter.

This matter was reviewed by Deputy City Attorney Richard Anthony on June 25, 2012, and Budget Management Officer Victoria Bell on July 10, 2012.

TIMING CONSIDERATIONS

Successor Agency action is requested on July 24, 2012, to allow for scheduling of Oversight Board approval on August 27, 2012.

FISCAL IMPACT

There is no additional fiscal impact to the Successor Agency related to this request.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST  
CITY MANAGER

PHW:AJB:RMZ:DLH

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Attachments: Exhibit A – Revised ROPS January 1 through June 30, 2012  
Exhibit B – Revised ROPS July 1 through December 31, 2012