



Legislation Text

File #: 15-007OB, **Version:** 1

Recommendation to adopt resolution approving the decision of the City of Long Beach, as the Successor Agency to the Redevelopment Agency of the City of Long Beach, to approve the draft Recognized Obligation Payment Schedule 15-16A, for the period of July 1 through December 31, 2015.

Section 34177(l)(2)(A) of the California Health and Safety Code, as adopted by AB1x 26 (the "Dissolution Act"), requires the Successor Agency to prepare a draft Recognized Obligation Payment Schedule forward looking to each six-month fiscal period. Each Recognized Obligation Payment Schedule must list dates, amounts, and payment sources of the former Redevelopment Agency's enforceable obligations. The attached draft Recognized Obligation Payment Schedule represents the anticipated enforceable obligations for the period of July 1 through December 31, 2015 (Exhibit A).

The Recognized Obligation Payment Schedule is based on the Enforceable Obligation Payment Schedule, a list of the total outstanding debts and obligations of the former Long Beach Redevelopment Agency, which was certified by the California Department of Finance on March 30, 2012.

The Recognized Obligation Payment Schedule 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
- Other revenue sources including rents, interest earnings, and asset sale proceeds

In accordance with Assembly Bill 1484, each Recognized Obligation Payment Schedule must be submitted to the California Department of Finance for review and certification no later than 90 days prior to the next scheduled property tax distribution date. The next distribution date is June 1, 2015, so the Recognized Obligation Payment Schedule 15-16A must be submitted to the Department of Finance prior to March 3, 2015.

Upon certification, the Department of Finance will transmit a copy of the Recognized Obligation Payment Schedule to the Los Angeles County Auditor-Controller (Auditor-Controller). On June 1, 2015, the Auditor-Controller will distribute property tax revenue to the Successor Agency from the Redevelopment Property Tax Trust Fund for approved payments listed on the Recognized Obligation Payment Schedule. This distribution will be from property taxes the Auditor-Controller received from former Long Beach redevelopment project areas

from January 1 through April 30, 2015.

Additionally, pursuant to Section 34177(j) of the Dissolution Act, the Successor Agency is allowed an administrative allowance, subject to Oversight Board approval. The allowance is capped at three percent of the property tax from the Redevelopment Property Tax Trust Fund allotted to the Successor Agency for the period of July 1, 2015 through December 31, 2015.

The administrative cost allowance includes items such as salaries, including citywide and departmental overhead costs for Successor Agency and other City staff carrying out the necessary actions to wind down the Agency's affairs; preparation of the Recognized Obligation Payment Schedule and Administrative Budgets; and operational costs associated with these actions. Exhibit B outlines the proposed Administrative Budget for the Successor Agency for the period of July 1 through December 31, 2015.

This matter will be considered by the Successor Agency to the Redevelopment Agency of the City of Long Beach on February 17, 2015.

Approve recommendation.

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LONG BEACH AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH APPROVING THE DECISION OF THE SUCCESSOR AGENCY TO APPROVE THE DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2015 THROUGH DECEMBER 31, 2015

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER