



AGENDA ITEM

- MEETING DATE:** August 22, 2012
- TITLE:** Adopt a Resolution of the Glendora Oversight Board approving the Recognized Obligation Payment Schedule (ROPS) for the period January 1, 2013 through June 30, 2013.
- PRESENTED BY:** Josh Betta, Finance Director/City Treasurer
- RECOMMENDATION:** Adopt Oversight Board Resolution entitled, “A RESOLUTION OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO GLENDORA COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF GLENDORA, CALIFORNIA, APPROVING REOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2013 AND ENDING JUNE 30, 2013 AND TAKING CERTAIN ACTIONS INCONNECTION THEREWITH.”
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BACKGROUND:

Assembly Bill 1484, the redevelopment dissolution trailer bill, has amended the California Health and Safety Code and revises many of the dissolution elements established by ABx1 26.

September 1st is the deadline for Successor Agencies to submit an oversight board-approved ROPS for the period January to June 2013 to the Department of Finance (DOF). Sponsoring cities may be subject to a \$10,000 fine per day if the ROPS is not filed by September 1st.

The January to June 2013 ROPS – now known as ROPS III -- must be filed using a revised form that was only recently made available.

The new reporting format necessitates information on anticipated Redevelopment Property Tax Trust Fund (RPTTF) funding that the DOF requires be obtained “from the county auditor-controller.” However, this information will not be available to the City until after the September 1st deadline. It is not expected that Los Angeles County can provide this information until late September, at the earliest.

Placed between the rock of a narrow deadline for Oversight Board ROPS III approval and the hard place of obtaining information that is not yet available, the Glendora Successor Agency presents herein its ROPS III with line E of the Summary Schedule indicating “not available.”

DISCUSSION:

The incomplete element in the recommended ROPS III is found in line E of the Summary of Recognized Obligation Payment Schedule. Line E, highlighted by red lettering, displays "not available."

All other elements in the remainder of the ROPS III documentation are accurate and complete. The essential content of the ROPS III remains unchanged from the ROPS pertaining to the period July 1, 2012 through December 31, 2012. One exception is found in the removal of pass through payments from ROPS III; pass through payments after June 30, 2012 have become the obligation of the County.

Two elements included in the ROPS III detail schedule, while not new to the ROPS process, are matters of potential dispute with the DOF and Los Angeles County. In the first, the Successor Agency continues to display loans from the City on the ROPS. This is so because of the Oversight Board's recent re-approval of the loans per the terms of ABx1 26 and the revised processes of AB 1484 that allow for loan repayments once the DOF releases its Finding of Completion to the Successor Agency (expected to be April of 2013). In view of the restrictions imposed prior to the Finding of Completion, however, no six-month total for the period is shown.

In the second, as part of the recently completed Agreed Upon Procedures audit (AUP), Los Angeles County counsel have called into question amounts pertaining to owner participation agreements with Seidner Miller Inc. and Dennis Siletto since they have not seen relevant supporting information. These participation agreements offer incentive for the owners to recover sales taxes in amounts that exceed calculated ratios. The Successor Agency is beginning the process of assembly of support documentation, some of which is confidential and will rely on the owners' consent to publish. For now, at least, the liability remains and continues to be included in the ROPS.

And, as before, a complete collection of support documents associated with the ROPS III is available at both the Finance Department offices and the City Clerk's office.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Not applicable

FISCAL IMPACT:

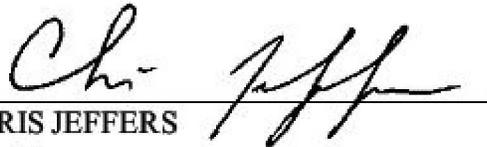
There is indirect fiscal impact created by the Oversight Board's adoption of the ROPS III. The ROPS is a necessary process resulting in the release of funding sufficient for the Successor Agency to make legally obligated payments, including: debt service on outstanding bonds, contracts, and internal project costs associated with the management of assets of the Successor Agency on behalf of the former Glendora Redevelopment Agency.

Respectfully submitted,



Josh Betta

Finance Director

Manager
Approval: 
CHRIS JEFFERS
City Manager

ATTACHMENTS:

Attachment A: ROPS for January 1, 2013 through June 30, 2013

Attachment B: Resolution