

OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-11

A RESOLUTION OF THE OVERSIGHT BOARD FOR CITY OF
SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY
APPROVING A REVISED VERSION OF THE SECOND
RECOGNIZED OBLIGATION PAYMENT SCHEDULE.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, AB 26 provides for the appointment of a seven-member oversight board (Oversight Board) with specific duties to approve and direct certain actions of the Successor Agency pursuant to California Health and Safety Code sections 34180 and 34181; and

WHEREAS, pursuant to Resolution No. R-307378 adopted effective April 12, 2012, the City Council, acting as the board of the Successor Agency, adopted all of the following documents: (i) the Third Amended and Restated Enforceable Obligation Payment Schedule (Third EOPS), which reflects payments toward enforceable obligations during the period of time from January 1, 2012 through June 30, 2012; (ii) an updated version of the initial draft of the first Recognized Obligation Payment Schedule (ROPS 1), which also reflects payments toward enforceable obligations during the period of time from January 1, 2012 through June 30, 2012, and describes the specific source of funding for all such payments; and (iii) a draft of the second Recognized Obligation Payment Schedule (ROPS 2), which reflects payments toward

enforceable obligations during the period of time from July 1, 2012 through December 31, 2012, and describes the specific source of funding for all such payments; and

WHEREAS, in accordance with California Health and Safety Code section 34177, the Oversight Board approved the Third EOPS, ROPS 1, and ROPS 2, subject to a reservation of rights, during its first regular meeting held on April 25, 2012; and

WHEREAS, in response to recent input from the State Department of Finance, Successor Agency staff has prepared a revised version of ROPS 2 (Revised ROPS 2), reflecting a greatly reduced reliance on funding from the Redevelopment Property Tax Trust Fund for the Successor Agency's payment of enforceable obligations during the period of time from July 1, 2012 through December 31, 2012; and

WHEREAS, the State Department of Finance approved the Revised ROPS 2, with a reservation of rights, and assumed the Oversight Board's approval.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. Subject to the reservation of rights in Paragraph 2 below, the Revised ROPS 2 is hereby approved. Additionally, in recognition of the Oversight Board's selection of the law firm of Meyers Nave to serve as independent legal counsel to the Oversight Board, Successor Agency staff is authorized to include a line item in the Revised ROPS 2 and each future Recognized Obligation Payment Schedule seeking to provide a funding source for services to be rendered by the selected independent legal counsel. A copy of the Revised ROPS 2 shall be filed in the Oversight Board's records with the City Clerk as Document No. D-_____.

2. The Oversight Board's approval of the Revised ROPS 2 is conditioned upon the following reservation of rights: The Oversight Board recognizes that it is being asked by the State Department of Finance to approve the Revised ROPS 2 in a chronological sequence at odds

with the process established in AB 26. For instance, the intent of AB 26 is that the Oversight Board will consider approval of ROPS 1 only after the contents of ROPS 1 have been certified in an independent audit performed at the direction of the San Diego County Auditor-Controller. The line items in the Revised ROPS 2 generally pertain to the same enforceable obligations listed in ROPS 1. Given this unusual circumstance, the Oversight Board approves the Revised ROPS 2 at this time, but reserves the right to revisit the content of the Revised ROPS 2 in the future based on any objections or questions subsequently raised by the San Diego County Auditor-Controller, members of the public, and members of the Oversight Board.

3. The Successor Agency shall cause written notification of the approval of the Revised ROPS 2 to be transmitted to the State Department of Finance, the State Controller's Office, and the San Diego County Auditor-Controller, and also shall post a copy of such documents on the Successor Agency's website.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on May 31, 2012, by a unanimous vote of 6 to 0, with one board position vacant.



Chair, Oversight Board