

OVERSIGHT BOARD RESOLUTION NUMBER OB-2016-1

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING JULY 1, 2016, THROUGH JUNE 30, 2017, DESIGNATED AS ROPS 16-17.

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, 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, the Successor Agency is winding down the Former RDA's operations in accordance with AB 26, enacted on June 28, 2011, Assembly Bill 1484 (AB 1484), enacted on June 27, 2012, and subsequent related legislation (collectively, the Dissolution Laws); and

WHEREAS, the Oversight Board was formed pursuant to California Health and Safety Code (HSC) section 34179 to oversee certain actions and decisions of the Successor Agency under the Dissolution Laws; and

WHEREAS, the San Diego County Auditor-Controller (County Auditor), the State Controller, and the State Department of Finance (DOF) also possess certain rights and obligations under the Dissolution Laws with respect to the Successor Agency's administration of winding down the Former RDA's operations; and

WHEREAS, pursuant to HSC section 34177(I), Successor Agency staff must prepare a Recognized Obligation Payment Schedule (ROPS) on a forward-looking basis for specified

fiscal time periods, showing the payments to be made toward enforceable obligations and the funding sources for the payments; and

WHEREAS, Senate Bill 107 (SB 107), which went into effect immediately upon its enactment in September 2015, made substantial amendments to the Dissolution Laws; and

WHEREAS, among other things, SB 107 changes the ROPS reporting period from every six months to once per fiscal year, running from July 1 through June 30, beginning with the fiscal year commencing on July 1, 2016, and ending on June 30, 2017; and

WHEREAS, Successor Agency staff has prepared the proposed tenth ROPS covering the fiscal year beginning on July 1, 2016, and ending on June 30, 2017, also known as ROPS 16-17, a copy of which is included as Attachment A to the Staff Report accompanying this item (Staff Report); and

WHEREAS, ROPS 16-17 consists of a multi-page spreadsheet on the DOF's mandatory template, showing proposed payments by the Successor Agency toward enforceable obligations for the ROPS 16-17 fiscal year; and

WHEREAS, ROPS 16-17 also contains a document entitled "Successor Agency's Additional Explanation of Notes and Reservation of Rights" (Additional Notes) that is necessary due to space limitations in the DOF's mandatory ROPS template, and this additional document is included as Attachment B to the Staff Report; and

WHEREAS, HSC section 34177(o) requires the Successor Agency to obtain the Oversight Board's approval of ROPS 16-17 and to submit ROPS 16-17 to the DOF by February 1, 2016, and subjects both the City and the Successor Agency to specified civil penalties in the event ROPS 16-17 is not timely submitted to the DOF; and

WHEREAS, the DOF is requiring use of an updated electronic template for submission of ROPS 16-17, but the DOF did not provide the Successor Agency with access to this updated template until late December 2015; and

WHEREAS, Successor Agency staff has prepared ROPS 16-17 with the DOF's updated template for ROPS 16-17, but may need to update certain factual information and correspondingly adjust the Notes spreadsheet or the Additional Notes in the future for various line items in ROPS 16-17; and

WHEREAS, the anticipated dates for the County Auditor's semi-annual distributions of property taxes generated in the redevelopment project areas to the Successor Agency and local taxing entities with respect to ROPS 16-17 are June 1, 2016, and January 3, 2017 (each, a ROPS Distribution Date); and

WHEREAS, HSC section 34177(o) requires the DOF to review ROPS 16-17 and make a determination of enforceable obligations and proposed funding sources on ROPS 16-17 no later than April 15, 2016; and

WHEREAS, HSC section 34177(o) further provides that the Successor Agency may, within five business days after the DOF's determination on ROPS 16-17, request additional review by the DOF and an opportunity to meet and confer with the DOF on disputed items in ROPS 16-17, and the DOF must notify the Successor Agency and the County Auditor regarding the outcome of its additional review at least 15 days before the first ROPS Distribution Date; and

WHEREAS, the Oversight Board's decision regarding approval of ROPS 16-17 will not become effective until after the decision has been approved or deemed approved by the DOF in accordance with HSC sections 34177(o) and 34179(h), subject to the outcome of any meet-and-

confer process on disputed items in ROPS 16-17 initiated by Successor Agency staff with the DOF.

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

1. ROPS 16-17 is approved.
2. Subject to the approval of the Oversight Board's Chair and the Oversight Board's legal counsel, Successor Agency staff may make any necessary adjustments to ROPS 16-17, including the Notes spreadsheet and the Additional Notes, due to delays associated with the DOF's recent provision of the updated mandatory ROPS template, provided that the substantive content of ROPS 16-17 remains substantially the same as presented to the Oversight Board during its meeting on January 25, 2016.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on January 25, 2016.



Chair, Oversight Board