

**OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY**

BOARD REPORT

MEETING DATE: January 29, 2016

NEW BUSINESS

TITLE: APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17A and ROPS 16-17B) AND AN ADMINISTRATIVE BUDGET FOR THE PERIOD OF JANUARY 1, 2016 THROUGH JUNE 30, 2016, PURSUANT TO SECTION 34169(g)(1) OF CALIFORNIA HEALTH & SAFETY CODE

INITIATED: LAURI AYLAIAN, DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT

RECOMMENDATION:

1. Adopt Resolution No. __, "A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING AN ADMINISTRATIVE EXPENSE BUDGET FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017, PURSUANT TO THE CALIFORNIA HEALTH AND SAFETY CODE."

2. Adopt Resolution No. ___ "A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE (ROPS 16-17) FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017, PURSUANT TO THE CALIFORNIA HEALTH AND SAFETY CODE."

BACKGROUND AND ANALYSIS:

The Recognized Obligation Payment Schedule (ROPS) is the document used to determine the amount of the previously-called tax increment (now RPTTF) the Successor Agency will be allowed to retain on a six month basis to meet approved obligations of the Successor Agency, as well as the amount of the Successor Agency's allowable administrative budget. The ROPS must be adopted for each successive six-month fiscal period.

Senate Bill 107, signed on September 22, 2015, provides that the ROPS for the two six-month periods in each fiscal year must be approved by the Oversight Board and submitted to the Department of Finance no later than February 1 each year, commencing February 1, 2016 with respect to ROPS 16-17A and ROPS 16-17B.

The Successor Agency approved ROPS 16-17 on January 13, 2016. After approval by the Oversight Board, the ROPS will be submitted to the Department of Finance for review and approval.

FISCAL IMPACT:

The amount of RPTTF and other funds on hand to meet the approved obligations of the Successor Agency for Fiscal Year 2016-17 is approximately \$5.54 million, including the administrative cost allowance.

Commencing July 1, 2016, the administrative cost allowance shall be up to 3 percent of the actual property tax distributed to the successor agency by the county auditor-controller in the preceding fiscal year for payment of approved enforceable obligations, reduced by the successor agency's administrative cost allowance and loan repayments made to the city pursuant to Section 34191.4(b) during the preceding fiscal year, subject to a minimum of \$250,000, unless such amount is reduced by the Oversight Board or by agreement between the successor agency and the State Department of Finance. For Fiscal Year 2016-17, this limit is calculated as follows:

Tax Remitted in 15-16 to Pay Enforceable Obligations	\$3,176,153
Less 15-16 Administrative Costs	(250,000)
Less 34191.4(b) Loan Payments	(0)
	<u>\$2,926,153</u>
	X 3%
	<u>\$ 87,785</u>
Minimum	<u>\$ 250,000</u>

The allowable administrative budget for the Fiscal Year of \$250,000 is comprised of salary and benefit costs for Successor Agency staff. The allowable amount does not cover the total administrative costs incurred by the City to administer the winding down of the former Redevelopment Agency's operations. Personnel charged to the Successor Agency include Lauri Aylaian, Director of Community and Economic Development, Diana Shay, Redevelopment Coordinator and Cathy Van Horn, Economic Development Administrator.

RESOLUTION NO. 039

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING AN ADMINISTRATIVE EXPENSE BUDGET FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017, PURSUANT TO THE CALIFORNIA HEALTH AND SAFETY CODE.

WHEREAS, the Community Redevelopment Agency of the City of Palm Springs ("Redevelopment Agency") was a redevelopment agency in the City of Palm Springs ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, AB X1 26 was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code ("Health and Safety Code"); and

WHEREAS, Health & Safety Code Section 34177(l) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency, including administrative expenses; and

WHEREAS, Health & Safety Code Section 34171(b)(3) states that commencing July 1, 2016, the administrative cost allowance shall be up to 3 percent of the actual property tax distributed to the successor agency by the county auditor-controller in the preceding fiscal year for payment of approved enforceable obligations, reduced by the successor agency's administrative cost allowance and loan repayments made to the city pursuant to Section 34191.4(b) during the preceding fiscal year, subject to a minimum of \$250,000, unless such amount is reduced by the Oversight Board or by agreement between the successor agency and the State Department of Finance ("Department of Finance");

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY DOES RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Administrative Budget of \$250,000 for the Successor Agency for the period of July 1, 2016 through June 30, 2017, attached to this Resolution as Exhibit A, is hereby approved.

SECTION 3. The Clerk/Secretary or designee is authorized to take all actions necessary to implement this Resolution, including without limitation, providing notice of adoption of this Resolution to the Department of Finance.

SECTION 4. This Resolution shall take effect three (3) business days from adoption.

PASSED, APPROVED AND ADOPTED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS THIS 29th DAY OF JANUARY, 2016.

LISA HOWELL
OVERSIGHT BOARD CHAIRMAN

ATTEST:

JAMES THOMPSON, CLERK/SECRETARY

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, Clerk/Secretary of the Oversight Board for the Successor Agency of the Palm Springs Community Redevelopment Agency hereby certify that Resolution No. 039 was adopted by the Oversight Board at a Special Meeting held on the 29th day of January, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES THOMPSON
OVERSIGHT CLERK/SECRETARY
City of Palm Springs, California

EXHIBIT A

ADMINISTRATIVE BUDGET

40000 Salaries	\$175,896
41450 Telecommunication	258
41600 PERS Contribution	47,418
41700 Medicare Tax	2,551
41900 Fringe Benefits	23,619
41930 RHS Health Benefit	258
Total	<u>\$250,000</u>

RESOLUTION NO. 040

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE (ROPS 16-17) FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017, PURSUANT TO THE CALIFORNIA HEALTH AND SAFETY CODE.

WHEREAS, the Community Redevelopment Agency of the City of Palm Springs ("Redevelopment Agency") was a redevelopment agency in the City of Palm Springs ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, AB X1 26 was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code ("Health and Safety Code"); and

WHEREAS, Health & Safety Code Section 34177(l) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency, including administrative expenses; and

WHEREAS, Section 34177(l) also provides that the ROPS (i) shall be reviewed and certified by the Riverside County Auditor-Controller ("County Auditor-Controller"); (ii) submitted to and duly approved by the Oversight Board; (iii) posted on the Successor Agency's website; and (iv) submitted to the County Auditor-Controller, the State Controller and the State Department of Finance ("Department of Finance"); and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY DOES RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Recognized Obligation Payment Schedule (ROPS 16-17 A and B) for the period of July 1, 2016 through June 30, 2017, attached to this Resolution as Exhibit A, is hereby approved.

SECTION 3. The Clerk/Secretary or designee is authorized to take all actions necessary to implement this Resolution, including without limitation, the posting of this Resolution and the Recognized Obligation Payment Schedule on the Successor Agency's website, provide notice of adoption of this Resolution and such Schedule to the County Auditor-Controller, the State Controller and the State Department of Finance.

SECTION 4. This Resolution shall take effect three (3) business days from adoption.

PASSED, APPROVED AND ADOPTED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS THIS 29th DAY OF JANUARY, 2016.

LISA HOWELL
OVERSIGHT BOARD CHAIRMAN

ATTEST:

JAMES THOMPSON, CLERK/SECRETARY

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, Clerk/Secretary of the Oversight Board for the Successor Agency of the Palm Springs Community Redevelopment Agency hereby certify that Resolution No. 040 was adopted by the Oversight Board at a Special Meeting held on the 29th day of January, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON
OVERSIGHT CLERK/SECRETARY
City of Palm Springs, California

EXHIBIT A

ROPS 16-17

**Summary Page
16-17A Period
16-17B Period
Cash Reconciliation**