

**SANTEE CDC SUCCESSOR AGENCY
OVERSIGHT BOARD
SPECIAL MEETING AGENDA**

**April 5, 2012, 3:30 p.m.
Santee City Council Chambers**

1. Welcome and Introductions
2. Overview of Roles and Responsibilities of the Oversight Board
3. Election of a Chair and Vice Chair
4. Recognized Obligation Payment Schedules (ROPS) for the Periods from January 1, 2012 to June 30, 2012 and July 1, 2012 to December 31, 2012
 - 4A *Staff Presentation on the Recognized Obligation Payment Schedules*
 - 4B *Review and Discussion by Oversight Board Members.*
 - 4C *Approval of ROPS by Oversight Board for transmittal to the County Auditor-Controller, the State Controller's Office, and the State Department of Finance [April 15, 2012 deadline]*
5. Discussion of Future Meeting Schedule
6. Communication from the Public
7. Adjournment

STAFF REPORT

Recognized Obligation Payment Schedules (ROPS) for the Periods from January 1, 2012 to June 30, 2012 and July 1, 2012 to December 31, 2012

April 5, 2012

Background

Assembly Bill 1X 26 was approved June 29, 2011 as part of the 2011-2012 State Budget, and was upheld by a California Supreme Court decision issued December 29, 2011. This measure provides for the dissolution of all redevelopment agencies, and outlines a process for the dissolution and wind down of all agency affairs and disposing of agency assets such as land holdings. The court decision declared all redevelopment agencies dissolved as of February 1, 2012, and further established a revised timeline for winding down redevelopment activities by their Successor Agencies, under the review of Oversight Boards. All assets, properties, contracts, and leases of the former redevelopment agency were transferred to the Successor Agency for disposition.

As of the date of the legislation (June 29, 2011), redevelopment agencies could no longer incur indebtedness, amend or modify existing agreements, increase pay or hire employees, or refund, restructure or refinance bonds. For the Agency's Low and Moderate Income Housing Fund, there was a limitation on transferring funds (except required payments) that extended back to January 1, 2011. The State Controller's Office is conducting a special review of redevelopment agencies statewide to determine whether there were asset transfers between communities and redevelopment agencies after January 1, 2011, and order these transfers invalidated. No such transfers occurred between the City of Santee and the Santee Community Development Commission.

With the prohibition on initiating any new fiscal obligations since June 29, 2011, there have only remained "enforceable obligations" reflecting legally binding funding obligations of the redevelopment agency/successor agency. Agencies were required to adopt an Enforceable Obligations Payment Schedule (EOPS) by August 28, 2011 for transmittal to the State Department of Finance. The EOPS list all of the "enforceable obligations" of the CDC, and is subject to approval by the State Department of Finance. "Enforceable obligations" include: bonds; loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; payments required by the federal government; preexisting obligations to the state or obligations imposed by state law; judgments, settlements or binding arbitration decisions that bind the agency; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the CDC, including agreements to purchase or rent office space, equipment and supplies. Preparation of the draft Recognized Obligations Payment Schedules (ROPS) was required by January 30, 2012. The ROPS lists all of the enforceable obligations of the CDC, and the minimum amounts and due dates of payments required for each enforceable obligation.

AB1X 26 Implementation Schedule

Redevelopment agency wind-down process involves several different layers of review, and the Santee CDC initiated this process several months ago with transmittal of our approved EOPS and ROPS and other financial information to the County Auditor-Controller's Office, the State Controller's Office, and the State Department of Finance.

The following outlines the steps the Santee CDC and the Santee CDC Successor Agency have taken to implement the provisions of AB1X 26:

- August 24, 2011 - Santee CDC adopted the Enforceable Obligations Payment Schedule (EOPS) for the period through Dec. 31, 2011 for transmittal to State agencies
- Sept. 30, 2011 - Santee CDC adopted the preliminary draft Recognized Payment Schedule (ROPS) for transmittal to State agencies
- Jan. 11, 2011 - Santee City Council elected to become the Successor Agency to the Santee Community Development Commission
- Jan. 25, 2011 - Santee CDC adopted an amended preliminary draft Recognized Payment Schedule (ROPS) for the period 10/1/11 – 7/1/12 for submittal to the County Auditor-Controller, the State Controller's Office, and the State Department of Finance, and this was posted on the City's website.
- Feb. 1, 2011 - Santee Community Development Commission was dissolved and replaced by the CDC Successor Agency and the budget for the CDC was eliminated with all fiscal obligations transferred to the Successor Agency.
- Feb. 25, 2011 - Santee CDC Successor Agency approved the initial draft Recognized Payment Schedule (ROPS) for the period 10/1/11 – 7/1/12 for submittal to the County Auditor-Controller, the State Controller's Office, and the State Department of Finance, and this was posted on the City's website

The next step in this process is for the Successor Agency to convene the Oversight Board, and provide for the Board to review and approve the Recognized Payment Schedule (ROPS) for submittal to the County Auditor-Controller, the State Controller's Office, and the State Department of Finance by April 15, 2012. The review by the County Auditor-Controller includes a comprehensive review for certification by an outside audit firm. The City's Director of Finance has been in contact with State and County offices over the past six months to provide background information and insure the City's compliance with the provisions of AB 1X 26.

RECOMMENDED ACTION

Approve the attached Recognized Payment Schedules (ROPS) for submittal to the County Auditor-Controller, the State Controller's Office, and the State Department of Finance