



CITY OF POMONA

SUCCESSOR AGENCY

REPORT

September 10, 2018

To: Honorable Mayor and Members of the City Council, Sitting as the Successor Agency to the Redevelopment Agency

From: Linda Lowry, City Manager

By: Onyx Jones, Finance Director

Subject: Adoption of a Resolution Approving the Amended Recognized Obligation Payment Schedule (ROPS 18-19B) for the Period of January 1, 2019 through June 30, 2019

OVERVIEW

Recommendation – That the Successor Agency to the former Redevelopment Agency adopt a resolution -

1. Approving the Amended Recognized Obligation Payment Schedule for the period of January 1, 2019 to June 30, 2019;
2. Authorizing the transmittal of the Amended ROPS to the Oversight Board for approval.

Fiscal Impact – Approving the January 1, 2019 to June 30, 2019 Amended ROPS 18-19B will ensure the financial obligations of the former Redevelopment Agency are most accurately estimated for the 2018-19B fiscal year. The amendment will add \$1 Million to enforceable obligations for the repayment of redevelopment borrowing from the Low/Mod program to fund its Supplemental Education Revenue Augmentation Fund (“SERAF”) payment. Per approved Resolution 2018-10 the enforceable obligation can be funded up to fifty percent (50%) of the anticipated Redevelopment Property Tax Trust Fund (“RPTTF”) residual, if residual is available. It is anticipated that there will be sufficient funding in RPTTF along with the annual County grant/deferral to fund enforceable obligations for the Amended 2018-19B ROPS period.

Previous Successor Agency Action

- On January 27, 2016, the Successor Agency adopted Resolution No. SA2016-01 approving ROPS 16-17 and Administrative Budget for the period of July 1, 2016 – June 30, 2017.
- On January 23, 2017, the Successor Agency adopted Resolution No. SA2017-01 approving ROPS 17-18 and Administrative Budget for the period of July 1, 2017 – June 30, 2018.
- On January 22, 2018, The Successor Agency adopted Resolution No. SA2018-01 approving ROPS 18-19 and Administrative Budget for period of July 1, 2018 – June 30, 2019.
- On August 1, 2018, The Successor Agency received approval from the Department of Finance approving the repayment of Low/Mod loan to the former Redevelopment Agency for payment of SERAF obligation

EXECUTIVE SUMMARY

Approving the 18-19B ROPS amendment (Proposed Resolution - Attachment 1) would allow for repayment of up to \$1 Million of the \$4 Million loan which the Pomona Redevelopment Agency's low-and-moderate income housing fund ("LMIHF") made to the Redevelopment Agency. The repayment of the loan was approved by the Department of Finance ("DOF") on August 1, 2018 (See Attachment 2) and approved by the Oversight Board on June 21, 2018. The repayment is subject to the repayment formula outlined in Health and Safety Code Section ("HSC") 34191.4(b)(3)(A).

In order to meet the deadline for having the Amended ROPS 18-19B approved by the Oversight Board and submitted to the Department of Finance by the October 1, 2018 deadline, the Successor Agency is requested to adopt a Resolution approving an Amended ROPS 18-19B and authorizing transmittal to the Oversight Board for its review and approval at its regular meeting on September 24, 2018.

DISCUSSION

Health and Safety Code section 34176(e)(6)(B) declares that amounts owed to a former RDA's LMIHF resulting from SERAF payments are "enforceable obligations" to be repaid on the successor agency's Recognized Obligation Payment Schedule ("ROPS").ⁱ Repayment may begin as of the 2013-2014 Fiscal Year. The maximum repayment is established by statute, and equals 50% of the increase in the ROPS "residual allocation" (e.g. the monies remaining after county administrative expenses, pass-through payments, and enforceable obligations) when comparing the 2012-2013 ROPS cycle. (HSC 34171(d)(1)(G)(A), 34191.4(b)(3)(A)-(B).)

The "residual" base year ROPS allocation in FY 2012-2013 was \$0 and the Success Agency has only recently started to receive residual from the Redevelopment Property Tax Trust Fund ("RPTTF") Allocations. The "residual" allocated thus far in FY 2018-2019 is \$3,400,894 received on the 18-19A Redevelopment Property Tax Trust Fund ("RPTTF") Allocations. The Successor Agency is estimating that ROPS 18-19B RPTTF will have residual of approximately \$2 Million and is requesting 50% of the residual for repayment of the low/mod loan approved on the ROPS and by the DOF.

The Amended ROPS 18-19B that has been prepared by Finance Department staff is attached to the proposed resolution as Exhibit A. This Amended ROPS is in a format distributed by the Department of Finance.

Attachments: 1) Resolution
 Exhibit A) Amended 18-19B ROPS
 2) DOF Approval of Low/Mod loan repayment

ⁱ See also HSC 34171(d)(1)(G) . . . enforceable obligations include “amounts borrowed from, or payments owing to, the Low and Moderate Income Housing Fund as of [the Former Agency’s dissolution].”