



CITY OF POMONA SUCCESSOR AGENCY REPORT

January 6, 2020

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

From: Mark Gluba, Acting City Manager

Submitted By: Andrew Mowbray, Finance Director/City Treasurer

SUBJECT: A RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 20-21) FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021, APPROVING THE ADMINISTRATIVE BUDGET FOR THE SAME PERIOD, AND AUTHORIZING THE TRANSMITTAL OF THE ROPS AND ADMINISTRATIVE BUDGET TO THE OVERSIGHT BOARD FOR APPROVAL

RECOMMENDATION:

It is recommended that the Successor Agency to the former Redevelopment Agency adopt:

RESOLUTION NO. SA 2020-01 – A RESOLUTION OF THE CITY COUNCIL, SITTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF POMONA, CALIFORNIA APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 20-21) FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021, APPROVING THE ADMINISTRATIVE BUDGET FOR THE SAME PERIOD, AND AUTHORIZING THE TRANSMITTAL OF THE ROPS AND ADMINISTRATIVE BUDGET TO THE OVERSIGHT BOARD FOR APPROVAL

EXECUTIVE SUMMARY:

In order to carry out the mandates of adopting a new annual ROPS, the ROPS for the period from July 1, 2020 to June 30, 2021, the associated Administrative Budget, and a resolution have been prepared for Successor Agency consideration and approval. The proposed ROPS 20-21 and the Administrative Budget are similar to the previous ROPS. In an effort to have annual reporting of ROPS, pursuant to HSC section 34177 (o) (1), commencing with the ROPS covering the period from July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an Oversight Board approved annual ROPS to the Department of Finance and the County Auditor-Controller office by February 1. Department of Finance will make its determination by April 15. The ROPS detail information is recorded on the format distributed by the Department of Finance.

FISCAL IMPACT:

Approving the July 1, 2020 to June 30, 2021 ROPS 20-21 and the Administrative Budget will ensure the financial obligations of the former Redevelopment Agency are met for the 2020-21 fiscal year. The Administrative budget is \$575,958 to be funded with Redevelopment Property Tax Trust Fund (“RPTTF”) in the amount of \$350,133 and Other Funds in the amount of \$217,300, while the Non-Admin Enforceable Obligations totals \$14,980,923 to be funded by (“RPTTF”). The City was underfunded from the 19-20A RPTTF distribution in the amount of \$184,887 and is anticipating another shortfall of approximately \$200,000 for 19-20B RPTTF distribution. This shortfall is causing the City to use General Fund cash reserves to fund former RDA obligations which have been approved for payment by the Successor Agency (City Council), County Oversight Board, and the State Department of Finance. The shortfall is primarily due Los Angeles County involuntarily withholding tax increment revenues to meet the County deferral payment. Currently City staff is working with our consultants and City Attorney to resolve this issue with the County. If not resolved, it is anticipated the 2020-21 ROPS will incur a shortfall thus continuing to burden the City’s General Fund.

PUBLIC NOTICING REQUIREMENTS:

No public notice required.

PREVIOUS RELATED ACTION:

- On September 17, 2015, the Successor Agency adopted Resolution No. SA2015-08 approving ROPS 15-16B and Administrative Budget for the period of January 1, 2016 to June 30, 2016
- On January 25, 2016, the Successor Agency adopted Resolution No. SA2016-01 approving ROPS 16-17 and Administrative Budget for the period of July 1, 2016 to June 30, 2017
- On January 26, 2017, the Successor Agency adopted Resolution No. SA2017-01 approving ROPS 17-18 and Administrative Budget for the period of July 1, 2017 to June 30, 2019
- On January 22, 2018, the Successor Agency adopted Resolution No. SA2018-01 approving ROPS 18-19 and Administrative Budget for the period of July 1, 2018 to June 30, 2019
- On January 28, 2019, the Successor Agency adopted Resolution No. SA2019-01 approving ROPS 19-20 and Administrative Budget for the period of July 1, 2019 to June 30, 2020.

DISCUSSION:

Pursuant to AB X1 26, successor agencies to the former redevelopment agencies are required to adopt by resolution a ROPS that covers the payment obligations of the former redevelopment agency for a six month period.

On June 27, 2012, the Legislature passed and the Governor signed AB1484, making substantive amendments to the Dissolution Act (AB X1 26), including new deadlines for completion of ROPS and significant financial penalties to the hosted jurisdiction (the City) of the Successor Agency if the deadlines were not met. On September 22, 2015, the Governor signed SB 107 which revised the timeline for the preparation of the ROPS from bi-annual process to an annual process for the fiscal period beginning July 1, 2016. SB 107 requires that ROPS 16-17 and the associated Administrative Budget be approved by the Oversight Board and sent to the State Department of Finance by no later than February 1, 2016 and every February 1 thereafter.

In order to meet the deadline for having the ROPS 20-21 approved by the Oversight Board and submitted to the Department of Finance by the February 1, 2020 deadline, the Successor Agency is requested to adopt a Resolution approving ROPS 20-21, the Administrative Budget and authorize the transmittal to the Oversight Board for its review and approval at its regular meeting on January 27, 2020.

ROPS 20-21 Schedule (Attachment 2) to the Resolution SA 2020-01 (Attachment 1) illustrates the ROPS 20-21 that has been prepared by Finance Department staff. This ROPS reflects the change of format to incorporate annual reporting of obligations distributed by the Department of Finance.

The Administrative Budget (Attachment 3) illustrates the Administrative Budget for the Successor Agency. The Administrative and Direct Project Charge Budget has been prepared in accordance to the mandates of AB X1 26 and AB 1484. The budget includes limited funding for the Successor Agency to carry out the dissolution of the former Redevelopment Agency as well as direct project charges.

Prepared by:

Raul Marquez
Principal Accountant

ATTACHMENT(S):

Attachment No. 1 – Resolution No. SA 2020-01
Attachment No. 2 – ROPS 20-21 Schedule
Attachment No. 3 – Administrative Budget