



# **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA**

## **OVERSIGHT BOARD AGENDA REPORT**

**AGENDA DATE:** May 30, 2012

**TO:** Oversight Board Members

**FROM:** Successor Agency Staff

**SUBJECT:** Oversight Board Approval of the Second Recognized Obligation Payment Schedule, as Amended, and Administrative Budget

**RECOMMENDATIONS:** That the Oversight Board:

- A. Approve the Second Recognized Obligation Payment Schedule, as amended, for the period of July 1, 2012 through December 31, 2012; and,
- B. Approve the Proposed Administrative Budget for the Period of July 1, 2012 through December 31, 2012
- C. A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara Approving the Second Enforceable Obligation Payment Schedule For The Period of July 1, 2012 through December 31, 2012 and Approving the Successor Agency Administrative Budget for the Period of July 1, 2012 through December 31, 2012.

### **DISCUSSION:**

According to AB 26, in order for a monetary obligation incurred by a former redevelopment agency to be paid by a successor agency, that obligation must be listed on an EOPS and, once the ROPS is valid, on the Recognized Obligation Payment Schedule (ROPS). Review and approval of the ROPS is an extremely important function of the Oversight Board. Health and Safety Code 34179(i) states that Oversight Boards have the fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues.

The Successor Agency to the Redevelopment Agency of the City of Santa Barbara has prepared and adopted the Second Recognized Obligation Payment Schedule (ROPS). The purpose of the ROPS is to identify enforceable obligations of the Successor Agency. An enforceable obligation is defined in Health and Safety Code Section 34171(d)(1) and further clarified in (d)(2) and (d)(3).

The Final ROPS was approved by the Oversight Board on May 24, 2012 and has been sent to the state Department of Finance for review and approval. Staff will be reviewing the Second ROPS with the Oversight Board at the May 30, 2012 meeting.

Proposed Administrative Budget:

The proposed Administrative Budget will cover the period of July 1, 2012 through December 31, 2012. It includes personnel costs of employees administering the dissolution of the RDA and transferring remaining assets to the Successor Agency, ongoing legal costs pertaining to the dissolution of the RDA, supplies and materials, and other maintenance and support costs.

The Successor Agency may receive an administrative allowance to fund administrative costs, subject to approval by the Oversight Board. This allowance is based on a percentage applied to property tax allocated to the successor agency to fund the ROPS; three percent for Fiscal Year 2013, and each year thereafter. This amount shall not be less than \$250,000 for any fiscal year, unless negotiated by the Successor Agency and Oversight Board. At a minimum, the Successor Agency will be eligible for an administrative allowance of \$250,000. Staff will be reviewing the Administrative Budget with the Oversight Board at the May 30, 2012 meeting.

**PREPARED BY:** Brian J. Bosse, Waterfront Business Manager

**SUBMITTED BY:** Brian J. Bosse, Waterfront Business Manager