

OVERSIGHT BOARD RESOLUTION NUMBER OB-2016-2

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE AND PROJECT MANAGEMENT BUDGET OF THE SUCCESSOR AGENCY FOR JULY 1, 2016, THROUGH JUNE 30, 2017, CORRESPONDING TO ROPS 16-17.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, the Successor Agency is winding down the Former RDA's operations in accordance with AB 26, enacted on June 28, 2011, Assembly Bill 1484 (AB 1484), enacted on June 27, 2012, and subsequent related legislation (collectively, the Dissolution Laws); and

WHEREAS, the Oversight Board was formed pursuant to California Health and Safety Code (HSC) section 34179 to oversee certain actions and decisions of the Successor Agency under the Dissolution Laws; and

WHEREAS, the San Diego County Auditor-Controller (County Auditor), the State Controller, and the State Department of Finance (DOF) also possess certain rights and obligations under the Dissolution Laws with respect to the Successor Agency's administration of winding down the Former RDA's operations; and

WHEREAS, HSC section 34177(j) requires the Successor Agency to prepare and submit to the Oversight Board for approval, an administrative budget for each six-month fiscal period, estimating the administrative costs to be expended during the applicable fiscal period, identifying the proposed sources of payment for such administrative costs, and identifying proposed arrangements for administrative and operations services provided by a city or other entity; and

WHEREAS, Senate Bill 107 (SB 107), which went into effect immediately upon its enactment in September 2015, made substantial amendments to the Dissolution Laws, including changing the ROPS reporting period from every six months to once per fiscal year, running from July 1 through June 30, beginning with the fiscal year commencing on July 1, 2016; and

WHEREAS, SB 107 did not change the time period covered by the Successor Agency's administrative budgets under HSC section 34177(j), and such administrative budgets continue to cover six-month fiscal periods, requiring two administrative budgets for each annual ROPS period; and

WHEREAS, Successor Agency staff has prepared a proposed annual "Administrative and Project Management Budget" for the Successor Agency, comprised of two six-month budgets for July 1, 2016, through December 31, 2016, and January 1, 2017, through June 30, 2017, respectively, covering the entire ROPS 16-17 period (collectively, the ROPS 16-17 Budget), a copy of which is included as Attachment C to the Staff Report accompanying this item; and

WHEREAS, the ROPS 16-17 Budget includes the total amount of \$7,484,000, of which \$3,849,000 is allocated to administrative costs and \$3,635,000 is allocated to project management costs, as such categories of costs are described in HSC section 34171(b); and

WHEREAS, the ROPS 16-17 Budget contemplates the Successor Agency's payment of funds to the City in exchange for the provision of certain services by the City and a City-owned

nonprofit public benefit corporation, namely Civic San Diego, related to winding down the Former RDA's operations; and

WHEREAS, under HSC section 34179(h)(1)(B), the Oversight Board's decision regarding approval of the administrative costs in the ROPS 16-17 Budget will become effective immediately, without any need for review by the DOF.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The ROPS 16-17 Budget is approved.
2. The Successor Agency is authorized to make payments in accordance with the ROPS 16-17 Budget, utilizing the funding sources identified therein.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on January 25, 2016.



Chair, Oversight Board