

OVERSIGHT BOARD RESOLUTION NUMBER OB-2016-8

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE RECLASSIFICATION OF FUNDING SOURCES, FROM RESERVE BALANCE TO SURPLUS RPTTF, IN CERTAIN LINE ITEMS OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING JANUARY 1, 2016, THROUGH JUNE 30, 2016, DESIGNATED AS ROPS 15-16B.

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, pursuant to HSC section 34177(l), Successor Agency staff must prepare a Recognized Obligation Payment Schedule (ROPS) on a forward-looking basis for specified fiscal time periods, showing the payments to be made toward enforceable obligations and the funding sources for the payments; and

WHEREAS, for ROPS 1 through ROPS 9 (also known as ROPS 15-16B), the ROPS fiscal period consisted of six months, and commencing with ROPS 10 (also known as ROPS 16-17), the ROPS fiscal period will consist of 12 months; and

WHEREAS, for each ROPS period, the Successor Agency prepares, as part of the ROPS template, a Cash Balance Report that reports funding available as of the end of the fiscal period being closed and projects the available funding for the period being budgeted; and

WHEREAS, during the preparation of ROPS 16-17 (July 1, 2016 to June 30, 2017), Successor Agency staff determined that the Successor Agency had inadvertently over-committed its reserve balance request on the ROPS 15-16B Detail submission due to an inadvertent computation error and did not have a sufficient reserve balance presently available to fulfill its authorized obligations of certain bond debt service payments from reserve funds; and


WHEREAS, due to this computation error, the Successor Agency volunteered the allocation of reserve funds for payment of enforceable obligations in ROPS 15-16B that did not exist because the DOF had compelled the expenditure of these same reserve funds for payment of enforceable obligations in ROPS 15-16A; and

WHEREAS, based on recent discussions with the DOF, the Successor Agency now proposes to expend surplus prior distributions from the Redevelopment Property Tax Trust Fund (RPTTF) of \$7,377,945, in lieu of reserve balance, during the current ROPS 15-16B period toward enforceable obligations listed in line items 6 through 13, 16, and 19 in ROPS 15-16B,

consisting of debt service payments on outstanding bonds of the Successor Agency that must be fulfilled soon per the applicable bond covenants.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board that the Oversight Board approves the reclassification of \$7,377,945 in funding sources, from reserve balance to surplus RPTTF, during the current ROPS 15-16B fiscal period toward enforceable obligations listed in line items 6 through 13, 16, and 19 in ROPS 15-16B, consisting of debt service payments on outstanding bonds of the Successor Agency, as further described in the table on page 3 of the staff report accompanying this Resolution.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on February 22, 2016.

 February 22, 2016

Bonnie Ann Dowd

Date

Vice Chair, Oversight Board