



City of Huntington Beach

File #: 21-031

MEETING DATE: 1/19/2021

REQUEST FOR SUCCESSOR AGENCY ACTION

SUBMITTED TO: Honorable Chair and Boardmembers

SUBMITTED BY: Oliver Chi, Executive Director

PREPARED BY: Dahle Bulosan, Chief Financial Officer

Subject:

Adopt Successor Agency Resolution Nos. 2021-01 and 2021-02 approving the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the Huntington Beach Successor Agency for the period of July 1, 2021, through June 30, 2022, in accordance with Health and Safety Code Section 34177 and related actions

Statement of Issue:

The Successor Agency is requested to approve the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the period of July 1, 2021, through June 30, 2022. An approved ROPS must be submitted to the County of Orange Oversight Board by January 26, 2021, and then to the Department of Finance (DOF) by February 1, 2021. This is the third year that the Successor Agency is submitting the annual ROPS to the Countywide Oversight Board.

Financial Impact:

The ROPS provides the County Auditor-Controller with the amount of the former Redevelopment Agency's enforceable obligations for which the Successor Agency anticipates incurring expenditures. Once approved by DOF, the Successor Agency will be entitled to receive property tax revenue up to the amount of the DOF-approved enforceable obligations included in the Payment Schedule. The ROPS requests \$7,192,504 in funds to support existing legally required enforceable obligations for Fiscal Year (FY) 2021/22.

Successor Agency Recommended Action:

A) Adopt Resolution No. 2021-01, "A Resolution of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Successor Agency Administrative Budget for the Period July 1, 2021, through June 30, 2022;" and,

B) Adopt Resolution No. 2021-02, "A Resolution of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Recognized Obligation Payment Schedule for the Period July 1, 2021 - June 30, 2022 ('ROPS 21-22')."

Alternative Action(s):

Do not adopt the Resolutions and direct staff accordingly. Per Health and Safety Code Section 34177

(m)(2), the Successor Agency would be assessed a \$10,000 per-day penalty for failure to submit the ROPS on a timely basis. Additionally, failure to submit the ROPS within ten (10) days of the deadline may result in a 25% reduction of the Successor Agency's maximum administrative cost allowance for the period covered by the delinquent ROPS.

Analysis:

As part of the 2011 Budget Act, as recommended by then Governor Jerry Brown, Legislature approved the dissolution of the State's Redevelopment Agencies. After litigation, the California Supreme Court ruled on the Dissolution Act that all redevelopment agencies in California were dissolved effective February 1, 2012.

The Dissolution Act, AB 1484, and related legislation describe the procedures to wind-down the affairs of the former redevelopment agencies. These provisions include the continued payment of recognized enforceable obligations as defined in the law. The ROPS for July 1, 2021, through June 30, 2022, requests payment for enforceable obligations associated with the former Redevelopment Agency's Tax Allocation bonds, development agreements, legal services, administrative, and other miscellaneous costs. The County Oversight Board and DOF has the authority to review the ROPS and return it to the Successor Agency for reconsideration and modification, or to disallow payment for a listed obligation.

The County Oversight Board will review and approve the City's current ROPS during its January 24, 2021, meeting. The City must submit to the State DOF by February 1, 2021. The State DOF will make its determination by April 15, 2021. The City's ROPS will not be effective until approved by the State DOF.

The Administrative Budget for the July 1, 2021, through June 30, 2022, budget reflects a total of \$250,000, which represents the maximum reimbursement to cities allowed by law for costs associated with administering these obligations.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Enhance and maintain infrastructure

Attachment(s):

1. Resolution No. 2021-01, "A Resolution of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Successor Agency Administrative Budget"
2. Resolution No. 2021-02, "A Resolution of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Recognized Obligation Payment Schedule for the Period July 1, 2021 - June 30, 2022 ('ROPS 21-22')"