

## **CITY OF IMPERIAL**

**OVERSIGHT BOARD MEETING DATE:** January 29, 2018 **AGENDA ITEM:**

**ITEM TITLE:** Consideration of a Resolution Approving the Last and Final Recognized Obligation Payment Schedule and Approving Administrative Budget of the Former City of Imperial Redevelopment Agency.

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### **RECOMMENDATION:**

Adopt a Resolution of the Oversight Board of the Successor Agency to City of Imperial Redevelopment Agency approving the Recognized Obligation Payment Schedule (ROPS) for FY 18/19.

### **FISCAL IMPLICATIONS:**

Adoption of the resolution will allow the Successor Agency to pay the obligations listed on the ROPS.

### **BACKGROUND AND OVERVIEW:**

Pursuant to state laws that dissolved all local redevelopment agencies in 2012, the City has completed a series of steps over the past five years including semi-annual and annual ROPS, negotiating with the state regarding available balances in for former agency's housing and non-housing funds, and completing a state audit of transfers between the former agency and City. Preparation of a Last and Final Recognized Obligation Payment Schedule (ROPS 18/19 likely represents the final chapter in the process of dissolving Imperial's former redevelopment agency. A Finding of Completion was made by the DOF showing that the Agency has satisfied its financial obligations under State law as specified in Health and Safety Code section 34179.7. This entitles the City to submit the Last and Final ROPS. The Successor Agency approved the Last and Final ROPS 18/19 at their meeting of January 17, 2018 and is forwarding to the Oversight Board for approval. The approval by the board and the state, would provide a long-term guarantee that all former agency obligations would be paid through 2042. These obligations include debt service (bond payments), Indebtedness obligations (including loans), contracts necessary for continued administration or operation of Agency, and Agency administrative cost allowance.

### **DEADLINES FOR ROPS SUBMISSION AND REVIEW**

The ROPS must be submitted to the Department of Finance by February 1, 2018. The DOF has until April 13, 2018 to make its final determination regarding the enforceable obligations, the dollar amounts, and funding sources.

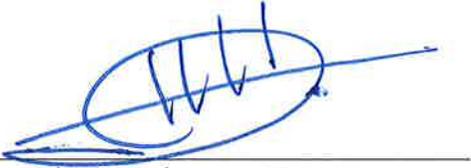
**PENALTIES FOR FAILURE TO MAKE TIMELY SUBMISSION**

If the Successor Agency does not submit an Oversight Board-approved ROPS by February 1, 2018, the City of Imperial will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities.

**FINDINGS AND ALTERNATIVES:**

1. Adopt a Resolution of the Oversight Board of the Successor Agency to City of Imperial Redevelopment Agency approving the Last and Final Recognized Obligation Payment Schedule (ROPS 18/19) or:

No alternative recommended as this is a requirement of the DOF.

Submitted by:   
Othon Mora, Community Development Director

**RESOLUTION NO. OB 2018-01**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO CITY OF IMPERIAL REDEVELOPMENT AGENCY ADOPTING LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

**WHEREAS**, the Oversight Board of the Successor Agency to City of Imperial Redevelopment Agency (“Oversight Board” as applicable) has been established to direct the Successor Agency to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and

**WHEREAS**, the City of Imperial Redevelopment Agency (“Agency”) was engaged in activities to execute and implement the Project Area No. 1 Redevelopment Plan and the Project Area No. 2 Redevelopment Plan (collectively, the “Redevelopment Plans”) pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000 et seq.) (“CCRL”) and

**WHEREAS**, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor signed, companion bill ABX1 26 requiring that each redevelopment agency be dissolved; and

**WHEREAS**, an action challenging the constitutionality of ABX1 26 and ABX1 27 was filed in the California Supreme Court by the California Redevelopment Association, the League of California Cities, and two individual cities; and

**WHEREAS**, on December 29, 2011, the Court upheld ABX1 26; and

**WHEREAS**, Health and Safety Code Section 34177 requires successor agencies to prepare and adopt on an annual basis, a “Recognized Obligation Payment Schedule” (“ROPS”) that lists all obligations of the former redevelopment agency that are enforceable within the meaning of subdivision (d) of Section 34171; and

**WHEREAS**, on January 17, 2018, the City Council of the City of Imperial acting as the Successor Agency to the City of Imperial Redevelopment Agency approved the Last and Final Recognized Obligation Payment Schedule.

**NOW, THEREFORE, BE IT RESOLVED**, by the Oversight Board of Successor Agency to the City of Imperial Redevelopment Agency, does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Adoption of a Recognized Obligation Payment Schedule. In order to enable the City of Imperial Successor Agency to strictly comply with ABX1 26, and based on the Recitals set forth above, the Oversight Board hereby adopts the Schedule

attached hereto as Exhibit "A" as the Last and Final Recognized Obligation Payment Schedule. Pursuant to Health & Safety Code Section 34173(e), the Successor Agency's liability, including, but not limited to, its liability for the obligations on the attached schedule is limited to the total sum of property tax revenues it received pursuant to Part 1.85 of ABX1 26.

Section 3. Implementation. The Oversight Board hereby establishes the Last and Final Recognized Obligation Payment Schedule, pursuant to Health & Safety Code Section 34180(g).

Section 4. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 5. The Oversight Board Secretary shall certify to the adoption of this Resolution.

**PASSED, APPROVED, AND ADOPTED** at the meeting of the Oversight Board of the Successor Agency to City of Imperial Redevelopment Agency held this 29<sup>th</sup> day of January 2018.

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Chairperson,  
Oversight Board of the Successor Agency to City of  
Imperial Redevelopment Agency

ATTEST:

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Debra Jackson  
Oversight Board Secretary

**Imperial Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail**

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	18-19A (July - December)					Q	18-19B (January - June)					W	
											Fund Sources						Fund Sources						
											L	M	N	O	P		R	S	T	U	V		
																							Bond Proceeds
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19B Total	
3	Successor Agency Admin Fee	Admin Costs	9/17/2013	6/30/2015	City of Imperial Successor Agency	Per Section 34171 (b)		\$ 21,654,484	N	\$ 3,659,278	\$ 109,400	\$ -	\$ 10,000	\$ 1,088,553	\$ 482,084	\$ 1,690,037	\$ 1,404,000	\$ -	\$ 10,000	\$ 331,241	\$ 224,000	\$ -	\$ 1,969,241
4	County of Imperial	OPA/DDA/Construction	6/13/2006	6/30/2014	County of Imperial	Contractual Obligation		250,000	N	250,000	10,000				125,000	125,000					125,000	125,000	
6	North Imperial Avenue Senior Apartments	Bond Funded Project - Pre-2011	3/27/2013	12/31/2015	EAH Housing Corporation	Bonds issued to fund projects Low Moderate Funds		1,300,000	N	1,300,000							1,300,000						1,300,000
29	Successor Agency Admin Fee	RPTTF Shortfall	7/1/2012	1/1/2012	City of Imperial Successor Agency	Per Section 34171 (b) Shortfall on ROPS 13-14A			N														
30	2016 Series (A) Refunding Bonds	Bonds Issued On or Before 12/31/10	5/25/2016	12/1/2036	Wells Fargo Bank, N.A.	Refunding of Bonds		5,615,000	N	417,675				323,025		323,025				94,650			94,650
31	2016 Series (B) Refunding Bonds	Bonds Issued On or Before 12/31/10	5/25/2016	12/1/2037	Wells Fargo Bank, N.A.	Refunding of Bonds		13,800,000	N	1,002,119				765,528		765,528				236,591			236,591
32	2016 Series (A) Refunding Bonds	Fees	5/25/2016	12/1/2036	Wells Fargo Bank, N.A.	Bond Trustee Fees		4,500	N	4,500											4,500		4,500
33	2016 Series (B) Refunding Bonds	Fees	5/25/2016	12/1/2037	Wells Fargo Bank, N.A.	Bond Trustee Fees		4,500	N	4,500											4,500		4,500
34	2016 Series (A) Refunding Bonds	Fees	5/25/2016	12/1/2036	Urban Futures, Inc	Bond Continuing Disclosure Annual Report		1,850	N	1,850					1,850	1,850							
35	2016 Series (B) Refunding Bonds	Fees	5/25/2016	12/1/2037	Urban Futures, Inc	Bond Continuing Disclosure Annual Report		1,850	N	1,850					1,850	1,850							
36	La Fuente Senior Housing Project	Bond Funded Project - Housing	7/1/2017	6/30/2018	City of Imperial Successor Agency	Purchase Property of dilapidated buildings		99,400	N	99,400	99,400					99,400							
37	6th Street Apartments	Bond Funded Project - Housing	7/1/2017	6/30/2018	City of Imperial Successor Agency	Improvements/renovation to property		200,000	N	200,000			10,000		90,000	100,000			10,000		90,000		100,000
38	Project Management - North Imperial Avenue Senior Apartments	Project Management Costs	3/27/2013	12/31/2015	City of Imperial Successor Agency	Project Management of contractual obligation		104,000	N	104,000							104,000						104,000
39									N	\$ -						\$ -							\$ -
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