

**Oversight  
Agenda Report**

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**SUBJECT:**     **Recommend adoption of a Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City Approving the Recognized Obligation Payment Schedule (“ROPS”) to include an Administrative Budget as required by Health & Safety Code Section 34180**

**FROM:**        Successor Agency

**MEETING DATE:** March 27, 2012

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**RECOMMENDATION:**

It is recommended that the Oversight Board accept and approve the Recognized Obligation Payment Scheduled the established by the Successor Agency as required by ABX1-26.

**DISCUSSION:**

On December 29, 2011, the California Supreme Court acted on the lawsuit filed by the California Redevelopment Association and the California League of Cities relative to the constitutionality of ABX1-26 (the “Dissolution Bill”) and ABX1-27 (the “Continuation Bill”). The Court found only ABX1-26, the Dissolution Bill, to be constitutional and, as such, ordered the dissolution of all redevelopment agencies throughout the State by February 1, 2012 without the ability to “pay-to-play”. Additionally, the Court extended several dates contained in ABX1-26 by a period of four months. As such, the Agency on January 25, 2012, adopted its Second Enforceable Obligation Payment Schedule (EOPS), originally adopted on August 10, 2011 and amended on November 30, 2011, to now include both the enforceable obligations as well as the anticipated payments that must be made on these obligations through and including June 30, 2012. Upon adoption the Agency provided the Second Amended EOPS to the City Council as the Successor Agency to the Redevelopment Agency as required by ABX1-26 prior to February 1, 2012. Subsequent to adoption on January 25<sup>th</sup>, 2012, the Second Amended EOPS was forwarded to the County Auditor-Controller, the State Controller’s Office, the State Department of Finance and the City in its role as the Successor Agency. The EOPS has also consistently been posted on the City’s website. This document now becomes the EOPS to be used by the Successor Agency in preparing its initial draft of a Recognized Payment Obligation Schedule which must be completed by March 1, 2012 and which is then subject to the review and certification by an external auditor as to accuracy.

By March 1, 2012, the Successor Agency must prepare and establish an initial draft of the Recognized Obligation Payment Schedule (including an administrative budget) (ROPS), for period of Jan 1, 2012 through June 30, 2012, which was adopted on February 22, 2012. The established ROPS must be approved by Oversight Board and submitted to County Auditor, State Controller’s Office and State Dept. of Finance by April 15, 2012, the basis of which is the Successor Agency’s amended EOPS. The ROPS must also be certified by County Auditor-Controller by the designated External Auditor (auditor hired County Auditor-Controller to prepare an “agreed procedures audit” of the former RDA and unknown at the time of this writing). The ROPS is the document used to determine the amount of what was previously called tax increment the Agency will be allowed to retain on a six month basis as well as the amount of the Successor Agency’s allowable administrative budget.

**ATTACHMENTS:**

Supporting Resolution