




Office of the Executive Officer

CONSENT CALENDAR
October 2, 2012

To: Honorable Chairperson and Members of the Successor Agency to the
Redevelopment Agency
From:  Christine Daniel, Executive Officer
Submitted by: Eric Angstadt, Director, Planning and Development
Subject: Recognized Obligation Payment Schedule: January 1 – June 30, 2013

RECOMMENDATION

Adopt a Resolution approving a Recognized Obligation Payment Schedule (“ROPS”) for the six month fiscal period commencing on January 1, 2013 and ending June 30, 2013.

FISCAL IMPACTS OF RECOMMENDATION

Preparation of the ROPS is in furtherance of allowing the Successor Agency to pay enforceable obligations of the former redevelopment agency. Adopting the ROPS does not create any new unfunded fiscal obligations for the City.

CURRENT SITUATION AND ITS EFFECTS

Successor agencies are required to prepare Recognized Obligation Payment Schedules (“ROPS”) prior to each six-month fiscal period. The ROPS for the period commencing on January 1, 2013 and ending June 30, 2013 (“ROPS III”) was due to the state Department of Finance on September 4, 2012. The ROPS III was submitted to the state with Oversight Board approval, but approval by the City Council, acting as the Successor Agency, is also requested.

BACKGROUND

Upon dissolution of the Berkeley Redevelopment Agency on February 1, 2012 pursuant to AB X1 26, the Successor Agency to the Berkeley Redevelopment Agency was constituted and is governed by the members of the City Council. Successor agencies are required to prepare Recognized Obligation Payment Schedules prior to each six-month fiscal period. The City Council, acting as the Successor Agency for the Redevelopment Agency, approved the first and second ROPS on February 28 and May 15, 2012, respectively. Both were subsequently approved by the Department of Finance.

The purpose of the ROPS to designate all enforceable obligations of the former redevelopment agency. In particular, the ROPS must identify the total amount of each obligation, the fiscal year and six-month amount due, and the source of funding.

In late June 2012, changes to Health and Safety Code were approved by the legislature and signed by the Governor, including the following requirement:

The Recognized Obligation Payment Schedule for the period of January 1, 2013, to June 30, 2013, shall be submitted by the successor agency, after approval by the oversight board, no later than September 1, 2012.

Berkeley's Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency approved the ROPS III on July 23, 2012; amendments were requested by staff and a revised ROPS III was approved by the Oversight Board on August 27, 2012. The ROPS III was submitted to the Department of Finance and other agencies by the required date (see Exhibit A of the attached resolution).

Although approval by City Council, acting as the Successor Agency, is not explicitly required, a resolution approving the ROPS III has been prepared.

An "administrative cost allowance" is one line item on the ROPS. Under AB X1 26 and AB 1484, an administrative cost allowance is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The amount may be up to three percent of the property tax allocated to the Successor Agency for the fiscal year, provided however that the annual amount shall not be less than \$250,000, or such lesser amount as agreed to by the Successor Agency.

The proposed administrative budget for the ROPS III six-month period is \$125,000. Consistent with previously approved administrative costs, portions of six staff members from three departments, totaling 1.15 FTE, are included, as is \$12,333 for consultant and legal assistance. Detail is provided in Exhibit B of the attached resolution. Successor Agency approval of the proposed administrative budget is included in the recommended action.

RATIONALE FOR RECOMMENDATION

Adoption of a recognized enforceable obligation schedule will allow the City, acting as Successor Agency, to comply with state law and will allow required payments to be made.

ALTERNATIVE ACTIONS CONSIDERED

None

CONTACT PERSON

Wendy Cosin, Deputy Planning Director, Planning and Development, 981-7402

Attachments:

- 1: Resolution Approving Recognized Obligation Payment Schedule, January 1 – June 30, 2013, including:
 - Exhibit A - ROPS III
 - Exhibit B – Administrative Budget
- 2: August 27, 2012 Oversight Board staff report (without attachments)
- 3: Oversight Board Resolution No. 2012-08 N.S. (without attachments)

RESOLUTION NO. ##,###-N.S.

RECOGNIZED OBLIGATION PAYMENT SCHEDULE:
JANUARY 1, 2013 – JUNE 30, 2013

WHEREAS, Successor Agencies are required to prepare a Recognized Obligation Payment Schedule for the period commencing on January 1, 2013 and ending June 30, 2013 that lists each enforceable obligation; and

WHEREAS, the original ROPS was approved by the Successor Agency on February 28, 2012 (Resolution No. 65,612) listing the dissolved agency's enforceable obligations for payments required to be made from January 1, 2012 through June 30, 2012; and

WHEREAS, the second ROPS was approved by the Successor Agency on May 15, 2012 (Resolution No. 65,704) listing the dissolved agency's enforceable obligations for payments required to be made from July 1, 2012 through December 31, 2012; and

WHEREAS, a third ROPS was approved by the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency on July 23, 2012 (Resolution No 2012-06 N.S.), which listed the dissolved agency's enforceable obligations for payments required to be made from January 1, 2013 through June 30, 2013; and

WHEREAS, an amended third ROPS was approved by the Oversight Board on August 27, 2012 (Resolution No. 2012-08 N.S) and was submitted to the Department of Finance as required; and

WHEREAS, Oversight Board approval was obtained prior to review by the City Council, acting as the Successor Agency because the City Council was on Summer Recess from July 25 through September 10, 2012; and

WHEREAS, adoption of a list of recognized obligations by both the City Council, acting as the Successor Agency, and the Oversight Board will ensure compliance with state law.

NOW THEREFORE, BE IT RESOLVED by the Successor Agency to the Berkeley Redevelopment Agency, that it hereby approves Exhibit A, the attached Recognized Obligation Payment Schedule (ROPS) as was approved by the Oversight Board.

BE IT FURTHER RESOLVED that the Successor Agency to the Berkeley Redevelopment Agency hereby approves the Administrative Budget as included in the ROPS III, with additional detail provided in Exhibit B.

Exhibits

- A. Oversight Board Resolution Approving Recognized Obligation Payment Schedule, January 1 – June 30, 2013
- B. Administrative Budget, January 1 – June 30, 2013