

# OVERSIGHT BOARD AGENDA

City of Monterey Park, California

Oversight Board to the City of Monterey Park SA  
Acting on behalf of the Former Redevelopment Agency

## Special Meeting

Thursday, February 20, 2014

9:00 a.m.

**Monterey Park City Hall, Room 266, Second Floor  
320 West Newmark Avenue, Monterey Park, CA 91754**

Staff reports, writings, or other materials related to an item on this Agenda, which are distributed to the Monterey Park Oversight Board less than 72 hours before this scheduled meeting shall be available for public inspection in the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours. Such staff reports, writings, or other materials are also on the City's website subject to staff's ability to post the materials before the meeting. The City's website is located at <http://ci.monterey-prk.ca.us/home/index.asp>.

### **PUBLIC COMMENTS ON AGENDA ITEMS**

Any member of the public wishing to address the Oversight Board regarding any item on this Agenda will need to fill out a speaker card and then please return it to the City Clerk prior to the announcement of the Agenda Item.

Speakers are afforded five (5) minutes per individual on each published agenda item. The Public will be allowed consolidation with another speaker's time not to exceed two (2) minutes for each speaker wishing to forego his or her opportunity. However in the interest of ensuring that all members of the Public have an equal opportunity to participate, a single speaker cannot speak for more than ten (10) minutes on the individual Agenda item. In the event that there are a large number of speakers on a particular agenda item, the Oversight Board may in the interest of being able to timely conduct business reduce the amount of time allotted to each speaker and/or limit the total amount time allowed for speakers to address the agenda item. At the conclusion of that period of time, the speaker will be asked to please conclude their remarks so that the next speaker may begin their comments.

In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call City Hall, (626) 307-1359. Please notify the City Clerk's Office twenty-four hours prior to the meeting so that reasonable arrangements can be made to ensure availability of audio equipment for the hearing impaired. Conference room 266 is wheelchair accessible.

Copies of staff reports and/or written documents pertaining to any item on the Agenda are on file in the Office of the City Clerk and are available for public inspection during regular business hours.

PLEASE NOTE that this Agenda includes items considered by the Oversight Board acting on behalf of the Successor Agency of the former Monterey Park Redevelopment Agency which dissolved February 1, 2012.

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### **CALL TO ORDER**

### **FLAG SALUTE**

**ROLL CALL:** Paul Talbot, Robert Lee Gin, Michael D. Hamner, Cheryl Plotkin, Annie Young, John Leung,  
Katherine Hennigan

### **1. AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTION**

Items on the Consent Calendar are considered to be routine, ongoing business and will be enacted by one motion. There is no separate discussion on consent items unless a Oversight Board Member/SA Staff

member or citizen so requests, in which event the item is removed from the Consent Calendar and considered separately. Individuals wishing to address the Oversight Board/SA Staff Member on any item must first complete a speaker card provided by the Oversight Board Secretary and must return it to the Oversight Board Secretary prior to the to the Board's/SA Staff's consideration of the Consent Calendar. The Oversight Board Secretary will not accept cards after the item has been taken up. Time limit for individual comments is five (5) minutes.

Consent Calendar – Approval by Minute Motion

### **OVERSIGHT BOARD CONSENT CALENDAR**

#### **2. OVERSIGHT BOARD MINUTES**

Approval of Minutes from the **OCTOBER 10, 2013** Monterey Park Oversight Board meeting.

Recommendations: It is recommended that the Oversight Board

- (1) Approve the minutes from the Monterey Park Oversight Board meeting of October 10, 2013; and
- (2) Take such additional, related, action that may be desirable.

#### **3. ORAL AND WRITTEN COMMUNICATIONS**

Communication by the Public is an important part of the Local Government Process. Per Monterey Park Municipal Code Section 2.04.030, Oral and Written Communications from the public is to take place immediately following Consent Calendar Business. Any individual wishing to address the Oversight Board under Oral and Written Communications needs to complete a Speaker Card provided by the Oversight Board Secretary and then please return it the Oversight Board Secretary prior to the Oversight Board taking up this item.

The Oversight Board Secretary will call members of the public that have submitted speaker cards. The Oversight Board Secretary will call the public in the same order that the speaker cards are received except that the Oversight Board Secretary may group and present the speaker cards by first calling all persons in favor of an issue and all persons opposed, and finally those with neutral comments.

**UNFINISHED BUSINESS:** None

#### **NEW BUSINESS**

- 4. RESOLUTIONS APPROVING REPAYMENT SCHEDULES FOR AMOUNTS DUE UNDER THE TEMPORARY LOAN FOR PAYMENT OF THE SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND (SERAF) AND THE DEFERRED HOUSING SET-ASIDE FUNDS.**

Pursuant to AB 1484 and Health and Safety Code §34191.4, the Successor Agency may place certain loan agreements on the ROPS for repayment. In the case of Monterey Park, this would be the SERAF loan and the loan from the Low and Moderate Income Housing Fund (LMIHF). In order to place the items on the ROPS for repayment, a Repayment Schedule must be approved by the Successor Agency and Oversight Board, and the Oversight Board must find that the loan was for legitimate redevelopment purposes.

**Recommendation:** It is recommended that the Oversight Board:

- (1) Adopt Resolution No. \_\_\_\_\_: SERAF – Schedule No. 1
- (2) Adopt Resolution No. \_\_\_\_\_: Deferred Loan – Schedule No. 2
- (3) Direct staff to transmit the Repayment Schedule for the SERAF Loan and the Repayment Schedule for the Low/Mod Deferred Loan to the Department of Finance and any other appropriate public agencies.
- (4) Take such additional, related action that may be desirable.

**5. RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE ROPS 14-15A AND ADMINISTRATIVE BUDGET FOR JULY – DECEMBER 2014**

Staff requests that the Oversight Board for Monterey Park, consider the Recognized Obligation Payment Schedule ROPS 14-15A and Administrative Budget for the period covering July – December 2014.

- (1) Adopt the Resolution approving ROPS 14-15A and Administrative Budget for the period covering July – December 2014.
- (2) Direct staff to transmit the ROPS 14-15A and Administrative Budget to the appropriate public agencies.
- (3) Take such additional, related action that may be desirable.

**6. CLOSED SESSION**

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS - GOVERNMENT CODE § 54956.8**

Property: APN 5237-022-902 (700 Corporate Center Drive)  
Agency Negotiators: Paul Talbot, City Manager; Mark Hensley, City Attorney  
Negotiating Parties: Red Oak Investments; Master Funds, Inc.; Province Group; Sanderson

J. Ray; Legendary Developments; Charles Company  
Price and terms of payment

Under Negotiation:

**7. ADJOURN**

**MINUTES  
OVERSIGHT BOARD TO THE CITY OF MONTEREY PARK  
SUCCESSOR AGENCY ACTING ON BEHALF OF THE  
FORMER REDEVELOPMENT AGENCY  
SPECIAL MEETING  
OCTOBER 10, 2013**

The Oversight Board held a Special Meeting of the Board in Room 266, Second Floor of City Hall, located at 320 West Newmark Avenue in the City of Monterey Park, Thursday, October 10, 2013 at 9:00 a.m.

**CALL TO ORDER:**

Chair Talbot called the meeting to order at 9:02 a.m.

**FLAG SALUTE:**

Chair Talbot led the flag salute.

**ROLL CALL:**

Deputy City Clerk Secretary Cho called the roll:

Board Members Present: Paul Talbot, Michael D. Hamner, Annie Young, John Leung, Cheryl Plotkin, and Robert Lee Gin

Board Members Absent: None

Also Present: Donna Ramirez, Economic Development Specialist and Douglas S. Baron, LA County Director of Public Finance, Investments and D.C. Plans

**1. AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTION**

None.

**CONSENT CALENDAR CONSISTS OF ITEM NO. 2**

Matters listed under consent calendar are considered to be routine, ongoing business and are enacted by one motion unless specified.

**Action Taken:** The Oversight Board approved and adopted Item No. 2.

**Motion:** Moved by Board Member Hamner and seconded by Board Member Leung, motion carried by the following vote:

Ayes: Board Members: Leung, Hamner, Talbot, Young

Noes: Board Members: None

Absent: Board Members: None

Abstain: Board Members: Gin, Plotkin

**2. OVERSIGHT BOARD MINUTES**

Approval of Minutes from the September 26, 2013 Monterey Park Oversight Board meeting.

**Action Taken:** Board Member Gin and Board Member Plotkin abstained from the September 26, 2013 minutes as they were not present at the meeting. The Board

approved the minutes from the September 26, 2013 Monterey Park Oversight Board Meeting on Consent Calendar.

### **3. ORAL AND WRITTEN COMMUNICATIONS**

None.

### **UNFINISHED BUSINESS**

None.

### **NEW BUSINESS**

#### **4. RESOLUTION APPROVING THE SUCCESSOR AGENCY'S REFUNDING OF THE OUTSTANDING 1998 AND 2002 REDEVELOPMENT TAX ALLOCATION OBLIGATIONS PURSUANT TO ASSEMBLY BILLS X1 26 AND 1484, INCLUDING AUTHORIZING THE AGENCY TO EXECUTE AND DELIVER AN INDENTURE OF TRUST; CONTINUING DISCLOSURE AGREEMENT; ESCROW AGREEMENT; LOCAL OBLIGATION PURCHASE CONTRACT; AND OTHER DOCUMENTS RELATED THERETO**

On September 25, 2013 the Successor Agency for the former Redevelopment Agency, considered ROPS 13-14B. Staff requests that the Oversight Board considers and approves the Recognized Obligation Payment Schedule ROPS 13-14B and Administrative Budget for the period covering January – June 2014.

**Action Taken:** The Oversight Board (1) approved the refunding of the 1998 Merged Redevelopment Project Area tax allocation bonds and the 2002 Atlantic-Garvey Redevelopment Project No. 1 tax allocation bonds in order to capture market opportunities to reduce debt service costs and thereby increase the distribution of property taxes to the City and its overlapping taxing agencies, and to take advantage of efficiencies offered through participation in the redevelopment refunding program developed by Los Angeles County and (2) adopted **Resolution No. OBR - 15**, which approves various documents required to undertake the refunding and authorizes appropriate staff to take various actions necessary to complete the refunding and (3) directed staff to post and transmit the ROPS and administrative budget to the appropriate public agencies entitled:

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE MONTEREY PARK REDEVELOPMENT AGENCY AUTHORIZING THE SUCCESSOR AGENCY TO ISSUE TAX ALLOCATION REFUNDING BONDS, IN ONE OR MORE SERIES; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE INDENTURES, LOCAL OBLIGATION PURCHASE CONTRACTS, ESCROW AGREEMENTS AND CONTINUING DISCLOSURE AGREEMENTS AND THE PREPRATION OF ONE OR MORE OFFICIAL STATEMENTS AND OTHER RELATED MATTERS

**Motion:** Moved by Board Member Gin and seconded by Board Member Hamner, motion carried by the following vote:

Ayes: Board Members: Gin, Leung, Hamner, Talbot, Plotkin, Yaung  
Noes: Board Members: None  
Absent: Board Members: None  
Abstain: Board Members: None

## 5. CONSIDERATION OF A REVISED LONG RANGE PROPERTY MANAGEMENT PLAN

On August 15, 2013, the Oversight Board approved the Successor Agency's Long Range Property Management Plan (LRPMP) and submitted it to the Department of Finance (DOF) for its approval. DOF asked staff to add additional information and submit a revised LRPMP for DOF's consideration. Staff has made the additions requested by DOF and pursuant to state law, the revised LRPMP must be approved by the Oversight Board before it is forwarded to DOF.

**Action Taken:** The Oversight Board (1) adopted **Resolution No. OBR - 16** approving the revised Long Range Property Management Plan; (2) authorized the Chair of the Oversight Board to execute the resolution; and (3) directed the Successor Agency staff to resubmit the revised LRPMP to DOF.

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE MONTEREY PARK REDEVELOPMENT AGENCY APPROVING A REVISED LONG RANGE PROPERTY MANAGEMENT PLAN AND DIRECTING SUCCESSOR AGENCY STAFF TO SUBMIT THE REVISED PLAN TO THE DEPARTMENT OF FINANCE

**Motion:** Moved by Board Member Hamner and seconded by Board Member Yaung, motion carried by the following vote:

Ayes: Board Members: Gin, Leung, Hamner, Talbot, Plotkin, Yaung  
Noes: Board Members: None  
Absent: Board Members: None  
Abstain: Board Members: None

## 6. RESOLUTION APPROVING AN AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND CUSHMAN & WAKEFIELD (C&W) APPOINTING C&W AS THE SOLE AND EXCLUSIVE AGENT FOR THE SALE OF AGENCY PROPERTY (700 CORPORATE CENTER DRIVE; APN 5237-022-902)

The Successor Agency to the Monterey Park Redevelopment Agency owns certain real property, 700 Corporate Center Drive (APN 5237-022-902). With respect to a potential sale of all or a portion of the Property, the Successor Agency submits a proposed exclusive sales agency contract between the City of Monterey Park on behalf of the Successor Agency and Cushman & Wakefield, for the Oversight Board's consideration. Successor Agency staff recommends that the Oversight Board approve the contract.

**Action Taken:** The Oversight Board (1) adopted **Resolution No. OBR - 17** approving the Exclusive Sales Agency contract between the City of Monterey Park on behalf of the

Successor Agency and Cushman & Wakefield and (2) authorized the Chair of the Oversight Board to execute the resolution entitled:

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE MONTEREY PARK REDEVELOPMENT AGENCY APPROVING AN EXCLUSIVE SALES AGENCY CONTRACT BETWEEN THE SUCCESSOR AGENCY AND CUSHMAN & WAKEFIELD

**Motion:** Moved by Board Member Gin and seconded by Board Member Plotkin, motion carried by the following vote:

Ayes: Board Members: Gin, Leung, Hamner, Talbot, Plotkin, Yaung

Noes: Board Members: None

Absent: Board Members: None

Abstain: Board Members: None

## 7. CLOSED SESSION

None.

## ADJOURNMENT

There being no further business for consideration, the meeting was adjourned at 9:18 a.m.

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Vincent D. Chang  
Secretary



# **Staff Report** Monterey Park Oversight Board

Meeting Date: February 20, 2014

Agenda Item: 4

**TO:** CHAIRPERSON TALBOT  
BOARD MEMBERS YAUNG, GIN, HAMNER, PLOTKIN, LEUNG

**FROM:** DONNA M. RAMIREZ, ECONOMIC DEVELOPMENT SPECIALIST

**SUBJECT:** REPAYMENT SCHEDULE FOR AMOUNTS DUE UNDER THE TEMPORARY LOAN FOR PAYMENT OF THE SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND AND THE DEFERRED LOW/MOD INCOME HOUSING FUND LOAN

## **RECOMMENDATION:**

- 1) Adopt Resolution No. \_\_\_\_: (SERAF – Schedule No. 1);
- 2) Adopt Resolution No. \_\_\_\_: (Low/Mod Income Housing Fund Loan Schedule No. 2);
- 3) Direct staff to transmit the Repayment Schedule for the SERAF Loan and the Repayment Schedule for the Low/Mod Income Housing Fund Loan to the Department of Finance for its review and approval; and
- 4) Take such additional, related, action that may be desirable.

## **EXECUTIVE SUMMARY:**

In 1997, the former Redevelopment Agency approved a plan to defer the required 20% housing set-aside requirement with the deferred amount to be repaid from future Agency revenues. In August 2010, the former Redevelopment Agency authorized a temporary loan from the Low/Moderate Income Housing Fund (LMIHF) to the Atlantic/Garvey and Merged Project areas to fund the state's Supplemental Educational Revenue Augmentation Funds (SERAF).

Pursuant to Health and Safety Code §34191.4, once a Successor (SA) receives a Finding of Completion from the Department of Finance (DOF), the Successor Agency may place amounts owed to the LMIHF on the Recognized Obligation Payment Schedule (ROPS) for repayment. The funds received by the City (as the Successor Housing Agency) as part of the repayment are to be utilized for the creation of

affordable housing in the community. The DOF has provided staff additional guidance on the process to be completed prior to placing repayment amounts on the ROPS. DOF's instructions are that the Successor Agency and the Oversight Board (OB) must approve a Repayment Schedule for the amounts due to repay the SERAF and the Low/Mod Income Housing Asset Fund (LMIHAF) and submit the final approved Repayment Schedule to the RDA Administration at the DOF for final review and approval. See Exhibit A and B attached for a breakdown of the Repayment Schedule.

### **BACKGROUND:**

In 1985, the Legislature passed Assembly Bill (AB) 265 requiring redevelopment agencies to set aside 20% of their tax increment from project areas established before 1976 for low and moderate income housing. This 20% is commonly referred to as the "housing set-aside requirement." Since many agencies had made long term obligations such as tax increment bond issues prior to the 1985 law, the legislation allowed a governing body to demonstrate that it had existing programs and obligations that would prevent it from setting aside the entire 20%. Any set-aside amount less than the 20% due to the existing programs and indebtedness was considered to be a deferred obligation subject to repayment by the Agency.

The former Redevelopment Agency had two project areas that were adopted prior to 1976: the original Freeway Project area and the original Atlantic/Garvey Project area. In both of those project areas, the Agency had issued bonds and had otherwise programmed use of its tax increment, making it difficult to set aside the full 20% for low and moderate income housing. Between 1985-86 and 1992-93, the former Agency deferred a total of \$1,686,222 from its low/mod housing obligation. Starting in 1992-93 and in the following years, the former Agency annually set aside the entire 20% required by state law.

In 1997, pursuant to AB 265, the former Redevelopment Agency approved a plan to defer the required 20% housing set-aside requirement in favor of utilizing said funds for other redevelopment purposes. The deferred amount was to be repaid from future Agency general revenues; in particular, the former Redevelopment Agency planned to increase the housing set-aside over a 15-year period from 2024 through 2038.

In 2009, the Legislature approved a "take" of \$2.05 billion in redevelopment funds to address the State's budget deficit. The funds were to be deposited into the county SERAF to meet the State's Prop. 98 obligation to schools. In November 2009, the Legislature approved Senate Bill (SB) 68, which allowed agencies to use accumulated balances in their housing fund to make their SERAF payments, should that become necessary. At the time, the former Redevelopment Agency determined that it had no alternative but to borrow the SERAF payment from its LMIHF. Accordingly, in August 2010 and pursuant to SB 68, the former Redevelopment Agency authorized a temporary loan of \$1,459,258 from the LMIHF to the Atlantic/Garvey and Merged Project areas to fund the SERAF funding. Repayment to the LMIHF from the project areas was to be on an annual basis, with the final payment to occur by June 30, 2015.

In 2012, pursuant to Health & Safety Code §34176, the City Council elected to retain the housing assets and functions of the Redevelopment Agency and agreed to serve as both the Successor Agency and the Successor Housing Agency to the former redevelopment agency. By doing so, the City accepted all rights to any repayments of loans or deferrals owed to the LMI funds and any indebtedness obligation proceeds issued for the purpose of affordable housing.

On February 19, 2014, the City Council, acting on behalf of the Successor Housing Agency, considered and adopted the attached Repayment Schedules Nos. 1 and 2.

**DISCUSSION:**

Pursuant to the Dissolution Law and, in particular, Assembly Bill 1484, the Department of Finance will issue a so-called "finding of completion" to a successor agency that has paid all required amounts determined during due diligence reviews and the "true-up" process (H&S §34179.7). Once a successor agency receives a finding of completion, the successor agency may request that loan agreements entered into between the former redevelopment agency and city be deemed to be enforceable obligations, provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes (H&S §34191.4(b)).

If the OB finds that the loan is an enforceable obligation, the accumulated interest on the remaining principal amount of the loan between the former Agency and the City shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF). According to Health & Safety Code §34191.4(b)(2), the loan shall be repaid to the City in accordance with a defined schedule. The annual loan repayments provided for in the recognized obligations payment schedules (ROPS) are subject to the following limitations:

- Loan or deferral repayments shall be second in priority to repayments of loans or deferrals owed to the LMIHF;
- Repayments received by the city that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the LMIHF of the former redevelopment agency for purposes of the SERAF and shall be distributed to the LMIHAF established by H&S § 34176; and
- Twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to the LMIHAF, after all outstanding loans from the LMIHF for purposes of the SERAF have been paid (H&S §34191.4(b)(2)).

In accordance with the Dissolution Law, the City, acting as the Housing Successor Agency, desires to submit a Repayment Schedule to DOF. This will allow the City to capture the SERAF and LMIHF funds currently owed to the City, as described above. The funds will be used for the production of affordable housing. In the preparation of the repayment schedule, the State provided a formula for the calculation of the repayment. The calculations included the following:

### FORMULA FOR PAYMENTS

As indicated earlier, the maximum repayment amount authorized each fiscal year is equal to one-half the increase between the amount distributed to taxing entities in that fiscal year and the amount distributed to taxing entities in the 2012-13 base year. Staff determined that fifty percent (50%) of the maximum repayment amount is \$530,479. As noted in Schedule No. 1 – SERAF Repayment Schedule, each of the four (4) repayment amounts remains below the fifty percent threshold. The first year repayment would be FY 2014-15 and terminating in FY 2017-18. In the following fiscal year commencing in 2018-19, repayments for the LMIHF loan can begin its three payments with the third payment completed in FY 2020-12.

### SUPPLEMENTAL EDUCATIONAL REVENUE AUGUMENTATION FUND (SERAF)

At the time the temporary loan was entered into by the former Redevelopment Agency, the former Redevelopment Agency was required to begin repayment in 2011. The original fund balance was \$2,617,203. A payment has been made through earlier ROPS and the projected balance with the new repayment schedule is \$1,995,043 including interest.

**Schedule No. 1 (Attachment 1 to Exhibit A-Resolution)** is the proposed repayment schedule that adheres to the guidelines provided by DOF.

### LOW/MOD INCOME HOUSING SET – ASIDE DEFERRED LOAN

The original deferred loan provided for a repayment schedule commencing in 2024 and terminating in 2039. The rationale for the long delay in the repayment was to maximize tax increment funds for redevelopment activities with affordable housing not as critical a component by comparison.

**Schedule No. 2 (Attachment 1 to Exhibit B-Resolution)** is the proposed repayment schedule that adheres to the guidelines provided by DOF.

Upon approval by the OB, the repayment schedules will be submitted to the DOF. Only then can the funds be listed on the upcoming ROPS (July 1, 2014 through December 31, 2014) for repayment to the City.

### FISCAL IMPACT:

There is no impact to the City's general fund. The results of this action will repay the LMIHF and subsequent transfer of the funds to the LMIHAF sooner than originally anticipated.





# **Staff Report** Monterey Park Oversight Board

Meeting Date: February 19, 2014

Agenda Item: 5

**TO:** CHAIRPERSON TALBOT  
BOARD MEMBERS YAUNG, GIN, HAMNER, PLOTKIN, LEUNG

**FROM:** DONNA RAMIREZ, ACTING ECONOMIC DEVELOPMENT SPECIALIST  
ON BEHALF OF THE SUCCESSOR AGENCY

**SUBJECT:** RESOLUTION ADOPTING THE RECOGNIZED OBLIGATION PAYMENT  
SCHEDULE (ROPS 13-14B) AND ADMINISTRATIVE BUDGET FOR  
JANUARY – JUNE 30, 2014

## **RECOMMENDATION:**

- 1) Adopt a resolution adopting the Recognized Obligation Payment Schedule (ROPS 14-15A) for the period between July – December 2014;
- 2) Approve the Successor Agency Administrative Budget for July – December 2014;  
and
- 3) Direct staff to post and transmit the ROPS and Administrative Budget to the appropriate public agencies.

## **EXECUTIVE SUMMARY:**

Staff requests that the Oversight Board consider and adopt the Recognized Obligation Payment Schedule ROPS 14-15A and Administrative Budget for the period covering July - December, 2014.

## **BACKGROUND:**

AB X1 26 requires the Monterey Park Successor Agency ("SA") to formulate Recognized Obligation Payment Schedules under which the SA makes payments for eligible obligations of the former Redevelopment Agency. The Recognized Obligation Payment Schedules are considered by the Successor Agency Board, proposed to the Oversight Board ("OB") and, if approved by the OB, provided to the California Department of Finance ("DOF") for review. On February 19, 2014 the Monterey Park

SA approved and adopted a resolution approving ROPS 14-15A and the Administrative Budget for July – December 2014.

**DISCUSSION:**

The DOF has designed a detailed form to be used for ROPS 14-15A. The form includes removal of items that have been fulfilled and are no longer an obligation of the former redevelopment agency. The following items no longer appear on the ROPS:

1. Items 2 - 4 & 24 no longer appear on the ROPS. The DOF has informed staff that these items are considered part of the administrative budget and should be included within the \$125,000 administrative amount.
2. Items 11 through 14 were removed. As a result of the refunding of the 1998 and 2002 Bonds, the County of Los Angeles will take over the responsibility of bond disclosure. The Refunding of the bonds can now be found in Items 29 – 35 and renamed the Merged Tax Allocation Refunding Bonds, 2013 A and B.
3. Item number 17 has also been removed. Item 17 was an amount for obligations to be fulfilled under the DDA for the Atlantic Times Square; that obligation has been completed.
4. Item 19 is no longer on the ROPS and was an amount designated for existing staff working on redevelopment obligations associated with projects. There is no longer any project obligation associated with the former redevelopment agency projects so this item is no longer needed.
5. Items 25 through 27 were for monitoring and administration of the housing obligations. Once the City took over the housing from the former redevelopment agency, the housing became the responsibility of the City.
6. Item 30 was an amount on the last ROPS to re-coup an amount previously taken twice due to an oversight and has since been paid to the SA to meet its fiscal responsibilities.

Item 28, Housing Fund Repayment of SERAF Loan, appears with an amount of \$529,280. Upon receipt of a Finding of Completion by the DOF, cities are allow to begin repayment of monies due to the Low/Mod Housing Fund according to a repayment ratio set forth in AB1484. The current outstanding balance is \$1,995,044. Based on the repayment ratio set forth in AB1484 we are only able to place \$529,280 on the current ROPS.

ROPS 14-15A requests an amount **\$2,603,107** to cover the SA's total recognizable obligations for the six-month period of July – December 2014.

Included in ROPS 14-15A is the SA's Administrative Budget for the period of July–December 2014. The July – December Administrative Budget remains the same as the previous six-month period for an amount of \$125,000.

To meet the deadlines for disbursement of funds from the County of Los Angeles for the next six-month, ROPS period, both the SA and the OB must approve a ROPS and submit it to the DOF by March 1, 2014.

**FISCAL IMPACT:**

An amount of \$529,280 will be paid to housing account to meet the City's housing needs.

Prepared and submitted by:



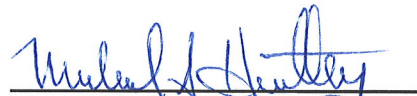
Donna M. Ramirez  
Economic Development Specialist

Approved by:



Paul L. Talbot  
City Manager

Reviewed by:



Michael Huntley  
Community & Econ Dev. Director

Reviewed by:

\_\_\_\_\_  
Karl H. Berger, Assistant City Attorney

**ATTACHMENTS:**

Exhibit "A" – Resolution adopting the ROPS 14-15A for the period of July-December 2014

Attachment 1 - ROPS 14-15A for the period of July - December 2014

Attachment 2 - Administrative Budget for July - December 2014