

**MONTEREY COUNTY BOARD OF SUPERVISORS  
ACTING AS SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY**

<b>MEETING:</b> February 28, 2012 – Consent	<b>AGENDA NO.:</b> <span style="float:right"><b>43</b></span>
<b>SUBJECT:</b> As Successor Agency to the Redevelopment Agency of the County of Monterey, approve a resolution to:	
<ul style="list-style-type: none"> <li>a. Adopt the amended Enforceable Obligation Payment Schedule (EOPS);</li> <li>b. Approve the Draft Recognized Obligation Payment Schedule (ROPS); and</li> <li>c. Direct the Economic Development Director to take all actions necessary to effectuate associated requirements of ABx1 26.</li> </ul>	
<b>DEPARTMENT:</b> Economic Development	

**RECOMMENDATION:**

It is recommended that the Board of Supervisors, acting as the Successor Agency to the Redevelopment Agency of the County of Monterey, approve a resolution to:

- a. Adopt the amended Enforceable Obligation Payment Schedule (EOPS);
- b. Approve the Draft Recognized Obligation Payment Schedule (ROPS); and
- c. Direct the Economic Development Director to take all actions necessary to effectuate associated requirements of ABx1 26.

**SUMMARY:**

On December 29, 2011, the California Supreme Court issued a decision that upheld ABx1 26 which dissolves redevelopment agencies effective February 1, 2012. The County has agreed to serve as the Successor Agency for the Monterey County Redevelopment Agency (Agency) and, as such, has assumed fiscal responsibility for the former Agency’s revenues and obligations consistent with applicable law. The Successor Agency is required by law to adopt the Enforceable Obligation Payment Schedule (EOPS) adopted by the former Agency, amended to bring it current and to remove any invalidated agreements. The Successor Agency is also required to approve a draft Recognized Obligation Payment Schedule (ROPS) which provides authority to make payments on enforceable obligations and provides the basis for preparing a budget to perform the wind down activities of the former Agency.

**DISCUSSION:**

Assembly Bill (AB) x1 26 (the Dissolution Act) was signed into law by the Governor on June 28, 2011. The Dissolution Act modifies the Community Redevelopment Law by setting up a process for the dissolution of redevelopment agencies and a winding down of their affairs. The Dissolution Act was upheld by the California Supreme Court and the effective date for dissolution was February 1, 2012. On January 10, 2012, the Board of Supervisors adopted resolutions electing to serve as the Successor Agency and the Successor Housing Agency to the Agency. The resolutions also designated the Economic Development Department as the lead County department to carry out the necessary actions to wind down the RDA activities. On January 24, 2012, the Agency adopted an Enforceable Obligation Payment Schedule (EOPS), as provided for in the legislation.

ABx1 26 requires that after February 1, but before March 1, the County Successor Agency adopt the RDA’s EOPS, amended to bring it up to date and also to delete certain agreements that have been determined to be invalid. In addition, the Successor Agency is required to prepare a Draft ROPS. Both the EOPS and the ROPS identify enforceable obligations and project dates and amounts of payments. The ROPS is then required to be updated every six months thereafter until all obligations are paid. The purpose of the ROPS is to review the EOPS previously adopted by the Redevelopment Agency, to ensure that only enforceable obligations recognized under the Dissolution Act are included for repayment and that there is direction given to staff to undertake specific activities related to meeting the enforceable obligations. Due to the lack of clarity in the law, action must be taken on both the EOPS and the ROPS at this meeting, although the amended EOPS and the draft ROPS are essentially the same document and serve the same purpose.

By operation of law, the recommended draft ROPS will be used as the basis for making payments from now until the County Auditor-Controller completes the required audit of the former Agency (by July 1, 2012) and the Oversight Board subsequently approves the ROPS. There are still many unresolved issues relating to the dissolution of redevelopment agencies, including pending additional litigation and proposed legislation. The proposed draft ROPS attempts to account for these contingencies.

The Economic Development Department is currently preparing updated budgets for all the department functions and will be coming back to the Board on March 13th with additional actions to reflect ongoing funding and the work load required to fulfill the ROPS and other wind down activities for the former Agency. Included will also be an estimate of former RDA tax increment that should flow through to the County as part of the property tax allocation.

**OTHER AGENCY INVOLVEMENT:**

Economic Development Department staff has been working with the County Counsel’s Office and the County Auditor-Controller’s Office to prepare for the various actions and activities that are required by the legislation and Court decision.

**FINANCING:**

All assets, including cash and cash equivalents and properties held as of February 1, 2012, were transferred to the Successor Agency by operation of law. On February 7, 2012, the remaining appropriations at February 1 for FY 2011-12 were transferred to the Successor Agency. The former Redevelopment Agency funds were not transferred into the County General Fund but are required to be segregated and used solely for the payment of obligations of the former Redevelopment Agency. Adjustments to current appropriations may be necessary as a result of the consideration of the Successor Agency administration budget on March 13<sup>th</sup>. The Successor Agency is obligated to honor the enforceable obligations contained on the draft ROPS until it is certified by the Auditor-Controller and considered by the Oversight Board, which is authorized to make modifications as provided for in the law.

Prepared by:

Approved by:

\_\_\_\_\_  
Marti Noel, Assistant Director

\_\_\_\_\_  
Jim Cook, Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attachments: Amended EOPS; Draft ROPS