



Agenda Submittal

Agenda #:	3	Status:	Regular Calendar
Type:	COB - ROPS	Department:	Fairfield Successor Agency
File #:	COB 19-3	Contact:	Emily Combs, 428-7629
Agenda date:	1/10/2019	Final action:	1/10/2019
Title:	Consider adopting a resolution approving the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the Fairfield Successor Agency for the period of July 1, 2019 through June 30, 2020		
Governing body:	Solano Consolidated Oversight Board		
District:	Fairfield Successor Agency		
Attachments:	1. A - Resolution, 2. B - ROPS 19-20, 3. C - Administrative Budget, 4. Minute Order		

Date	Ver.	Action By	Action	Result
1/10/2019	1	Solano Consolidated Oversight Board	Adopted	

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

RECOMMENDATION:

It is recommended that the Solano Consolidated Oversight Board (SCOB) adopt the resolution approving the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the Fairfield Successor Agency for the period of July 1, 2019 through June 30, 2020.

DISCUSSION:

Pursuant to Part 1.85 of Division 24 of the current California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each one-year fiscal period (commencing each July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Solano Consolidated Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

The proposed resolution authorizes the Successor Agency to submit a ROPS to the DOF and establishes a proposed administrative budget. The Successor Agency must submit an Oversight Board-approved ROPS for the time period July 1, 2019 through June 30, 2020 ("ROPS 19-20") to the DOF, the Office of the State Controller and the County Auditor-Controller no later than February 1, 2019. The Successor Agency must also post the ROPS on the Successor Agency's website.

If the Successor Agency does not submit an Oversight Board-approved ROPS by February 1, 2019, the City of Fairfield 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. If the Successor Agency does not timely submit a ROPS, creditors of the Successor Agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of February 1st, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

Attached to the proposed resolution are the schedules that will be submitted to the DOF. In the July 2019 to June 2020 timeframe, the Successor Agency has total obligations of \$5,285,238 including administrative expenses, of which \$5,141,026 is being funded by the Redevelopment Property Tax Trust Fund (RPTTF). In addition, the Successor Agency is applying other funds (i.e. rent, loan repayments, etc.) in the amount of \$144,212 that it has accumulated to offset enforceable obligations.

As indicated in Attachment C to the proposed resolution, the Agency has estimated administrative expenses for FY2019/20 of \$250,000 which are included as part of the enforceable obligations noted above. The timing of actual expenses will likely vary.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 19-20 may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board.

FINANCIAL IMPACT:

The preparation and submittal of ROPS 19-20 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2019 through June 30, 2020. Of the total of \$5,285,238 needed for enforceable obligations, including administrative expenses, the Successor Agency is funding \$5,141,026 from property taxes, with the remainder of funds coming from other funds (i.e. rent, loan repayments, etc.) accumulated by the Successor Agency.

ALTERNATIVES:

The SCOB could direct the Successor Agency to amend or remove items on ROPS 19-20. Also, the SCOB could choose not to adopt the resolution approving the ROPS for the period 2019-2020; however, this is not recommended because the Successor Agency may be charged \$10,000 per day in civil fines.

OTHER AGENCY INVOLVEMENT:

None.