

**OVERSIGHT BOARD
RESOLUTION NO. 2012-07-1020**

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY APPROVING CHANGES TO THE RE-CERTIFIED RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS 1") FOR JANUARY 1 - JUNE 30, 2012 TO CLARIFY THAT THERE ARE NO RESIDUAL AMOUNTS OWED TO TAXING ENTITIES PURSUANT TO NEW HEALTH AND SAFETY CODE SECTION 34183.5 FOR THE ROPS 1 PERIOD

WHEREAS, pursuant to California Health and Safety Code Section 34177, the Successor Agency to the Redevelopment Agency must submit a Recognized Obligation Payment Schedule (ROPS) every six months to the State Department of Finance, and the Successor Agency is only able to provide payment to entities listed on the ROPS; and

WHEREAS, on April 12, 2012, the Oversight Board approved the ROPS for the period of January 1 – June 30, 2012 ("ROPS 1"), as certified by the County Auditor Controller; and

WHEREAS, on April 13, 2012, Successor Agency staff sent the certified ROPS 1 to the State Department of Finance ("DOF"), and the DOF subsequently notified the Successor Agency that the ROPS 1 was unacceptable because it did not follow the DOF approved format; and

WHEREAS, Successor Agency staff reformatted the ROPS 1 to conform to DOF standards and submitted it to the County Auditor-Controller for re-certification; and

WHEREAS, on May 3, 2012, the Oversight Board approved the reformatted ROPS 1, subject to re-certification by the County Auditor-Controller, but several changes were made after review by the County; and

WHEREAS, on May 18, 2012, the County Auditor-Controller re-certified the ROPS 1; and

WHEREAS, on May 24, 2012, the Oversight Board approved the re-certified ROPS 1; and

WHEREAS, a Trailer Bill (AB 1484) was approved by the Legislature and signed by the Governor that provides further clarification on provisions contained in AB X1 26 and requires that any payments due to taxing entities for FY 2011-2012, of either statutory pass through payments or residual amounts after all ROPS payments have been made, to be made by July 12, 2012. In order to make that payment date, the County Auditor-Controller must invoice successor agencies by July 9, 2012. If the payment is not made by the successor agency by the July 12 deadline, the State will immediately withhold sales tax from the city that created the former redevelopment agency; and

WHEREAS, the County Auditor-Controller uses the previously approved ROPS to calculate the "residual" amounts due to the taxing entities. Due to the manner in which some of the former San Jose Redevelopment Agency's bond obligations were categorized, the County Auditor-Controller's calculations show that there was a \$39,344,000 "overpayment" of tax revenues to the San Jose Successor Agency for the first ROPS period of January-June 2012. All parties agree that this is not the case; and

WHEREAS, staff recommends that additional updates be made to the ROPS 1, as described in the memorandum from Executive Officer Debra Figone to the

Oversight Board, dated July 6, 2012, to bring ROPS 1 into compliance with the Legislation and Trailer Bill and to clarify that there are no residual tax revenues to distribute to the taxing entities from the San Jose Redevelopment Property Tax Trust Fund (RPTTF);

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE that:

1. The Re-Certified Recognized Obligation Payment Schedule for January 1 - June 30, 2012 (ROPS 1), as described in the memorandum from Executive Officer Debra Figone to the Oversight Board, dated July 6, 2012, is hereby approved; and

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2. The Successor Agency staff, with the concurrence of the Successor Agency General Counsel and County staff, is authorized to make technical changes to the ROPS 1 to the extent any changes to the ROPS 1 are disapproved by the Department of Finance.

ADOPTED this 9th day of July, 2012, by the following vote:

AYES: Andrade, Gage, Maduli, Singh, Snow, Reed

NOES: None

ABSENT: Shelton

DISQUALIFIED: None



CHUCK REED
Chair

ATTEST:



DENNIS D. HAWKINS, CMC
Successor Agency Clerk