



# CITY OF INGLEWOOD

## OFFICE OF THE CITY MANAGER



**DATE:** February 19, 2014

**TO:** Oversight Board to the City of Inglewood as Successor Agency

**FROM:** City of Inglewood, as Successor Agency

**SUBJECT:** Resolutions Authorizing the July 1, 2014 through December 31, 2014 Recognized Obligation Payment Schedule, (ROPS 14-15A) and the Administrative Budget of the Successor Agency

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### **RECOMMENDATION:**

It is recommended that the Oversight Board of the City of Inglewood take the following actions:

1. Adopt a Resolution approving the July 1, 2014 through December 31, 2014 Recognized Obligation Payment Schedule (ROPS 14-15A) for submittal to the Department of Finance (DOF); and
2. Adopt a Resolution approving the Administrative Budget for the ROPS 14-15A period.

### **BACKGROUND:**

As of February 1, 2012, redevelopment agencies were formally dissolved when the State of California enacted Assembly Bill 26. The City of Inglewood as Successor Agency (Successor Agency) is now tasked with winding down the affairs of the former Inglewood Redevelopment Agency (Former Agency), including implementing the administrative activities required by AB 26 with respect to: (i) managing the development of a new Inglewood Senior Center; (ii) preparing a Long Range Property Management Plan for the disposition of Successor Agency-owned real properties; and (iii) liquidating other Successor Agency assets. All such proceeds generated will be distributed in accordance with the requirements of AB26.

The format of the Recognized Obligation Payment Schedule (ROPS) is prescribed by forms provided by the California State Department of Finance (DOF). These forms are used by the Los Angeles County Auditor Controller to determine the amount of funds that will be allocated to the Successor Agency from RPTTF to pay DOF-approved enforceable obligations on the ROPS. Because of changes to each of the previous ROPS forms and periods, it is difficult to prepare them early. DOF notified cities and successor agencies that the ROPS forms were ready on January 15, 2014; thereby, resulting in a period of approximately six weeks for the ROPS approval process to be completed. Upon approval by the Successor Agency and the City of Inglewood Oversight Board, the ROPS will need to be approved by the DOF.

On February 11, 2014, The City of Inglewood, as Successor Agency adopted the resolutions recommending that the Oversight Board approve the ROPS 14-15A and the Administrative Budget for the ROPS 14-15A.

**DISCUSSION:**

ROPS 14-15A lists expenditures projected for the period of July 1, 2014 to December 31, 2014. Table 1 below summarizes the expenditures.

**Table - 1**  
**Summary of ROPS Line Items**

AB 26 Implementation	\$7,000
Property Disposition Activities - includes preparation of Long Range Management Plan, appraisals, legal costs, etc. (This is the category to which the Olive Street/Glasgow Avenue parcels disposition activities are charged).	\$125,000
National Development Council - assists with managing small business revolving loan fund, prepares applications for use of Section 108 economic development loan, assists in review of RFQ/RFP, reviews financial statements. Assists in structuring projects that qualify for Section 108 loans and other HUD economic development programs.	\$30,000
Conduct ongoing Ground Water Remediation at Olive Street/Glasgow Avenue per order of the Regional Water Quality Control Board.	\$10,000
Payment of bond indebtedness.	\$6,448,539
Property Maintenance - maintenance of properties, repairs, utilities, insurance, weed and debris costs along with necessary and related staff costs.	\$187,500
Payment of Hollywood Park Public Infrastructure Grant - There has not been sufficient funds to pay this entire amount. Funds remaining following payment of all other DOF-approved expenditures will be used to pay down this enforceable obligation.	\$4,000,000
Agency Bank Account and miscellaneous bank fees	\$19,800
Employee Project Costs.	\$203,073
Administrative Allowance.	\$275,000
Unfunded Liability.	\$320,705
<i>Total expenditures eligible for RPTTF funding</i>	<b>\$11,626,617</b>
<b>Expenditures from other sources of funds:</b>	
Parking structure management costs – funding source parking revenues.	<b>\$148,000</b>

The source of funds necessary for staff to implement the remaining projects and conduct the required wind down activities of the Successor Agency will be paid from the three percent administrative allowance and allocation provided by AB 26. This RPTTF allowance and allocation has averaged approximately \$275,000 for each of the previous ROPS periods. Specific staff administrative activities include coordination of the Inglewood Senior Center design build RFQ/RFP preparation, and related public outreach by the Senior Center Committee. Until bond proceeds are available for use (following the issuance of a finding of completion to the Successor Agency by DOF) only HUD funds are being used to complete the design phase of the project. Pending resolution of existing litigation regarding the Housing Due Diligence Report and final DOF approval of the Non-Housing Due Diligence Report process, a finding of completion may not be issued to the Successor Agency by DOF. Once these two issues are resolved, \$20,000,000 in tax-exempt bonds may be used for the construction of the Inglewood Senior Center. In addition, \$30,000,000 of these same bonds may be used for the Century Boulevard Reconstruction project. Approximately \$37,000,000 of housing bond proceeds may also be released for use.

Duties of Successor Agency staff includes preparing legally required administrative reports, including the ROPS, maintaining financial records, monitoring contracts, and researching various requirements that emerge as a result of new legislation or new policies established by DOF. Successor Agency staff is also involved in the preparation of the Long Range Property Management Plan (PMP) which will be used as the implementation document for the sale of Successor Agency-owned real properties and interests.

Costs supported by the administrative allowance include the salaries of the City Manager (10%), the Economic and Community Development Director (15%), and an Administrative Secretary (10%). The administrative allowance is also used to fund two full-time and three part-time staff positions involved in the day to day operations of the Successor Agency which is equivalent to 3.5 full-time positions.

The Oversight Board is being asked to consider the adoption of two resolutions: one approving the ROPS for the period of July 1, 2014 to December 31, 2014 (Attachment 1); and second, approving the administrative allowance and budget (Attachment 2). Once approved, the ROPS and the Administrative Budget will be submitted to DOF for approval.

The draft ROPS is not effective until approved by the City of Inglewood Oversight Board, placed on the Successor Agency's website and submitted to the DOF for final approval. When all of the necessary approval actions have occurred, the draft ROPS document is designated as the final ROPS. The deadline for submittal of the ROPS is March 3, 2014. There are penalties if the Successor Agency does not meet this deadline.

**FINANCIAL/FUNDING ISSUES AND SOURCES:**

Approval of the ROPS will ultimately result in an allocation of Redevelopment Property Tax Trust Fund (RPTTF) monies to the Successor Agency for use during the months of July 1, 2014 to December 31, 2014. The Successor Agency is requesting \$11,626,617 for Enforceable Obligations to be paid by RPTTF and \$148,000 for additional enforceable obligations to be paid

by parking revenues generated from the use of the parking lots/structures. The amount of enforceable obligations may exceed the amount of actual revenues received. If a shortfall occurs, all unfunded enforceable obligations may be carried over to the next ROPS period.

**DESCRIPTION OF ANY ATTACHMENTS:**

Attachment 1 Resolution Approving ROPS

Attachment 2 Resolution Approving the Administrative Budget