

CALEXICO SUCCESSOR AGENCY

**OVERVIEW OF PROCEDURES RELATED TO
RECOGNIZED OBLIGATION PAYMENT SCHEDULES
JANUARY 2012 THROUGH DECEMBER 2015**

March 1, 2016

Introduction

- On February 1, 2012, all California redevelopment agencies were dissolved by State law.
- Effective February 1, 2012, the Calexico City Council became the Successor Agency (a separate legal entity).
- The Successor Agency is responsible for winding-down the affairs of the former RDA.

Recognized Obligation Payment Schedules (the key to cash-flow)

- The Successor Agency has filed 11 Recognized Obligation Payment Schedules (“ROPS”), as follows: ROPS I, II, III, 13-14 A, 13-14 B, 14-15 A, 14-15 B, 15-16 A, 15-16 B, 16-17 A and 16-17 B.
- For the first 9 ROPS, approximately \$10.6 million of Redevelopment Property Tax Trust Fund (“RPTTF”) money was generated for approved enforceable obligations.
- The Successor Agency has requested approximately \$3.7 million for RPTTF for FY 2016-17 (i.e., during ROPS 16-17 A and B).

ROPS (Cont.)

- The Successor Agency may only use RPTTF for approved enforceable obligations.
- Enforceable obligations are legal, contractual, or administrative obligations of the Successor Agency approved by the Oversight Board and the State Department of Finance (“DOF”).

ROPS (Cont.)

- Successor Agency-approved enforceable obligations are confirmed by resolution.
- Oversight Board-approved enforceable obligations are also confirmed by resolution.
- DOF-approved enforceable obligations are confirmed by letter.
- All of the Successor Agency's ROPS have been approved according to this process.

ROPS (Cont.)

- The Successor Agency may not expend any of its funding, including RPTTF, Other funds and Bond funds, unless authorized by the Oversight Board and DOF.
- Unless ultimately approved by DOF, any use of Successor Agency funding for other than enforceable obligations is subject to disallowance by DOF.
- The Successor Agency reports its use of its funding in arrears on each ROPS by way of a Prior Period Adjustment (“PPA”) form included within a ROPS.

ROPS (Cont.)

- DOF has reviewed each of the Successor Agency's ROPS, including each PPA.
- Therefore, DOF has confirmed that the Successor Agency has correctly used its funding on prior ROPS in accordance with DOF's approvals.
- The described process is clearly highly regulated and does not allow the Successor Agency to spend funds on unauthorized or for unapproved purposes.

ROPS (Cont.)

- The Successor Agency is committed to carrying-out the wind-down of the former redevelopment agency consistent with applicable laws.
- As your chief redevelopment agency wind-down consultant, I am pleased to confirm that the Successor Agency has complied with each applicable requirement of the Health and Safety Code.
- It is anticipated that the wind-down of the former redevelopment agency will be completed by 2034.

Questions, Comments and Discussion

Urban Futures, Inc.

3111 North Tustin Street, Suite 230

Orange, California 92865-1753

(714) 283-9334

www.urbanfuturesinc.com