

Summary of Redevelopment Dissolution Trailer Bill (AB 1484)

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Discussion Topics

- Submission of ROPS for January to June 2013
- New Audit Requirements
- Recovery of Residual Distributions (Pass Through)
- Finding of Completion
- Asset Disposition Process
- Housing Issues

ROPS “3” (January to June 2013)

- September 1, 2012 – Deadline for Successor Agency to submit an oversight board-approved ROPS for the period January to June 2013 to the DOF. Sponsoring City may be subject to a fine of \$10,000 per day if not filed timely.
- DOF has NOT provided the revised form as of this date, and will NOT accept early filings using the old forms. Several Agencies have had their ROPS 3 returned by DOF because they filed using the old forms. In the return letters, DOF states that they “are currently working on the ROPS form and it will be available shortly on our website”.
- AB 1484 expands the review period and authority of DOF, and changes the ROPS approval process. DOF has 5 day to request review; then 45 days to review.

Due Diligence Review

- October 15, 2012 – Deadline for Oversight Board to review, approve, and transmit a housing fund Due Diligence Review (“DDR”) conducted by a licensed accountant (who must be approved by the County Auditor-Controller).
- January 15, 2013 – Deadline for Oversight Board to review, approve, and transmit a non-housing fund DDR.
- DDR must be reviewed by Oversight Board, with copies to the County Auditor-Controller and DOF. Once the DDR is completed, unobligated funds will be distributed to taxing entities. DOF and County A/C can offset City sales and property tax distributions to recover outstanding funds if deadlines not met.
- DDR will also include transfers of assets by the dissolved RDA or Successor Agency to the City from January 1, 2011 through June 30, 2012.

Residual Distribution

- AB 1484 included a requirement for Successor Agencies funds which should have been distributed to the taxing entities which may not have taken place due to the timing of implementation of the legislation
- The due date to make payments was July 12th
- On July 16th, the Auditor Controller distributes money received from Successor Agencies to taxing entities
- On July 18th, City sales tax payment suspended if Successor Agency doesn't make July 12th Payment

Finding of Completion

- If Successor Agency remits unobligated funds determined by DDR and has made all pass through payments, DOF will issue a Finding of Completion, which entitles the Successor Agency to certain benefits, including:
- Successor Agency may retain certain real property, after approval of a Long Range Property Management Plan.
- City may be repaid (commencing FY 13-14) for loans made to RDA, with certain repayment restrictions and subject to a finding by the Oversight Board that the loan was for legitimate redevelopment purposes.
- Successor Agency may use unencumbered bond proceeds from bonds issued prior to January 1, 2011, for their intended purposes.

Long Range Property Management Plan

- A Long Range Property Management Plan (the “Plan”) must be submitted by the Successor Agency within six months after receipt of a Finding of Completion, for approval by the Oversight Board and DOF.
- The Plan must include an inventory of all properties and a proposed use or disposition of each.
- The Oversight Board must approve the Plan, and any OB meetings that consider disposition of assets require a ten-day public notice.

Other Changes per AB 1484

- Successor Agency can establish “Bond Payment Reserve Fund” to smooth out uneven semi-annual bond payments, to ensure that semi-annual surplus is not distributed prematurely to taxing entities.
- Successor Agency can enter into new loan agreements with their City for specific purposes, with Oversight Board approval.
- The State Controller can reverse certain asset transfers that occurred after January 31, 2012.
- DOF has line-item veto power over the ROPS.
- Oversight Boards can contract with the County to provide administrative support.

Housing Assets

- August 1, 2012 – Deadline for Housing Successor Agency to provide the Dept. of Finance (DOF) a list of all housing assets transferred to it by the Successor Agency since February 1, 2012.
- DOF has provided a reporting form on their website:
http://www.dof.ca.gov/assembly_bills_26-27/documents/760_August_1_Housing_Asset_Form_v3.xls
- DOF has 30 days to review the list and question any transfers.