



CITY OF MOORPARK

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January 24, 2024

Ventura County Consolidated Oversight Board
County of Ventura
800 S. Victoria Avenue
Ventura, California 93009

SUBJECT: Adoption of the Resolution for the Recognized Obligation Payment Schedule (ROPS 24-25) for July 1, 2024, to June 30, 2025

RECOMMENDATION:

It is recommended that the Ventura County Consolidated Oversight Board (VCCOB) adopt the resolution approving the Fiscal Year 2024-25 Administrative Budget and ROPS 24-25.

IMPACT ON TAXING ENTITIES:

The Successor Agency is limited to spending resources as they are listed on the ROPS. The preparation and submittal of ROPS 24-25 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2024, to June 30, 2025. The enforceable obligations from the Redevelopment Property Tax Trust Fund (RPTTF) amount to \$1,532,566. This is the amount that affects the taxing entities.

DISCUSSION:

Deadlines for ROPS Submission and Review

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for July 1, 2024, to June 30, 2025 (ROPS 24-25) to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 24-25 to the Department of Finance (DOF), the Office of the State Controller and the County Auditor-Controller by February 1, 2024. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

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 April 15, 2024. 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 24-25 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 by March 1, 2024.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by the statutory deadline, the City of Moorpark 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 the statutory deadline, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations", the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations."

ROPS 24-25

ROPS 24-25 is for a complete twelve-month fiscal year. This ROPS form, if approved by the Oversight Board and the DOF, will yield \$1,532,566 to the Successor Agency for the time period July 1, 2024, to June 30, 2025, for payment of enforceable obligations and administration expenses from the RPTTF. As a reminder the County Auditor-Controller disburses the funds on January 2nd and June 1st each year.

The second page is the actual ROPS detail. The largest RPTTF items are for the 2014 bond debt service (\$1,019,598) and the 2016 bond debt service (\$347,968). Staff is requesting \$115,000 in administrative costs, which is lower than the minimum \$250,000 amount, per HSC 34171(b)(2). There is no new item on the ROPS.

The third page is the Report of Cash Balances. This report details the bond fund balances, other fund sources (rent, etc.) and the Redevelopment Property Tax Trust Fund (RPTTF) fund balance for Administration and Non-Administration. The actual beginning balances, revenue, and expenditures for the twelve-month period July 1, 2021, to June 30, 2022.

Finding of Completion

The Successor Agency received the “Finding of Completion” from the DOF on March 25, 2013. The Successor Agency is now authorized to do the following:

- Retain dissolved RDA assets per HSC Section 34191.5 (c) (2)
- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC Section 34191.4 (b) (1)
- Utilize proceeds derived from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants per HSC Section 34191.4 (c)

ROPS Definition

As a reminder, the ROPS is defined in the Health and Safety Code, section 34171(h): *Recognized Obligation Payment Schedule* means the document setting forth the minimum payment amounts, and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177.

An “enforceable obligation” is defined per the Health and Safety Code, section 34171(d)(1), an enforceable obligation means

- A. Bonds
- B. Loans
- C. Payments required by the federal government or the state
- D. Judgments or settlements
- E. Any legally binding and enforceable agreement or contract
- F. Contracts or agreements necessary for the administration or operation of the successor agency (i.e., employee pay and benefits, rent, insurance, office supplies, etc.)
- G. Amounts borrowed from, or payments owing to, the Low- and Moderate-Income Housing Fund

Section 34177.3(b) states:

Successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance.

Should you have any questions regarding this item or require additional information, please call Yolanda Cuning, Finance/Administrative Services Director at 805-517-6255.

Sincerely,



Yolanda Cuning
Finance/Administrative Services Director

Attachments:

- Attachment 1: Resolution Adoption of the Recognized Obligation Payment Schedule (ROPS 24-25) for July 1, 2024, to June 30, 2025 for the Moorpark Successor Agency
- Attachment 2: ROPS 24-25
- Attachment 3: Admin Budget (ROPS 24-25)