

Successor Agency of the City of San Diego

# Fiscal Year 2017 Proposed Budget

May 10, 2016

City Council Budget Review Committee Hearing

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## ADMINISTRATIVE AND PROJECT MANAGEMENT BUDGET

- **The Successor Agency, a separate legal entity from the City, is responsible for the wind-down of operations of the former Redevelopment Agency of the City of San Diego;**
- **Under the redevelopment dissolution laws, the Successor Agency budget is approved annually through the Recognized Obligation Payment Schedule (ROPS);**
- **The City Council, Oversight Board, and the California Department of Finance (DOF) approve each ROPS in advance of each applicable period.**



## ADMINISTRATIVE AND PROJECT MANAGEMENT BUDGET

- **On January 19, 2016, the City Council, acting as the Successor Agency’s governing board, approved ROPS 10, for fiscal year 2017;**
- **ROPS 10 was approved by the Oversight Board on January 25, 2016, and submitted to the DOF;**
- **ROPS 10 is currently under review by the DOF as part of the statutory “Meet-and-Confer” process;**
- **The final determination from the DOF on ROPS 10 will be made by May 17<sup>th</sup>.**



## ADMINISTRATIVE AND PROJECT MANAGEMENT BUDGET

- Pursuant to California Health and Safety Code section 34177(j), the Successor Agency is required to adopt and propose an administrative budget to the Oversight for approval;
- The Successor Agency received property taxes in the amount of 3% of the total disbursed by the County from the Redevelopment Property Tax Trust Fund (RPTTF) to fund the on-going administration of the Successor Agency;
- Based on guidance provided by the DOF and the current language in the Dissolution Laws, the Successor Agency is allowed to fund its administration function beyond the 3% allowance with any funds on hand, such as bond proceeds or other sources other than property taxes.
- Project Management costs associated with the implementation of enforceable obligations are deemed project-specific expenses and are not counted against the 3% administrative allowance, but are funded from the RPTTF.



## ADMINISTRATIVE AND PROJECT MANAGEMENT BUDGET

Successor Agency Budget	ROPS 10 (16-17) Administrative Budget	ROPS 10 (16-17) Project Mgmt Budget	FTE	Total Fiscal Year 2017 Budget
Legal / Litigation Services	\$451,000	\$600,000	3.50	\$1,051,000
Financial / Debt Mgmt Services	\$100,000	\$0	1.00	\$100,000
Accounting Services	\$456,000	\$0	4.00	\$456,000
Real Estate Mgmt Services	\$272,000	\$0	1.50	\$272,000
Administration	\$2,570,000	\$3,035,000	24.50	\$5,605,000
<b>Total</b>	<b>\$3,849,000</b>	<b>\$3,635,000</b>	<b>34.50</b>	<b>\$7,484,000</b>
RPTTF Funding	\$2,984,472	\$3,635,000		\$6,619,472
Other Funding Sources	864,528			864,528
<b>Total Funding</b>	<b>\$3,849,000</b>	<b>\$3,635,000</b>		<b>\$7,484,000</b>



## ADMINISTRATIVE AND PROJECT MANAGEMENT BUDGET

- **The fiscal impact to the Successor Agency is always dependent upon the review and potential challenge of each ROPS by the Oversight Board, the County Auditor-Controller (CAC), the DOF, and the State Controller's Office (SCO).**
- **The Dissolution Laws limit the amount the Successor Agency can receive annually, as an administrative cost allowance, to 3% of the total allocation available to the Agency.**
- **Any costs to the Successor Agency beyond those approved by the Department of Finance will have to be evaluated and alternative procedures for on-going projects will need to be identified.**
- **For the budget being presented for fiscal year 2017, it is not anticipated that funding requirements will exceed funds available through the ROPS process.**