



City of San Leandro

Meeting Date: January 6, 2020

Staff Report

File Number: 19-660 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.D.

TO: City Council

FROM: Jeff Kay
City Manager

BY: Tom Liao
Community Development Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for a Resolution of the Successor Agency to the Redevelopment Agency of the City of San Leandro Adopting a Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2020 - June 30, 2021, Pursuant to Health and Safety Code Section 34177(l)

RECOMMENDATIONS

Staff recommends that the City Council, acting as governing board of the Successor Agency to the Redevelopment Agency of the City of San Leandro, adopt a Resolution approving a Recognized Obligation Payment Schedule for the period from July 1, 2020 through June 30, 2021.

BACKGROUND

Pursuant to Assembly Bill x1 26, on January 9, 2012, the City Council affirmed its decision to have the City serve as the Successor Agency to the former Redevelopment Agency (Successor Agency). Assembly Bill 1484, passed by the State Legislature on June 27, 2012, modified AB x1 26 to clarify that successor agencies are separate legal entities from the city that formed the redevelopment agency. Under Senate Bill 107, introduced and passed by the State Legislature on September 11, 2015, the Successor Agency is obligated to prepare a Recognized Obligation Payment Schedule (ROPS) every fiscal year that lists all enforceable obligations payable during that twelve month period. This differs from the previous requirement to prepare a ROPS for every six-month period. The Successor Agency can only pay obligations that are listed on the ROPS and approved by the DOF.

Approval of the ROPS by the Successor Agency Oversight Board is also required prior to submission to the California Department of Finance (DOF). Under Health and Safety Code Section 34179(j), a single Countywide Oversight Board (Oversight Board) commenced as of July 1, 2018. If approved by the Successor Agency, the San Leandro ROPS will be brought before the Alameda Countywide Oversight Board at its January 22, 2020 meeting. Approvals from both

the Successor Agency and Oversight Board are required in order to submit the ROPS to the California Department of Finance by February 1, 2020.

Analysis

A primary responsibility of the Successor Agency is to oversee the payment of Enforceable Obligations. Enforceable Obligations are defined as:

- Bonds, including debt service reserve set asides and other required payments;
- Loans borrowed by the Agency;
- Payments required by the federal or state governments;
- Pension and unemployment payments for Agency employees;
- Judgments, settlements or binding arbitration decisions; and
- Any legally binding and enforceable contract that does not violate the debt limit or public policy.

Funding is requested for the following Enforceable Obligations on the Fiscal Year 2020-2021 ROPS:

- Urban Analytics - \$6,500
 - Consultant performing continuing disclosure requirements for bonds and fiscal analysis of tax enforcement
- Sales Tax Rebate Ford Store - \$225,000 estimated
 - Second-to-last payment of sales tax rebate per the 2000 Owner Participation Agreement, which rebates 50% of sales tax received above a base of \$277,000.
- Casa Verde Operating Agreement - \$169,756 estimated
 - 30 Year Annual Operating Subsidy to Mercy Housing for development of affordable housing at the former Islander Motel at 2398 E. 14th St. Payments per schedule established in 2006 Disposition and Development Agreement.
- Successor Agency Administration - \$250,000
 - Based on ABx1 26, the amount permitted to fund staff and legal costs and expenses for Successor Agency Administration is the greater of 3% of funds received from the Redevelopment Property Tax Trust Fund or \$250,000 annually. For the 2020-21 ROPS period, the \$250,000 minimum will apply.
- San Leandro Improvement Association - \$5,000
 - Assessment payments for Successor Agency-owned properties in the downtown business improvement district. Actual amount based on annual assessment charges.
- 2001 Certificates of Participation/2013 Lease Revenue Bonds - \$549,665
 - Annual debt service payment per payment schedule.
- 2014 Tax Allocation Bonds - \$1,912,114
 - Annual debt service payment per payment schedule. 2014 bonds replaced 2002 Plaza Area and 2004 West San Leandro Area Bonds.
- Plaza Project Loan - \$89,795
 - *Final* annual debt service payment from Successor Agency to City General Fund. 2004 Loan from City to Redevelopment Agency was reinstated in 2016 and payments began on the 2017-18 ROPS. Payment amounts based on residual Redevelopment Property Tax Trust Fund funding available following payment of enforceable obligations. Up to 50% of residual funds above the base residual fund level in fiscal year 2012-13 may be

used to pay off the loan.

- 2018 Tax Allocation Bonds - \$2,451,593
 - Annual debt service payment per payment schedule. 2018 bonds replaced the 2008 Tax Allocation Bonds, which were refinanced under better terms and 'retired' on the 2019-20 ROPS.

One item is to be 'retired' on the 2020-21 ROPS. Per the payment schedule, the final debt service payment was made in the 2019-20 ROPS year for the HUD Section 108 Loan for the Broadmoor Plaza Senior Housing project at 232 East 14th Street.

Payment of funds for one City-Agency Agreement remain on a future ROPS for payment. A 2011 Cooperative Agreement between the City and Redevelopment Agency allocated \$4,191,611 for continuation of the Doolittle Drive streetscape project. Following the allocation of \$400,000 requested in the 2019-20 ROPS for design work, a total of \$3,791,611 remains under the agreement and will be requested for payment during a future ROPS period to fund streetscape construction following completion of design and other pre-construction work.

The consolidated Alameda County Oversight Board is scheduled to review this ROPS on January 22, 2020. If approved, it will be forwarded to the DOF, the State Controller's Office and the Alameda County Auditor Controller after that action is finalized.

Previous Actions

- On January 9, 2012, the City Council affirmed its decision to have the City serve as the Successor Agency to the former Redevelopment Agency and to retain the Agency's housing assets and functions.
- On January 19, 2016, the Successor Agency to the Redevelopment Agency of the City of San Leandro approved a Reinstated Loan Agreement between the City and the Successor Agency and Authorizing Execution of an Amended and Restated Promissory Note for the Plaza Project Loan.
- On September 19, 2016, the Successor Agency to the Redevelopment Agency of the City of San Leandro approved an Agreement with the City of San Leandro regarding the expenditure of \$600,000 of excess bond proceeds and authorizing the transfer of such proceeds to the City of San Leandro.
- On January 17, 2017, the Successor Agency to the Redevelopment Agency of the City of San Leandro approved an Agreement with the City of San Leandro regarding the expenditure of \$1,764,526 of excess bond proceeds and authorizing the transfer of such proceeds to the City of San Leandro.
- On December 18, 2017, the Successor Agency to the Redevelopment Agency of the City of San Leandro approved the issuance of the 2018 Tax Allocation Bonds in order to refund the outstanding 2008 Tax Allocation Bonds.
- In accordance with Health and Safety Code Section 34179(j), the ten oversight boards then in place in the County of Alameda consolidated into one Oversight Board commencing on and after July 1, 2018.

Fiscal Impacts

As noted above, the Enforceable Obligations listed on the ROPS are paid using funds disbursed by the County Auditor-Controller through property tax revenue deposited into the Redevelopment Property Tax Trust Fund (RPTTF). The General Fund (or any other City fund) does not bear any responsibility for the payment of approved enforceable obligations of the former Redevelopment Agency.

Attachment to Resolution

- ROPS

PREPARED BY: Katie Bowman, Economic Development Manager, Community Development Department



City of San Leandro

Meeting Date: January 6, 2020

Resolution - Council

File Number: 19-661 **Agenda Section:** CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Jeff Kay
City Manager

BY: Tom Liao
Community Development Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION of the Successor Agency to the Redevelopment Agency of the City of San Leandro Adopting a Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2020 - June 30, 2021, Detailing the Obligations of the Former Redevelopment Agency Pursuant to Health and Safety Code Section 34177(l)

WHEREAS, pursuant to Resolution No. 2012-001, adopted by the City Council of the City of San Leandro on January 9, 2012, the City of San Leandro ("City") agreed to serve as the Successor Agency to the Redevelopment Agency of the City of San Leandro (the "Successor Agency") commencing upon the dissolution of the Agency on February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l), before each twelve-month fiscal period, the Successor Agency to a dissolved Redevelopment Agency is required to adopt a Recognized Obligation Payment Schedule ("ROPS") that lists all of the obligations that are "enforceable obligations" within the meaning of Health and Safety Code Section 34177, and which identifies a source of payment for each such obligation from among (i) the Low and Moderate Income Housing Fund, (ii) bond proceeds, (iii) reserve balances, (iv) the administrative cost allowance, (v) revenues from rents, concessions, interest earnings, and asset sales, and (vi) the Redevelopment Property Tax Trust Fund established by the County Auditor-Controller to the extent no other source of funding is available or payment from property tax is contractually or statutorily required; and

WHEREAS, pursuant to Health and Safety Code Section 34179(j), commencing on and after July 1, 2018, in each county where more than one oversight board was created, there shall be only one oversight board, which shall be staffed by the county auditor-controller, by another county entity selected by the county auditor-controller, or by a city within the county that the county auditor-controller may select after consulting with the department. In accordance with HSC 34179 (j), the ten oversight boards then in place in the County of Alameda consolidated into one Oversight Board commencing on and after July 1, 2018 ("Oversight Board"); and

WHEREAS, the ROPS must be concurrently submitted to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the Oversight Board established to review Successor Agency actions; and

WHEREAS, once the ROPS is approved by the Oversight Board, the ROPS must be posted on the Successor Agency's website and transmitted to the County Auditor-Controller, the State Controller and the State Department of Finance.

NOW THEREFORE, IT IS HEREBY RESOLVED by the governing board of the Successor Agency to the Redevelopment Agency of the City of San Leandro as follows:

1. The Recognized Obligation Payment Schedule (ROPS) for July 1, 2020 - June 30, 2021, attached hereto as Exhibit A is hereby approved.
2. The Executive Director or his designee is authorized and directed to take all actions necessary to implement this Resolution, including without limitation, the submittal of the ROPS to the County Administrative Officer, the County Auditor-Controller, the Oversight Board, the State Department of Finance and the State Controller, and the posting of this Resolution and the ROPS on the Successor Agency's website.
3. The Executive Director and the Treasurer, and their designees, are authorized and directed to take such actions as necessary and appropriate to carry out and implement the intent of this Resolution, including without limitation, the establishment of separate accounts and funds as necessary to appropriately document the receipts and expenditures of the Successor Agency.

Recognized Obligation Payment Schedule (ROPS 20-21) - Summary
Filed for the July 1, 2020 through June 30, 2021 Period

Successor Agency: San Leandro

County: Alameda

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 2,034,172	\$ -	\$ 2,034,172
B Bond Proceeds	-	-	-
C Reserve Balance	2,034,172	-	2,034,172
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 527,173	\$ 3,098,078	\$ 3,625,251
F RPTTF	402,173	2,973,078	3,375,251
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 2,561,345	\$ 3,098,078	\$ 5,659,423

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

 Name Title

/s/ _____
 Signature Date

San Leandro
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
July 1, 2020 through June 30, 2021

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
								\$55,548,626		\$5,659,423	\$-	\$2,034,172	\$-	\$402,173	\$125,000	\$2,561,345	\$-	\$-	\$-	\$2,973,078	\$125,000	\$3,098,078	
6	Urban Analytics	Fees	07/01/2017	09/01/2038	Urban Analytics	Continuing Disclosure Requirements for Bonds and Fiscal Analysis of Tax Increment	All	320,500	N	\$6,500	-	-	-	-	-	\$-	-	-	-	6,500	-	\$6,500	
7	232 East 14th Street-Senior Housing	OPA/DDA/ Construction	08/01/2000	08/01/2020	Bank of New York Mellon	HUD Section 108 Loan for Senior Housing Project at 232 East 14th Street	HSG	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
10	Sales Tax Rebate-Ford Store	Business Incentive Agreements	10/01/2002	10/01/2024	Ford Store of San Leandro	Sales Tax Rebate per Owner Participation Agreement (March 6, 2000)	Joint	535,870	N	\$225,000	-	-	-	225,000	-	\$225,000	-	-	-	-	-	-	\$-
12	Casa Verde-Operating Agmt	OPA/DDA/ Construction	01/01/2008	01/01/2038	Mercy Housing of CA	Operating Agreement for Casa Verde	HSG	4,364,093	N	\$169,756	-	-	-	84,878	-	\$84,878	-	-	-	84,878	-	\$84,878	
20	Successor Agency-Administration	Admin Costs	07/01/2017	06/30/2038	City of San Leandro	Agreement to Fund Staff/ Successor Agency Administration	All	4,575,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000	
28	Doolittle Dr. Streetscape	Reentered Agreements	01/17/2011	06/30/2021	City of San Leandro	Cooperative Agreement for Doolittle Drive Streetscape Improvements (Res 2011-001 RDA)	WSL	3,391,611	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
43	San Leandro Improvement	Project Management	01/01/2015	06/30/2038	Management Corporation,	Payments due for	Plaza	1,186,000	N	\$5,000	-	-	-	2,500	-	\$2,500	-	-	-	2,500	-	\$2,500	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Association	Costs			Downtown San Leandro Community Benefit District	Successor Agency real estate under newly formed benefit assessment district.																
44	2001 Certificates of Participation / 2013 Lease Revenue Bonds	Bonds Issued After 12/31/10	06/01/2002	12/01/2026	US Bank	\$5.02m debt issuance to fund capital improvement projects	WSL / Plaza	1,996,813	N	\$549,665	-	256,795	-	-	-	\$256,795	-	-	-	292,870	-	\$292,870
45	2014 Tax Allocation Bonds (Replaced 2002 Plaza and 2004 WSL)	Bonds Issued After 12/31/10	10/30/2014	09/01/2034	US Bank	Refunding of 2002 and 2004 bonds issued to fund capital improvement projects	WSL / Plaza	14,525,488	N	\$1,912,114	-	743,788	-	-	-	\$743,788	-	-	-	1,168,326	-	\$1,168,326
47	Plaza Project Loan	City/County Loan (Prior 06/28/11), Cash exchange	01/31/2016	06/30/2036	City of San Leandro	Reentered Loan	WSL / Plaza	89,795	N	\$89,795	-	-	-	89,795	-	\$89,795	-	-	-	-	-	-
50	2018 Tax Allocation Bonds	Bonds Issued After 12/31/10	05/08/2018	09/01/2038	US Bank	Refunding of 2008 Tax Allocation Bonds		24,563,456	N	\$2,451,593	-	1,033,589	-	-	-	\$1,033,589	-	-	-	1,418,004	-	\$1,418,004

San Leandro
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	
ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)		Fund Sources					Comments	
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin		
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount.	4,175,460		(512,090)	85,693	(743,059)		
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller			1,742,983	79,364	7,258,168		
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)	4,175,460		1,742,983	5,976	5,218,781		
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					1,759,422		
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC		No entry required					
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$(512,090)	\$159,081	\$(463,094)		

San Leandro
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
6	
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