



# City of San Leandro

Meeting Date: January 4, 2021

## Staff Report

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**File Number:** 20-580

**Agenda Section:** CONSENT CALENDAR

**Agenda Number:** 8.N.

**TO:** City Council

**FROM:** Fran Robustelli  
Interim City Manager

**BY:** Tom Liao  
Community Development Director

**FINANCE REVIEW:** Susan Hsieh  
Finance Director

**TITLE:** Staff Report for a City of San Leandro City Council Resolution of the Successor Agency to the Redevelopment Agency of the City of San Leandro Adopting a Recognized Obligations Payment Schedule (ROPS) and Administrative Budget for the Period July 1, 2021 - June 30, 2022, Pursuant to Health and Safety Code Section 34177(l).

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### SUMMARY AND 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 Obligations Payment Schedule and Administrative Budget for the period from July 1, 2021 through June 30, 2022.

### BACKGROUND

Pursuant to Assembly Bill x1 26, on January 9, 2021, 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 Obligations 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 on 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 20, 2021 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, 2021.

### **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 2021-2022 ROPS:

- Urban Analytics - \$6,500
  - Consultant performing continuing disclosure requirements for bonds and fiscal analysis of tax enforcement.
- Casa Verde Operating Agreement - \$170,510
  - 30 Year Annual Operating Subsidy to Mercy Housing for development of affordable housing at the former Islander Motel at 2398 E. 14th Street. Payments are made per the schedule established in the 2006 Disposition and Development Agreement.
- Successor Agency Administration - \$250,000
  - Based on AB x1 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 (RPTTF) or \$250,000 annually. For the 2021-2022 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. The Actual amount is based on annual assessment charges.
- 2001 Certificates of Participation/2013 Lease Revenue Bonds - \$552,945
  - Annual debt service payment is made per the payment schedule.
- 2014 Tax Allocation Bonds - \$2,101,239
  - Annual debt service payment is made per the payment schedule. The 2014 bonds replaced the 2002 Plaza Area and the 2004 West San Leandro Area Bonds.
- 2018 Tax Allocation Bonds - \$2,461,236
  - Annual debt service payment are made per the payment schedule. The 2018 bonds replaced the 2008 Tax Allocation Bonds, which were refinanced under better terms and 'retired' on the 2019-2020 ROPS.

Two items are to be 'retired' on the 2021-2022 ROPS:

- Ford Store Sales Tax Rebate - Per the payment schedule, the final payment of sales tax

rebate was made in the 2020-2021 ROPS year for the 2000 Ford Store Owner Participation Agreement, which rebated 50% of sales tax received above a base of \$277,000.

- Plaza Project Loan - Under the reinstated \$2.29 million loan between the Successor Agency and City General Fund, the final debt service payment was made in Fiscal Year 2020-2021.

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 2019-2020 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 and Administrative Budget on January 20, 2021. 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 authorized execution of the 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 June 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 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(S)**

**Attachment(s) to Related Legislative Files**

Attached to Resolution:

- ROPS and Administrative Budget

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



# City of San Leandro

Meeting Date: January 4, 2021

## Resolution - SA

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**File Number:** 20-581 **Agenda Section:** CONSENT CALENDAR

**Agenda Number:**

**TO:** City Council

**FROM:** Fran Robustelli  
Interim City Manager

**BY:** Tom Liao  
Community Development Director

**FINANCE REVIEW:** Susan Hsieh  
Finance Director

**TITLE:** RESOLUTION of the Successor Agency to the Redevelopment Agency of the City of San Leandro Adopting a Recognized Obligations Payment Schedule (ROPS) and Administrative Budget for the Period July 1, 2021 - June 30, 2022, Detailing the Obligations of the Former Redevelopment Agency Pursuant to Health and Safety Code Section 34177(I)

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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(I), before each twelve-month fiscal period, the Successor Agency to a dissolved Redevelopment Agency is required to adopt a Recognized Obligations 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 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 ("Oversight Board"); and

WHEREAS, the ROPS and Administrative Budget 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 and Administrative Budget are approved by the Oversight Board, the ROPS and Administrative Budget 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 Obligations Payment Schedule (ROPS) for July 1, 2021 - June 30, 2022 and Administrative Budget, attached hereto as Exhibit A are 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 and Administrative Budget 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 and Administrative Budget 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 21-22) - Summary  
Filed for the July 1, 2021 through June 30, 2022 Period**

**Successor Agency:** San Leandro

**County:** Alameda

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>21-22A Total (July - December)</b>	<b>21-22B Total (January - June)</b>	<b>ROPS 21-22 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 2,229,100</b>	<b>\$ -</b>	<b>\$ 2,229,100</b>
B Bond Proceeds	-	-	-
C Reserve Balance	2,229,100	-	2,229,100
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 215,255</b>	<b>\$ 3,103,075</b>	<b>\$ 3,318,330</b>
F RPTTF	215,255	3,103,075	3,318,330
G Administrative RPTTF	-	-	-
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 2,444,355</b>	<b>\$ 3,103,075</b>	<b>\$ 5,547,430</b>

**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 21-22) - ROPS Detail**  
**July 1, 2021 through June 30, 2022**

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 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$54,491,705		\$5,547,430	\$-	\$2,229,100	\$-	\$215,255	\$-	\$2,444,355	\$-	\$-	\$-	\$3,103,075	\$-	\$3,103,075
6	Urban Analytics	Fees	07/01/2017	09/01/2038	Urban Analytics	Continuing Disclosure Requirements for Bonds and Fiscal Analysis of Tax Increment	All	314,000	N	\$6,500	-	-	-	-	-	\$-	-	-	-	6,500	-	\$6,500
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	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
12	Casa Verde-Operating Agmt	OPA/DDA/Construction	01/01/2008	01/01/2038	Mercy Housing of CA	Operating Agreement for Casa Verde	HSG	4,194,337	N	\$170,510	-	-	-	85,255	-	\$85,255	-	-	-	85,255	-	\$85,255
20	Successor Agency-Administration	Admin Costs	07/01/2017	06/30/2038	City of San Leandro	Agreement to Fund Staff/Successor Agency Administration	All	4,325,000	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 Association	Project Management Costs	01/01/2015	06/30/2038	Management Corporation, Downtown San Leandro Community Benefit District	Payments due for Successor Agency real estate under newly formed benefit assessment	Plaza	1,181,000	N	\$5,000	-	-	-	5,000	-	\$5,000	-	-	-	-	-	\$-



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 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
						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	\$552,945	-	263,435	-	-	-	\$263,435	-	-	-	289,510	-	\$289,510	
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	\$2,101,239	-	921,663	-	-	-	\$921,663	-	-	-	1,179,576	-	\$1,179,576	
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	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
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	\$2,461,236	-	1,044,002	-	-	-	\$1,044,002	-	-	-	1,417,234	-	\$1,417,234	

**San Leandro**  
**Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances**  
**July 1, 2018 through June 30, 2019**  
(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
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)</b>	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	<b>Comments</b>
1	<b>Beginning Available Cash Balance (Actual 07/01/18)</b> RPTTF amount should exclude "A" period distribution amount.	53		(512,142)	159,081	(463,094)	
2	<b>Revenue/Income (Actual 06/30/19)</b> RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller			709,569		4,246,146	
3	<b>Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)</b>			709,569	27,645	3,678,124	
4	<b>Retention of Available Cash Balance (Actual 06/30/19)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			-	85,340	568,022	Reflects use of Other Funds in 20-21 and PPA for 18-19
5	<b>ROPS 18-19 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC			No entry required			
6	<b>Ending Actual Available Cash Balance (06/30/19)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$53	\$-	\$(512,142)	\$46,096	\$(463,094)	

**San Leandro**  
**Recognized Obligation Payment Schedule (ROPS 21-22) - Notes**  
**July 1, 2021 through June 30, 2022**

Item #	Notes/Comments
6	
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12	
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**San Leandro Successor Agency  
ROPS 21-22 Administrative Budget**

1 Consulting Services	\$	5,000	Fraser & Associates ROPS Preparation
2 Trustee Fees		6,000	US Bank - manage RDA accounts
3 Legal Fees		15,000	Meyers Nave
4 Insurance		3,658	fund paying share of city insurance costs
5 Adminstrative Costs (Salaries & Benefits)		220,342	6 employees, finance & CD - Internal Service Charges
<b>TOTAL</b>	<b>\$</b>	<b>250,000</b>	