



AGENDA BILL

Agenda Item No. 4.E.

Date: January 19, 2021
To: El Cerrito City Council
From: Shannon Collins, Finance Supervisor, Finance Department
Subject: REDEVELOPMENT AGENCY SUCCESSOR AGENCY ITEM Approve Draft Annual Recognized Obligations Payment Schedule 21-22 (July 1, 2021 - June 30, 2022)

ACTION PROPOSED

Adopt a Successor Agency resolution reviewing and authorizing submittal of the draft Recognized Obligations Payment Schedule 21-22.

BACKGROUND

Recognized Obligation Payment Schedules

ABx1 26 (Dissolution Act) dissolved the El Cerrito Redevelopment Agency (RDA) and established the El Cerrito Redevelopment Successor Agency (Successor Agency) on February 1, 2012. Under the Dissolution Act, the portion of property tax revenues collected in the City of El Cerrito Redevelopment Project Area (Project Area) that was considered Tax Increment prior to the RDA's dissolution are called Redevelopment Property Tax and are deposited by the County Auditor-Controller (Auditor-Controller) into the Redevelopment Property Tax Trust Fund (RPTTF). The Auditor-Controller distributes the funds in the RPTTF with the following priority:

1. Auditor-Controller's administrative costs
2. Pass-through payments to the taxing entities affected by the Redevelopment Plan for the Project Area, calculated the same as prior to RDA dissolution
3. Distribution to the Successor Agency to retire the former RDA's obligations
4. Repayment of loans from the Housing Fund (starting in FY 2014-15)
5. Distribution of residual funds to taxing entities

Beginning with the 2016-17 ROPS period, the Successor Agency must review and authorize submittal of a Recognized Obligation Schedule (ROPS) for each fiscal year. Each ROPS must then be approved by the Oversight Board to the Successor Agency (Oversight Board) and the California Department of Finance (DOF) before the Auditor-Controller disburses funding for payments on the approved ROPS.

The attached schedule is the draft ROPS 21-22 covering payments due during the period of July 2021 to June 2022. The Successor Agency must submit ROPS 21-22 approved by the County-wide Oversight Board to the DOF no later than February 3, 2020. The County-wide Oversight Board is scheduled to consider ROPS 21-22 at its upcoming special meeting. After submittal, the DOF then has until April 15th to review the ROPS and approve or disapprove of any items. The Successor Agency can request additional review by the DOF and an opportunity to meet and confer on disputed items and must make that request within five business days of receiving a DOF determination.

The DOF is required to notify the Successor Agency and Auditor-Controller of its final determination of the approved payments at least 15 days prior to the first distribution date of RPTTF for the ROPS, which is June 1st. RPTTF will continue to be distributed twice annually, on June 1st and January 2nd of each year.

The annual ROPS can be amended once per year as long as the amendment is received by the DOF before October 1st of the applicable fiscal year.

ANALYSIS

The proposed ROPS 21-22 is Exhibit A to the attached Successor Agency resolution, authorizing its submittal. It includes: 1) A summary of the funding request; 2) An itemized listing of obligations (“ROPS Detail”); 3) A report of cash balances. Obligations with remaining outstanding balances are included on ROPS 21-22, as follows:

- Tax Allocation Bond Debt Service: In August of 2016 former items 1, 3, and 5 on the ROPS were refinanced into the 2016 Tax Allocation Bonds. This is shown as item 29. Debt service payment for this fiscal year is due as part of ROPS 21-22 in the amount of \$2,122,794.
- Union Bank Administrative Fee (\$10,000): This fee is to cover the fiscal agent service fees charged by Union Bank for the trust administration of the 2016 Series A and B Bonds.
- FY 2021-22 Administrative Allowance (\$250,000): One half of the Successor Agency’s administrative allowance is included in each six-month period on the ROPS.

The total amount of RPTTF funding required for ROPS 21-22 is estimated to be \$2,382,794.

STRATEGIC PLAN CONSIDERATIONS

The amended ROPS supports Goal B of the City’s Strategic Plan to “Achieve long-term financial sustainability”.

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

It is estimated that the total amount of RPTTF funding required for ROPS 21-22 is \$2,382,794. In order to repay the obligations of the Successor Agency, the ROPS must be approved and submitted to the DOF.

LEGAL CONSIDERATIONS

All actions being requested are consistent with the Dissolution Act, as amended and have been reviewed by the Agency attorney.

Reviewed by:

A handwritten signature in blue ink that reads "Karen Pinkos". The signature is written in a cursive style.

Karen Pinkos, City Manager

Attachments:

1. Resolution
2. ROPS-21-22 A and B

SUCCESSOR AGENCY RESOLUTION 2021-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO ACTING AS THE EL CERRITO REDEVELOPMENT AGENCY SUCCESSOR AGENCY AUTHORIZING SUBMITTAL OF THE DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE 21-22, AS REQUIRED UNDER THE DISSOLUTION ACT

WHEREAS, pursuant to the California Community Redevelopment Law (the “Redevelopment Law”), the City Council (the “City Council”) of the City of El Cerrito (the “City”) adopted the Redevelopment Plan for the City of El Cerrito Redevelopment Project Area by Ordinance No. 77-17, as amended by Ordinances No. 80-13; No. 89-5; No. 94-4; No. 2004-3; No. 2005-01; and No. 2006-10 (collectively, the “Redevelopment Plan”); and

WHEREAS, the El Cerrito Redevelopment Agency (the “RDA”) was responsible for implementation of the Redevelopment Plan; and

WHEREAS, as part of the 2011-12 State budget bill, ABx1 26 (the “Dissolution Act”) was enacted significantly modifying the Redevelopment Law to require the dissolution of redevelopment agencies throughout California and the establishment of successor agencies to wind down the former redevelopment agencies’ affairs; and

WHEREAS, on August 15, 2011, pursuant to the Dissolution Act, the City elected to serve as the El Cerrito Redevelopment Agency Successor Agency (the “Successor Agency”), should the RDA be dissolved; and

WHEREAS, California redevelopment agencies were dissolved on February 1, 2012; and

WHEREAS, pursuant to the Dissolution Act, upon dissolution, the RDA transferred as a matter of law all remaining liabilities, debts and obligations to the Successor Agency; and transferred all unencumbered funds and assets to the Successor Agency’s Redevelopment Obligation Retirement Fund (the “RORF”), for disposition and/or use by the Successor Agency to retire RDA debt and pay for RDA obligations; and

WHEREAS, pursuant to the Dissolution Act, the Contra Costa County Auditor Controller (the “Auditor-Controller”) established the Redevelopment Property Tax Trust Fund (the “RPTTF”) to hold Redevelopment Property Tax collected from the City of El Cerrito Redevelopment Project Area to be disbursed to the Successor Agency for payment of its enforceable obligations and to taxing entities affected by the Redevelopment Plan; and

WHEREAS, SB 107 was enacted on September 22, 2015 modifying the Dissolution Act to require the Successor Agency to form an Oversight Board; and submit an Oversight Board approved annual Recognized Obligations Payment Schedule to the Department of Finance (the “DOF”); and

WHEREAS, the Oversight Board to the Successor Agency to the El Cerrito Redevelopment Agency (the “Oversight Board”) was formed on April 4, 2012; and was dissolved on June 30, 2018 by the County, and a Countywide Oversight Board came into being on January 1, 2019; and

WHEREAS, the Successor Agency has reviewed the draft ROPS 21-22 that was prepared pursuant to the Dissolution Act, which is attached and incorporated as Exhibit A to this Resolution, for submittal to the Countywide Oversight Board, the Auditor-Controller, and DOF; and

WHEREAS, the Successor Agency has determined that the amounts owed to the City constitute an enforceable obligation pursuant to Section 34171(d)(2) to be listed on the ROPS 21-22; and

WHEREAS, the Successor Agency wishes to authorize Successor Agency staff to amend the ROPS 21-22 administratively to account for any additional changes made by the DOF to the ROPS form or changes made by the Countywide Oversight Board that occur after the Successor Agency's consideration.

NOW THEREFORE, BE IT RESOLVED that the City El Cerrito Redevelopment Agency Successor Agency hereby finds the above recitals to be true and accurate.

BE IT FURTHER RESOLVED that the El Cerrito Redevelopment Agency Successor Agency authorizes the submittal of the draft Recognized Obligation Payment Schedule 21-22 as required under the Dissolution Act, subject to such changes as may be necessary to accommodate changes in the DOF approved form and any changes made by the Oversight Board any such changes to be approved by the City Manager.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.

I CERTIFY that at the regular meeting on January 19, 2021, the City Council of the City of El Cerrito acting as the El Cerrito Redevelopment Agency Successor Agency passed this resolution by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January ____, 2021.

Holly M. Charlety, City Clerk

APPROVED:

Paul Fadelli, Mayor

**Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period**

Successor Agency: El Cerrito

County: Contra Costa

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	21-22A Total (July - December)	21-22B Total (January - June)	ROPS 21-22 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,191,397	\$ 1,191,397	\$ 2,382,794
F RPTTF	1,066,397	1,066,397	2,132,794
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 1,191,397	\$ 1,191,397	\$ 2,382,794

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

El Cerrito
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	
								\$11,346,499		\$2,382,794	\$-	\$-	\$-	\$1,066,397	\$125,000	\$1,191,397	\$-	\$-	\$-	\$1,066,397	\$125,000	\$1,191,397
25	Administrative Allowance	Admin Costs	06/01/2014	09/01/2025	City of El Cerrito	Annual allowance	El Cerrito	875,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
29	2016 Tax Allocation Bonds	Bonds Issued After 12/31/10	08/04/2016	09/01/2025	Union Bank	Refunding of prior outstanding bonds.	El Cerrito	10,421,499	N	\$2,122,794	-	-	-	1,061,397	-	\$1,061,397	-	-	-	1,061,397	-	\$1,061,397
30	Fiscal Agent Fees	Bonds Issued After 12/31/10	08/04/2016	09/01/2025	Union Bank	Fees for fiscal agent	El Cerrito	50,000	N	\$10,000	-	-	-	5,000	-	\$5,000	-	-	-	5,000	-	\$5,000

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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
ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)		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 07/01/18) RPTTF amount should exclude "A" period distribution amount.		1,137	301,782	176	-	
2	Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller					1,644,800	
3	Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)					1,644,800	
4	Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			301,782			Used in 2019-20
5	ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$1,137	\$-	\$176	\$-	

El Cerrito
Recognized Obligation Payment Schedule (ROPS 21-22) - Notes
July 1, 2021 through June 30, 2022

Item #	Notes/Comments
25	
29	
30	