



(REVISED)

In accordance with the Americans with Disabilities Act, persons requiring assistance or auxiliary aids in order to participate should contact the Clerk's Office at City Hall, 13831 San Pablo Avenue, San Pablo, (510) 215-3000 as soon as possible prior to the meeting. The city will give such requests primary consideration, taking into account undue financial and administrative burdens or fundamental alterations in the city service, program or activity.

SAN PABLO OVERSIGHT BOARD SPECIAL MEETING AGENDA
(Oversight Board of the Local Successor Agency
Of the City of San Pablo)

MONDAY, JANUARY 29, 2018
12:00 NOON

13831 San Pablo Avenue
Council Chambers
San Pablo, CA 94806

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VACANT, County Board of Supervisor Appointment
Rita Xavier, Contra Costa County Fire Protection District Appointment
McKinley Williams, County Board of Supervisor Public Appointment
John Hild, WCCUSD; County Superintendent Appointment
Mariles Magalong, Contra Costa College District Appointment
Genoveva Calloway, City of San Pablo
Bradley Ward, City of San Pablo, Former RDA Employee Appointment

***Note:** Copies of the agenda are available for inspection in the City Clerk's Office, City Hall, 13831 San Pablo Avenue, Building #1, San Pablo, during regular business hours – 7:30 am to 6:00 pm, Monday through Thursday. The complete agenda packets are also available for viewing, downloading and printing on the City of San Pablo Website at www.SanPabloCA.gov.*

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CALL TO ORDER/ PLEDGE OF ALLEGIANCE / ROLL CALL

PUBLIC COMMENT

The public is encouraged to address the Oversight Board on any matter listed on the agenda or any other matter within its jurisdiction subject to the rules of decorum to be described and acted on by the Board. If you wish to address the Board, please complete the Speaker Form provided at the speaker's podium and hand it to the Clerk. The Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote.

CONSENT ITEMS

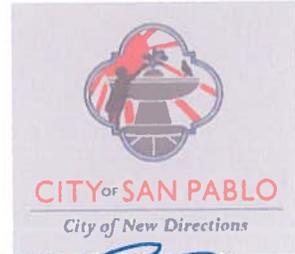
All matters listed in the Consent Items section will be considered routine by the Board and will be enacted by one motion. The disposition of the item is indicated, and there will be no separate discussion of these items. If discussion is requested, that item will be removed from the section entitled Consent Items and will be considered separately.

ITEMS FOR BOARD CONSIDERATION/ACTION:

1. Resolution approving an Administrative Budget and adopting the Recognized Obligations Payment Schedule for Fiscal Year 2018-19 ("ROPS 18-19")
Recommended Action: Adopt Resolution

ADJOURNMENT

OVERSIGHT BOARD REPORT



DATE: JANUARY 29, 2018
TO: SUCCESSOR AGENCY OVERSIGHT BOARD
FROM: MATT RODRIGUEZ, EXECUTIVE DIRECTOR 
SUBJECT: RESOLUTION OF THE OVERSIGHT BOARD OF THE SAN PABLO LOCAL SUCCESSOR AGENCY APPROVING AN ADMINISTRATIVE BUDGET AND THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR FISCAL YEAR 2018-19 (“ROPS 18-19”)

RECOMMENDATION

Adopt resolution approving an administrative budget and the Recognized Obligation Payment Schedule for Fiscal Year 2018-19 (“ROPS 18-19”).

BACKGROUND

The San Pablo Local Successor Agency (“LSA”) is responsible for winding down the activities of the former Redevelopment Agency of the City of San Pablo (the “former Redevelopment Agency”) pursuant to the requirements of Part 1.85 of Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 *et seq.*; the “Dissolution Act”).

Previously, the LSA was required by Section 34177(f) of the Dissolution Act to adopt a ROPS for each six-month period. Starting with Fiscal Year 2016-17, Section 34177(o) now requires the LSA to adopt ROPS for each fiscal year. The ROPS functions as the LSA’s claim for tax increment, and general authorization, to pay enforceable obligations. It lists the outstanding obligations of the former Redevelopment Agency and the funding source for each obligation. The LSA may only pay, and will only be allocated tax increment by the County Auditor-Controller for payments of, obligations listed on the ROPS. Obligations that will be funded by other sources, such as existing fund balances, must also be listed on the ROPS.

The San Pablo LSA’s ROPS 18-19 is attached to the resolution accompanying this staff report.

Administrative Cost Allowance and Administrative Budget

Pursuant to Section 34171(b), the LSA is to receive an administrative cost allowance (“ACA”) for the staff costs of administering the wind down of the former Redevelopment Agency. These costs include staff time in preparing for and holding Oversight Board meetings and staff costs related to preparing reports and documents required by the Dissolution Act. The ACA is the greater of \$250,000 or 3% of the property tax revenues allocated to the LSA in the preceding fiscal year to pay approved enforceable obligations (after first deducting from said allocated property tax revenues the amount of the LSA’s ACA for the preceding fiscal

Departmental Coordination

- | | |
|---|---|
| <input type="checkbox"/> Comm. Services _____ | <input type="checkbox"/> Finance _____ |
| <input type="checkbox"/> Police _____ | <input type="checkbox"/> Public Works _____ |

year and any loan repayments to the City during said preceding fiscal year).

Each ROPS is to include the amount of the ACA for the LSA. In addition, Section 34177(j) of the Dissolution Act requires the LSA to prepare an administrative budget for each six-month fiscal period, and to submit the budget to the San Pablo Oversight Board (the "Oversight Board") for its approval. The budget shall include:

- Estimated amounts for LSA administrative costs;
- Proposed sources of payment for the LSA administrative costs; and
- Proposals for arrangements for administrative and operations services provided by a city or other entity.

The LSA's ACA for ROPS 18-19 will be \$250,000, which is the minimum amount. These funds will be the sole source of payment for the LSA's administrative costs. City staff serves as the staff for the LSA.

The proposed administrative budget for the San Pablo LSA is attached to the resolution for this item and covers all of Fiscal Year 2018-19. It shows the estimated breakdown of the ACA for staff and consultant costs.

City/LSA Loan and Repayment Agreement

Section 34173(h) of the Dissolution Act provides that the City of San Pablo (the "City") may loan funds to the LSA for administrative costs, enforceable obligations, or project-related expenses, subject to the approval by the Oversight Board, and that an enforceable obligation shall be deemed to be created for the repayment of those loans. In August 2012, the City and LSA entered into a Loan and Repayment Agreement ("Agreement") to provide a formal mechanism for loans by the City to the LSA and repayment by the LSA to the City.

Under the Agreement, the City agreed to loan funds to the LSA in any ROPS period up to the portion of the LSA's ACA that is not paid to the LSA from the RPTTF, with interest to be charged at the annual rate provided for the California State Treasurer's Local Agency Investment Fund on the date of the respective loan. The City may also loan, to the extent that City funds are available, amounts necessary to pay any enforceable obligations listed on the ROPS that will not be funded from the RPTTF revenues available for that ROPS period.

No loan is being requested for ROPS 18-19, as the LSA expects that there will be sufficient RPTTF.

Repayment of Loan from Low and Moderate Income Housing Fund

Line 8 of ROPS 18-19 (Item #17) is a loan that was made from the former Low and Moderate Income Housing Fund to enable the former Redevelopment Agency to make a required payment to the Supplemental Educational Revenue Augmentation Fund during fiscal year 2009-10. Section 34176(e)(6) of the Dissolution Act authorizes repayment of this loan after the 2013-14 fiscal year and subject to certain limitations, as follows:

"(B) Loan or deferral repayments shall not be made prior to the 2013-14 fiscal year. Beginning in the 2013-14 fiscal year, the maximum repayment

amount authorized each fiscal year for repayments made pursuant to this paragraph and subdivision (b) of Section 34191.4 combined shall be equal to one-half of the increase between the amount distributed to taxing entities pursuant to paragraph (4) of subdivision (a) of Section 34183 in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012–13 base year. Loan or deferral repayments made pursuant to this paragraph shall take priority over amounts to be repaid pursuant to subdivision (b) of Section 34191.4.”

In accordance with Section 34176(e)(6) and the formula provided by the County Auditor-Controller, the LSA is requesting the sum of \$480,674 as a final repayment of the loan. That repayment must be deposited into the City’s Low and Moderate Income Housing Asset Fund and used for affordable housing purposes consistent with the requirements set forth in the California Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code, commencing with Section 33000).

ROPS Approval Procedure

Following the Oversight Board’s approval of a ROPS, the LSA must submit it to the County Auditor-Controller, the State Controller and the State Department of Finance (“DOF”), and post it on the LSA’s website.

Section 34177(o) states that the LSA must submit a ROPS to DOF, after approval by the Oversight Board, no later than February 1, 2018.

DOF shall make its determinations regarding the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15, 2018. Section 34177(o) provides for a meet and confer period if the LSA disputes DOF’s determinations.

Section 34177(o) also provides for significant penalties if a ROPS is submitted late. The City of San Pablo could be subject to a civil penalty of \$10,000 per day for each day a ROPS is not submitted to the DOF, and if a ROPS is not submitted within 10 days of the deadline, the maximum ACA of the LSA for the ROPS period could be reduced by 25%.

FISCAL IMPACT

The approval of ROPS 18-19 by the Oversight Board is part of the procedure of adopting a valid ROPS for Fiscal Year 2018-19 pursuant to Section 34177(o), and obtaining the funds to make payments on obligations listed on that ROPS. The approval of the LSA’s administrative budget provides the supporting detail for the LSA’s claim for ACA on ROPS 18-19.

Attachments:

Exhibit A Oversight Board Resolution OB2018-____, with Administrative Budget and ROPS 18-19 attached.

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RESOLUTION OB2018-___

RESOLUTION OF THE OVERSIGHT BOARD OF THE SAN PABLO LOCAL SUCCESSOR AGENCY APPROVING AN ADMINISTRATIVE BUDGET AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR FISCAL YEAR 2018-19 (“ROPS 18-19”)

WHEREAS, pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 *et seq.*; the “Dissolution Act”), all redevelopment agencies in the State of California, including the Redevelopment Agency of the City of San Pablo (the “Redevelopment Agency”), were dissolved as of February 1, 2012; and

WHEREAS, pursuant to the Dissolution Act, the San Pablo Local Successor Agency (the “San Pablo LSA”) became the successor agency to the former Redevelopment Agency and, by operation of law under Section 34175(b) of the Dissolution Act, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Redevelopment Agency were transferred to the San Pablo LSA on February 1, 2012; and

WHEREAS, Section 34177(j) of the Dissolution Act requires the San Pablo LSA to prepare a proposed administrative budget for the upcoming six-month fiscal period and submit the budget to the San Pablo Oversight Board (the “Oversight Board”) for its approval; and

WHEREAS, Section 34177(o) of the Dissolution Act requires the San Pablo LSA to prepare a Recognized Obligation Payment Schedule (“ROPS”) for each fiscal year, which lists the outstanding obligations of the former Redevelopment Agency, states the amounts of required payments on those obligations, and states the source of funds for the payments; and

WHEREAS, the San Pablo LSA has prepared an administrative budget and a ROPS for Fiscal Year 2018-19 (“ROPS 18-19”); and

WHEREAS, pursuant to Section 34180(g) of the Dissolution Act, the Oversight Board must approve ROPS 18-19; and

WHEREAS, pursuant to Health and Safety Code Section 34177(o), the Oversight Board-approved ROPS 18-19 must be submitted by the San Pablo LSA to the State Department of Finance and the County Auditor-Controller no later than February 1, 2018;

NOW, THEREFORE, the Oversight Board for the San Pablo Local Successor Agency does hereby resolve as follows:

Section 1. **Recitals.** The Recitals set forth above are true and correct and incorporated herein.

Section 2. **Approval of San Pablo LSA Administrative Budget.** The Oversight Board for the San Pablo Local Successor Agency hereby approves the administrative budget for

the San Pablo Local Successor Agency, for Fiscal Year 2018-19, in the form attached to this resolution.

Section 3. Approval of ROPS for Fiscal Year 2018-19. The Oversight Board for the San Pablo Local Successor Agency hereby approves the ROPS for Fiscal Year 2018-19, designated "ROPS 18-19," in the form attached to this resolution.

Section 4. Transmittal. The Oversight Board for the San Pablo Local Successor Agency hereby authorizes and directs the San Pablo LSA to transmit ROPS 18-19 to the State Department of Finance and the Contra Costa County Auditor-Controller.

PASSED AND ADOPTED this 29th day of January, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

APPROVED:

Lehny Corbin, Clerk of the Board

, Chair

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency:

San Pablo

County:

Contra Costa

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)

	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 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):	1,945,974	5,307,118	7,253,092
F RPTTF	1,820,974	5,182,118	7,003,092
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	1,945,974	5,307,118	7,253,092

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 Pablo Successor Agency - Administrative Budget

July 2018 - June 2019

ROPS 18-19

Administrative Cost Allowance Determination:

July 2018 - June 2019	\$ 250,000	Minimum of \$250,000 per fiscal year
	<u>\$ 250,000</u>	

City of San Pablo Successor Agency Costs to be Reimbursed:

Staffing Cost Allocations of Payroll Charges:

City Manager	32,399.50	July 2018- June 2019	Payroll Allocated at 10%
Assistant City Manager	38,636.10	July 2018- June 2019	Payroll Allocated at 15%
Administrative Service Director	24,539.30	July 2018- June 2019	Payroll Allocated at 10%
Deputy City Clerk	10,947.90	July 2018- June 2019	Payroll Allocated at 10%
Assist to the City Manager	25,306.95	July 2018- June 2019	Payroll Allocated at 20%
Finance Supervisor	24,845.55	July 2018- June 2019	Payroll Allocated at 20%
Management Assistance	24,518.74	July 2018- June 2019	Payroll Allocated at 20%
Fiscal Clerk 1	17,096.20	July 2018- June 2019	Payroll Allocated at 20%
Murphy & Associates PC (Legal Support)	40,000.00		
Maze & Associates (Audit)	5,500.00		
Incidental Support Charges & Office Supplies	6,209.76		
Estimate of Administrative Costs to be Expended	<u>\$ 250,000.00</u>		