



Staff Report

Date: January 28, 2019

To: Oversight Board

From: John Montagh, Economic Development Manager

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Subject: **Adopt Resolution No. 2019-4** approving the **Recognized Obligation Payment Schedule (19-20) for July 1, 2019 through June 30, 2020 of the Successor Agency to the Redevelopment Agency of the City of Concord.**

Report in Brief

The Oversight Board is required to review and take action on the Successor Agency to the Redevelopment Agency of the City of Concord's Recognized Obligation Payment Schedule (ROPS) 2019-20 for the July 1, 2019 through June 30, 2020 time period. The proposed ROPS is the annual (fiscal year) ROPS cycle. The State made this change as part of legislation passed in 2015 governing Successor Agencies. Staff is requesting the Board to review and approve ROPS 19-20 (Attachment 1). Once approved by the Oversight Board, Successor Agency staff will forward the approved ROPS to the State Department of Finance (DOF), State Auditor Controller, County Administrator and County Auditor Controller for these agencies respective review by February 1, 2019. If approved by the DOF, ROPS 19-20 will be in place for the Successor Agency to make payments on agreements Successor Agency administration and enforceable obligations of the former Redevelopment Agency for that period of time. Total amount of funds being requested for ROPS 19-20 is \$5,331,924.

Recommended Action

Staff recommends that the Oversight Board adopt Resolution No. 2019-4 approving ROPS 19-20 and direct staff to submit the ROPS to the Department of Finance and other agencies as required.

Background

On February 1, 2012, redevelopment agencies throughout the state were dissolved pursuant to Assembly Bill 1X 26. All of the non-housing assets and obligations of the former Redevelopment Agency of the City of Concord were transferred by operation of law to the Successor Agency of the City of Concord. Health and Safety Section 34179 provides for establishment of an Oversight Board to oversee the closeout and wind down of the former redevelopment agency.

On June 27, 2012, the Governor signed into law AB 1484 which modified the dissolution law affecting the winding down of redevelopment agencies throughout the State. As part of this law, successor agencies are required to submit an Oversight Board approved ROPS to the DOF essentially three months ahead of the each ROPS period for DOF's review. The DOF has 45 days to review the Oversight Board approved ROPS and make its determination of the enforceable obligations, obligation amounts and funding sources of the enforceable obligation no later than 45 days after the ROPS is submitted.

The Governor signed the 2015/16 Budget Trailer bill which provided for annual ROPS, commencing with ROPS July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an oversight board approved annual ROPS to DOF and the County Auditor-Controller by February 1, 2016 and each February 1 thereafter.

Analysis

The Successor Agency is responsible for administering the payments appearing on the proposed ROPS, subject to the approval of the Oversight Board, which is charged with reviewing and approving ROPS.

ROPS Overview:

ROPS 19-20 shows enforceable obligations on an annual basis for the specific reporting period of July 1, 2019 through June 30, 2020 and is attached to this report (Attachment 1). The following summarizes ROPS 19-20:

- Total Enforceable Obligations to be paid during the period are \$5,358,226.
- Total amount of funds being requested is \$5,331,924.

- Total funding from other sources (Rent and Interest) is \$26,302
- Payments totaling \$818,452 to the Concord Affordable Housing Fund which is a repayment of funds owed by the former Redevelopment Agency of the City of Concord to create and preserve affordable housing in the City of Concord. The repayment was approved by the Oversight Board and DOF. A total of approximately \$3 million is owed to the City's affordable housing program.
- Refunding Bond Obligation as set forth in the 2014 Tax Allocation Refunding Bonds totaling \$3,211,750

With previous resolutions approving the ROPS, the proposed resolution directs staff to cooperate with DOF to the extent necessary to obtain DOF's acceptance of ROPS 19-20.

Attachments

1. ROPS 19-20
2. Resolution No. 2019-4