



**OFFICE OF THE EXECUTIVE DIRECTOR**

65 Civic Avenue  
Pittsburg, California 94565-3814

**DATE:** September 23, 2019

**TO:** Countywide Oversight Board

**FROM:** Garrett D. Evans, Executive Director

**RE:** Adoption of a Countywide Oversight Board Resolution Amending the Approved July 1, 2019 – June 30, 2020 Recognized Obligation Payment Schedule

**EXECUTIVE SUMMARY**

The Successor Agency for the Redevelopment Agency of the City of Pittsburg (Successor Agency) is amending the approved Recognized Obligation Payment Schedule for the period of July 1, 2019 – June 30, 2020 (Amended ROPS 19-20) so that the special assessments levied on Successor Agency owned properties may be added.

**FISCAL IMPACT**

This Amended ROPS 19-20 shows that as of July 25, 2019, the outstanding special assessments, including interest and penalties, owed to the County of Contra Costa is \$84,054.99 (Amount Owed). The Amount Owed will continue to increase as penalties and interest continue to accrue on any unpaid balance. Exhibit A to this Staff Report are copies of the property tax bills and redemption tax bills.

**RECOMMENDATION**

Staff recommends that the Contra Costa County Oversight Board (Countywide Oversight Board) approve Amended ROPS 19-20. Staff further recommends that Countywide Oversight Board authorize the use of excess Redevelopment Property Tax Trust Fund, also known as RPTTF, after existing debt service payments have been satisfied, but prior to any distributions to pass-through taxing entities or the use of sales proceeds realized from the sale of Successor Agency property, to pay existing Amounts Owed, any remaining balances, and future annual property assessments until the remaining Successor Agency properties are sold.

**BACKGROUND**

On June 29, 2011, the Governor signed into law AB 26, also referred to as the “Dissolution Act” which automatically suspended redevelopment activities and on December 29, 2011, the California State Supreme Court upheld the provisions of AB 26, thereby dissolving all redevelopment agencies on February 1, 2012.

While redevelopment successor agencies may not initiate any new activities nor incur new indebtedness, they are nevertheless required under legislative statute and court order to continue making those payments necessary for day to day operations pursuant to contractual commitments/enforceable obligations, regulatory authorities, and indebtedness entered into prior to the enactment of the Dissolution Act.

On June 27, 2012, the Governor signed into law budget trailer bill AB 1484. AB 1484 imposed new requirements on successor agencies with regard to the submittal of the ROPS.

Budget trailer bill SB 107 was approved and signed by the Governor and took immediate effect on September 22, 2015. The primary purpose of SB 107 is to make technical and substantive amendments to the existing Dissolution Act. Pursuant Section 34177, as amended, changed the review of ROPS from semi-annual to annual.

Pursuant to Health and Safety Code Section 34179 (j), on and after July 1, 2018 in each county where more than one oversight board was created, there shall be only one countywide oversight board. As of July 1, 2018, the California Department of Finance (DOF) can only recognize the newly-created Countywide Oversight Board. The actions for the Successor Agency’s ROPS or other oversight board required approved actions cannot be submitted without the Countywide Oversight Board’s approval.

On January 28, 2019, the Countywide Oversight Board approved ROPS 19-20 and subsequently submitted ROPS 19-20 to the DOF for consideration and approval. In a letter dated April 15, 2019, the DOF approved ROPS 19-20.

**SUBCOMMITTEE FINDINGS**

Amended ROPS 19-20 was not discussed in a subcommittee.

**STAFF ANALYSIS**

Since the dissolution of the former Redevelopment Agency of the City of Pittsburg and creation of the Successor Agency, the Successor Agency has only been able to pay debt service and administrative costs for its daily operations. Through some revenue increases and financial restructuring, the Successor Agency has been able to continue to pay its debt service and administrative costs, and pay off its past due pass-through amounts and current pass-through amounts due to various taxing entities. The Successor Agency is now able to begin paying other obligations such as the property tax bills and redemption

tax bills.

Although the Successor Agency is exempt from having to pay ad valorem, it is still required to pay the special assessments levied on its properties and are reflected on the property tax bills and redemption tax bills. Previously, as Successor Agency properties were sold, the outstanding corresponding property tax bills were paid at the close of escrow. Staff has been in communication with the DOF and has been instructed to submit an amendment to ROPS 19-20, the Amended ROPS 19-20, adding the outstanding property tax bills and redemption tax bills. The Successor Agency is further instructed that sales proceeds from any Successor Agency property may be used to pay any outstanding Successor Agency property tax bill and redemption tax bill as opposed to limiting the repayment to the corresponding property tax bill or redemption tax bill.

Upon receiving Countywide Oversight Board approval, staff will submit the Amended ROPS 19-20 to the DOF, as directed by DOF, for its consideration and approval.

ATTACHMENTS: Resolution  
Amended Recognized Obligation Payment Schedule for the period of  
July 1, 2019 – June 30, 2020  
Exhibit A – Property Tax Bills and Redemption Tax Bills

Report Prepared By: \_\_\_\_\_  
Maria M. Aliotti, Director of Community Services  
Brad Farmer, Finance Director  
Diane Agar, Finance Division Manager