

**STAFF REPORT OF THE SUCCESSOR AGENCY TO THE HERCULES
REDEVELOPMENT AGENCY**

DATE: January 27, 2020

TO: The Contra Costa Countywide Oversight Board

SUBMITTED BY: David Biggs, City Manager/Executive Director
Successor Agency to the Hercules Redevelopment Agency

SUBJECT: Recognized Obligation Payment Schedule and Administrative Budget for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21A and ROPS 20-21B)

RECOMMENDED ACTION:

Adopt a resolution approving the Recognized Obligation Payment Schedule and Administrative Budget for the period July 1, 2020 through June 30, 2021 (ROPS 20-21A and ROPS 20-21B).

DISCUSSION:

Health and Safety Code Section 34177 requires that Successor Agencies must, amongst other things, prepare a Recognized Obligation Payment Schedule (ROPS) for each upcoming fiscal year. A ROPS is the document that sets forth the maximum payment amounts and due dates of payments required by enforceable obligations. Enforceable obligations are defined in Health and Safety Code Section 34171 and include the payment of bonds and loans, payments required by the federal government, judgments or settlements, any legally binding agreement or contract, and contracts or agreements necessary for the administration or operation of the successor agency.

Successor agencies are required to submit the ROPS to the Countywide Oversight Board then the California Department of Finance (DOF) for approval. Successor agencies are also required to prepare an annual administrative budget, which Hercules has incorporated into the ROPS.

Highlights for ROPS 20-21

Hercules ROPS 20-21 requests \$62,012,226 in obligations from Redevelopment Property Tax Trust Funds (RPTTF). The bulk of the request is a \$50,496,029 loan repayment owed under a Cooperation Agreement between the City and former Redevelopment Agency. The City advanced funds to the Redevelopment Agency between fiscal years 1984-85 to 2010-11 for various redevelopment projects including but not limited to library, park and wastewater improvements. The loan repayment was previously denied by DOF and is pending litigation. Hercules has requested the \$50 million loan repayment on the ROPS 20-21 to preserve its rights under the litigation.

The remaining \$11,516,197 in obligations are enforceable obligations previously approved by DOF. They consist of bond debt service (\$8.23 million), payments owed to third parties pursuant to various

agreements entered into prior to dissolution (\$3.01 million), and an administrative cost allowance (\$250,000).

The ROPS 20-21 Report of Cash Balance worksheet shows the Redevelopment Property Tax Trust Fund (RPTTF) money received for ROPS 17-18 (July 1, 2017 through June 30, 2018), which totals \$10,167,964 and was fully expended.

ATTACHMENTS:

1. Resolution (includes Exhibit A Recognized Obligation Payment Schedule July 1, 2020 through June 30, 2021).