



COUNTYWIDE OVERSIGHT BOARD REPORT

C.10

DATE: JANUARY 27, 2020

TO: COUNTYWIDE OVERSIGHT BOARD MEMBERS

FROM: ANDREA MILLER, PINOLE FINANCE DIRECTOR

**SUBJECT: ADOPT RESOLUTION 2020/16 APPROVING THE RECOGNIZED
OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2020 – JUNE 30,
2021 (ROPS 20-21) FOR PINOLE SUCCESSOR AGENCY**

RECOMMENDATION

Adopt Resolution 2020/16 Approving the Recognized Obligation Payment Schedule for July 1, 2020 through June 30, 2021 (ROPS 20-21) for Pinole Successor Agency in the amount of \$3,603,904.

BACKGROUND

The City of Pinole became the Successor Agency to the former Pinole Redevelopment Agency (Agency) following the dissolution of redevelopment in California on February 1, 2012 through ABX1 26. The Successor Agency is responsible for winding down and paying off the debts of the former Agency.

The Pinole Successor Agency is required to prepare a Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for each twelve-month fiscal period. The documents must be submitted to and approved by the Countywide Oversight Board of Contra Costa County and the California Department of Finance in order for the Pinole Successor Agency to receive property tax increment revenue to pay down approved enforceable obligations and administrative costs.

The Pinole Successor Agency requests the Oversight Board's adoption of the attached resolutions approving the ROPS and Administrative Budget for the period of July 1, 2020 through June 30, 2021. The Governing Board of the Successor Agency to the Redevelopment Agency of the City of Pinole will approve the ROPS 20-21 by resolution on January 21, 2020.

REVIEW & ANALYSIS

The enclosed ROPS document is a listing of the minimum amounts that are required (scheduled) to be paid by the Pinole Successor Agency during the twelve-month period of July 1, 2020 through June 30, 2021 and includes the identification of a proposed funding source for payment of the existing enforceable obligations. This

schedule must be reviewed and approved by the County Oversight Board prior to submission to the State Department of Finance (DOF) for final confirmation.

The DOF requires that residual/surplus funding from prior ROPS available within the Successor Agency's RPTTF Accounts, must be applied as an offset for additional distributions from the County Auditor-Controller. There is not a residual surplus at June 30, 2018 from the ROPS 17-18 funding period to apply to the ROPS 20-21 (refer to "Report of Cash Balances"), as a result, staff is requesting the full amount of \$3,603,904 for the ROPS 20-21 funding period.

ANNOTATED DESCRIPTIONS OF ROPS ENFORCEABLE OBLIGATIONS

Item #	Liability Description
7	Trustee Fees for "Paying & Dissemination Agent" activities are billed and paid annually.
20	This agreement provides for loan servicing for both commercial real estate and business assistance promissory notes related to property rehabilitation and business retention remitted on a monthly basis.
21	The tax-exempt status of the Tax Allocation Bonds requires routine reporting of interest earnings on the reserve account investments to the federal Internal Revenue Service. The individual reports (and if necessary Tax Filings) are scheduled for preparation approximately every other month throughout the fiscal year.
24	This agreement provides for the administration of a Reciprocal Easement Agreement used for common area maintenance and capital improvement reimbursements related to the Restaurant Phase of the Pinole Vista Crossings Shopping Center. The cost of this agreement is funded by the property owners and does not require funding through RPTTF "pledged revenues" generated within the boundaries of the former Redevelopment Project Areas.
26	Specific provisions of the Indentures for the outstanding Tax Allocation Bonds require continuous disclosure of financial information (property taxation assessment values, tax collection amounts and analysis of the potential tax loss exposures from Assessment Appeals by property owners) related to the pledged revenue tax base annually, as long as there are unpaid bonds outstanding. This tax consultant prepares a comprehensive report annually, with one subsequent assessment modification Addendum and two Assessment Appeals Status Report updates.
27	Both a Financial Statement Audit of the Successor Agency and certifications of financial Continuing Disclosure Information (required by Bond Indentures) will be completed annually (each December) by the City's External Auditor, as was the former Redevelopment Agency's past practice.
31	Payroll cost allocations for City Staff assigned to complete the close-out/dissolution activities of the Successor Agency, are as follows:

	<ol style="list-style-type: none">1. City Manager (Meeting Preparation and General Administration)2. Asst. City Manager (Real Property and Infrastructure Asset disposal)3. Finance Director (Financial Reporting and Disbursement of Funds for settlement/liquidation of Enforceable Obligations)4. City Clerk (Meeting Agenda Preparation, Recordation of Successor Agency actions, Document Retention)
33	Legal/Attorney Support Services will continue to be provided to guide and assist the Successor Agency Staff and Oversight Board in completing the dissolution duties. Support activities related to the general administrative functions of the Oversight Board will be included in the Administrative Cost Budget; however, legal support duties related to the disposal of specific assets will be recouped through escrow settlements and taken from the sale proceeds of real and tangible personal property.
37	The State Department of Finance (DOF) has recognized but deferred funding for repayment of short-term borrowing of funds from the Housing Set-Aside Accounts of the former Redevelopment Agency to comply with mandatory statutory property tax increment transfers to the Supplemental Educational Revenue Augmentation Fund (SERAF) in fiscal years 2009-10 and 2010-11. Repayment for these loans is authorized for funding by DOF beginning in the 2014-15 fiscal year; however, an initial repayment of this EO is not recommended by Successor Agency Staff, at this time.
45-46	Semi-annual Tax Allocation Bond principle and interest payable August 1, 2019 and February 1, 2020. Outstanding principal will be fully amortized to the following schedule: <ol style="list-style-type: none">a. 2015A Tax Allocation Refunding Bond (Tax-Exempt) through August 2023b. 2015B Tax Allocation Refunding Bond (Taxable) through August 2020

FISCAL IMPACT

Staff anticipates there will be sufficient funding available in the Redevelopment Property Tax Trust Fund (RPTTF) Account held by the Contra Costa County Auditor-Controller to fully fund all Enforceable Obligations identified for the ROPS 20-21 authorization period.

ATTACHMENTS

A – Resolution

B – Recognized Obligation Payment Schedule “20-21” July 1, 2020 –June 30, 2021, Pinole Successor Agency