



CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD REPORT

DATE: January 27, 2020

TO: CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD

FROM: THE SUCCESSOR AGENCY TO THE RICHMOND COMMUNITY
REDEVELOPMENT AGENCY

SUBJECT: APPROVAL OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(ROPS 20-21) AND THE ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1,
2020 THROUGH JUNE 30, 2021, PURSUANT TO CALIFORNIA HEALTH AND
SAFETY CODE SECTIONS 34177(o), AND 34171(a),(b), AND 34177(j)

STATEMENT OF THE ISSUE:

The Contra Costa Countywide Oversight Board is required to approve a Recognized Obligation Payment Schedule ("ROPS") and an administrative budget annually pursuant to California Health and Safety Code Sections 34177(o) and 34171(a),(b), and 34177(j).

RECOMMENDED ACTION:

ADOPT a resolution approving the Successor Agency to the Richmond Community Redevelopment Agency's Recognized Obligation Payment Schedule and administrative budget for the period July 1, 2020 through June 30, 2021 ("ROPS 20-21") pursuant to California Health and Safety Code Sections 34177(o) and 34171(a),(b), and 34177(j).

FINANCIAL IMPACT OF RECOMMENDATION:

Adoption of the Recognized Obligation Payment Schedule including the administrative budget is a necessary action for the Successor Agency (Agency) to expend former Richmond Community Redevelopment Agency funds on certain financial obligations of the Agency. Funds not obligated on ROPS 20-21 will be unavailable for Successor Agency debt and other obligations and those funds will be redirected to local taxing entities.

DISCUSSION:

Background

Under Health and Safety Code Section 34177(o), a ROPS must be prepared and submitted on February 1st of every year and list all of the “enforceable obligations” of the former agency. The ROPS is subject to approval by the Countywide Oversight Board and DOF before the County Auditor-Controller disburses funding for payments on the approved ROPS. “Enforceable obligations” include: bond payments; loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; payments required by the federal government; preexisting obligations to the state or obligations imposed by state law; judgments, settlements or binding arbitration decisions that bind the agency; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the successor agency, including agreements to purchase or rent office space, equipment and supplies.

After submittal, DOF has until April 15th to review the ROPS and approve or disapprove of any items. The Successor Agency can request additional review by DOF and an opportunity to meet and confer on disputed items. The Successor Agency must make a request within five business days of receiving a DOF determination. DOF is required to notify the Successor Agency and County Auditor-Controller of its final determination of the approved payments at least 15 days prior to the first distribution date of Redevelopment Property Tax Trust Funds (RPTTF) for the ROPS, which is June 1st. RPTTF is distributed twice annually, on June 1st and January 2nd of each year. The annual ROPS can be amended once per year as long as the amendment is received by DOF before October 1st of the applicable fiscal year.

Summary

Recognized Obligation Payment Schedule (ROPS 20-21)

ROPS 20-21 is Exhibit A to the attached Successor Agency resolution. It includes: 1) A summary of the funding request; 2) An itemized listing of obligations (“ROPS Detail”); and 3) A report of cash balances. ROPS 20-21 covers payments due during the period of July 1, 2020 through June 30, 2021.

Obligations with remaining outstanding balances are included on ROPS 20-21, whether previously approved by DOF or in dispute. They are as follows:

Bond, Loan and Other Debt Service Payments	\$29,633,623
Project Management Costs	90,000
Project Costs	3,500,000
Administrative Costs	387,362

ROPS 20-21 Required Funding	\$33,610,985
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Of the total ROPS 20-21 required funding, Reserve Balances held with the bond trustee are estimated to be \$9,539,192; Prior Period RPTTF Reserve balances are estimated to be \$314,398; Current RPTTF is estimated to be \$13,649,715; Administrative RPTTF is estimated to be \$387,362; and other funding is estimated to be \$9,720,318. Other funding includes the following sources: land sale proceeds, property sale proceeds, litigation settlement proceeds, loan repayments, and federal, state and local grants.

Successor Agency Administrative Budget July 1, 2020 through June 30, 2021

Pursuant to Health and Safety Code Sections 34171(a), (b), and 34177(j), the Successor Agency must prepare a budget for administrative expenses each fiscal year ("Administrative Budget"). In accordance with the Dissolution Act, the Successor Agency's RPTTF administrative cost allowance cap is the greater of 3% of the prior year RPTTF distribution or \$250,000 annually. For the period July 1, 2020 through June 30, 2021, the RPTTF administrative cost allowance cap is \$387,362. The Administrative Budget is Exhibit B to the attached Successor Agency resolution.

ROPS 20-21 is consistent with the final determinations of DOF to date, and is required to be submitted to DOF by February 1, 2020 to avoid daily penalties. Upon receiving the Oversight Board's approval, staff will submit ROPS 20-21 to the County Auditor-Controller, the State Controller, and the DOF.

DOCUMENTS ATTACHED:

Attachment 1 – Resolution

Attachment 2 – Exhibit A to Resolution (ROPS 20-21)

Attachment 3 – Exhibit B to Resolution (Administrative Budget)