



Date: January 23, 2023

To: Countywide Oversight Board

From: City of Brentwood Successor Agency

Subject: Resolution of the Countywide Oversight Board to the Successor Agencies of the Redevelopment Agencies within Contra Costa County (“Countywide Oversight Board”) adopting the Brentwood Successor Agency Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for July 2023 – June 2024, and authorizing the City of Brentwood Director of Finance and Information Systems to make minor adjustments thereto as necessary to secure approval of the ROPS and/or the Administrative Budget by the State Department of Finance.

RECOMMENDATION

Adopt a Resolution approving the Brentwood Successor Agency (“Successor Agency”) Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for July 2023 – June 2024, and authorizing the City of Brentwood Director of Finance and Information Systems to make minor adjustments thereto as necessary to secure approval of the ROPS and/or the Administrative Budget by the State Department of Finance.

BACKGROUND

By law, a successor agency is required to prepare a forward looking ROPS which reports one year of successor agency financial obligations, commonly referred to as “Enforceable Obligations”. A successor agency may expend funds only for items on an approved ROPS. The ROPS presented for consideration covers the July 2023 – June 2024 time period.

Should the ROPS be approved by the Countywide Oversight Board, it will then be remitted to the State Department of Finance (“DOF”) for their review. In the event of a dispute between the Successor Agency and the DOF regarding a line item on the ROPS the Successor Agency may request an additional review by the DOF, and has the opportunity to meet and confer on disputed items.

The Successor Agency is reporting excess funds at June 30, 2021 on the Cash Balance page of \$288,968 relating to \$284,418 of unspent investment earnings received and \$4,550 of unspent Redevelopment Property Tax Trust Funds (RPTTF) remaining. In addition, unspent RPTTF funds of \$75,000 are being retained to assist with the disposal of Successor Agency property. The remaining unspent investment earnings were partially drawn down in Fiscal Year 2021/22 and will continue to be used to reduce the Successor Agency’s future RPTTF allocations. The DOF requires remaining funds to be spent prior to future RPTTF allocations.

The ROPS Detail Page includes a total of \$2,697,524 of enforceable obligations for the July 2023 – June 2024 time frame. Of the obligations listed, a total of \$2,445,924 is necessary to meet debt service payment obligations; \$1,600 is for investment/trustee related expenses; and \$250,000 is for the Successor Agency's annual administrative allowance. These expenses have all been consistently approved by the DOF on prior ROPS. In the future there will be a reconciliation of the RPTTF allocation that the Successor Agency receives for ROPS 23-24 against expenses which actually occur. Funds received for expenses listed on the ROPS which do not actually occur will be deducted from future RPTTF allocations. In this way, the Successor Agency is only provided sufficient funds to meet actual, rather than projected, expenses.

As mentioned above, the ROPS contains the administrative budget for the Successor Agency. The Successor Agency's "administrative cost allowance", as defined and authorized pursuant to H&S Code Section 34171(b), is a minimum reimbursement of \$250,000 for the entire 2023/24 fiscal year. In accordance with H&S Code Section 34177(j)(1), the total estimated Successor Agency administrative costs for the 2023/24 fiscal year are expected to well exceed this limit and therefore the administrative budget for ROPS 23-24 is \$250,000. This budget, in accord with H&S Code Section 34177(j)(2), proposes the source of payment for the administrative costs as the RPTTF established and maintained by the County Auditor-Controller pursuant to H&S Code Section 34170.5(b).

Additionally, H&S Code Section 34177(j)(3) requires proposals for arrangements for administration and operations services. The Successor Agency has arranged with the City of Brentwood to provide the staff services and office materials and equipment to administer the responsibilities of the Successor Agency, and will draw upon services of outside legal and financial consultants to provide special services for the wind-down of the former Brentwood Redevelopment Agency to the extent City staff lacks the necessary expertise or capacity.

Attachments

Resolution

Exhibit "A" – Recognized Obligation Payment Schedule July 2023 - June 2024

Exhibit "B" – Administrative Budget