



AGENDA BILL

Agenda Item No. 5.F.

Date: January 17, 2023
To: El Cerrito City Council
From: Sandra Dalida, Finance Director/City Treasurer, Finance Department;
Karen Pinkos, City Manager, City Management
Subject: REDEVELOPMENT AGENCY SUCCESSOR AGENCY ITEM: Approve
Draft Annual Recognized Obligations Payment Schedule 23-24 (July 1,
2023 - June 30, 2024)

ACTION PROPOSED

Adopt a Successor Agency resolution reviewing and authorizing submittal of the draft Recognized Obligations Payment Schedule 23-24.

BACKGROUND

Recognized Obligation Payment Schedules

ABx1 26 (Dissolution Act) dissolved the El Cerrito Redevelopment Agency (RDA) and established the El Cerrito Redevelopment Successor Agency (Successor Agency) on February 1, 2012. Under the Dissolution Act, the portion of property tax revenues collected in the City of El Cerrito Redevelopment Project Area (Project Area) that was considered Tax Increment prior to the RDA's dissolution are called Redevelopment Property Tax and are deposited by the County Auditor-Controller (Auditor-Controller) into the Redevelopment Property Tax Trust Fund (RPTTF). The Auditor-Controller distributes the funds in the RPTTF with the following priority:

1. Auditor-Controller's administrative costs
2. Pass-through payments to the taxing entities affected by the Redevelopment Plan for the Project Area, calculated the same as prior to RDA dissolution
3. Distribution to the Successor Agency to retire the former RDA's obligations
4. Repayment of loans from the Housing Fund (starting in FY 2014-15)
5. Distribution of residual funds to taxing entities

Beginning with the 2016-17 ROPS period, the Successor Agency must review and authorize submittal of a Recognized Obligation Payment Schedule (ROPS) for each fiscal year. Each ROPS must then be approved by the Oversight Board to the Successor Agency (Oversight Board) and the California Department of Finance (DOF) before the Auditor-Controller disburses funding for payments on the approved ROPS.

The attached schedule is the draft ROPS 23-24 covering payments due during the period of July 2023 to June 2024. The Countywide Oversight Board has asked the Successor Agency to submit the materials for ROPS 23-243 to the County and is scheduled to consider ROPS 23-24 for approval at its upcoming meeting on January 23, 2022. The approved ROPS 23-24 must then be submitted to the DOF no later than

February 1, 2023. After submittal, the DOF then has until April 15, 2023 to review the ROPS and approve or disapprove of any items. The Successor Agency can request additional review by the DOF and an opportunity to meet and confer on disputed items, and must make that request within five business days of receiving a DOF determination. The DOF is required to notify the Successor Agency and Auditor-Controller of its final determination of the approved payments at least 15 days prior to the first distribution date of RPTTF for the ROPS, which is June 1, 2023. RPTTF will continue to be 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 the DOF before October 1st of the applicable fiscal year.

ANALYSIS

The proposed ROPS 23-24 is Exhibit A to the attached Successor Agency resolution, authorizing its submittal. It includes: 1) a summary of the funding request, 2) an itemized listing of obligations (“ROPS Detail”), and 3) a report of cash balances. Obligations with remaining outstanding balances are included on ROPS 23-24, as follows:

- Tax Allocation Bond Debt Service: Debt service payment for this fiscal year is due as part of ROPS 23-24 in the amount of \$2,122,794.
- Union Bank Administrative Fee (\$10,000): This fee is to cover the fiscal agent service fees charged by Union Bank for the trust administration of the 2016 Series A and B Bonds.
- FY 2023-234 Administrative Allowance (\$250,000): One half of the Successor Agency’s administrative allowance is included in each six-month period on the ROPS.

The total amount of RPTTF funding required for ROPS 22-23 is estimated to be \$2,382,793.

STRATEGIC PLAN CONSIDERATIONS

The amended ROPS supports Goal B of the City’s Strategic Plan to “Achieve long-term financial sustainability”.

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

It is estimated that the total amount of RPTTF funding required for ROPS 23-24 is \$2,382,793. In order to repay the obligations of the Successor Agency, the ROPS must be approved and submitted to the DOF.

LEGAL CONSIDERATIONS

All actions being requested are consistent with the Dissolution Act, as amended and have been reviewed by the Agency attorney.

Reviewed by:

A handwritten signature in blue ink, appearing to read "Karen Pinkos".

Karen Pinkos, City Manager

Attachments:

1. Resolution - ROPS- Updated
2. Exhibit A to Resolution