



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: January 17, 2017

Subject: Recognized Obligation Payment Schedule for July 1, 2017 - June 30, 2018

RECOMMENDATION(S):

1. ADOPT Resolution No. 2017/22 approving an administrative budget for the Successor Agency for the period July 1, 2017 through June 30, 2018 ("Administrative Budget") and the Recognized Obligation Payment Schedule for the period of July 1, 2017 through June 30, 2018 ("ROPS 17-18"), both of which are attached as Exhibit A and Exhibit B, respectively.

2. FIND that the Administrative Budget and ROPS 17-18 are exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines; and

3. DIRECT the Director of Conservation and Development to file a Notice of Exemption with the County Clerk and pay the filing fee.

FISCAL IMPACT:

None to the General Fund. Since dissolution of the Contra Costa County Redevelopment Agency (the "Dissolved RDA"), tax increment is now deposited in the Redevelopment Property Tax Trust Fund ("RPTTF"), which is administered by the County

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **01/17/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor

Candace Andersen, District II Supervisor

Diane Burgis, District III Supervisor

Karen Mitchoff, District IV Supervisor

Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 17, 2017

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stephanie Mello, Deputy

Contact: Maureen Toms (925)
674-7878

cc:

Auditor-Controller.

FISCAL IMPACT: (CONT'D)

Distributions are made semi-annually from the RPTTF by the County Auditor-Controller to the Successor Agency to fund the Successor Agency's administrative budget and Recognized Obligation Payment Schedule. These funds are distinct and separate from other funds used by the Department of Conservation and Development. According to state law, any obligation of the Successor Agency that cannot be funded by the RPTTF would not be an obligation of the County.

BACKGROUND:

Administrative Budget

According to Health & Safety Code Section 34177 of Assembly Bill x126 (the "Dissolution Act"), the Successor Agency staff prepares a draft administrative budget and submits it to the Oversight Board for approval. Prior to the Oversight Board's approval of the administrative budget, the Board of Supervisors, acting in the capacity as the governing board of the Successor Agency for the Contra Costa County Redevelopment Agency, should review and approve the proposed administrative budget.

The state statute specifies a minimum administrative cost allowance to the Successor Agency for its administrative costs, using a percentage of property tax revenue allocated by the County Auditor-Controller to the Successor Agency to meet enforceable obligations. The County Auditor-Controller calculates the allowance using three percent of the distribution to be received by the Successor Agency from the Redevelopment Property Tax Trust Funds (RPTTF) or \$250,000 for the fiscal year, whichever amount is greater.

The estimate for the Fiscal Year 2017-18 administrative budget is \$285,631, three percent of the Successor Agency's RPTTF distribution, therefore \$142,815 for administrative costs is expected to be distributed in July 2017 and January 2018. Some Successor Agency staff costs are project-related and charged to non-administrative enforceable obligations (e.g. management of construction projects) shown on the Recognized Obligation Payment Schedules (ROPSs). These non-administrative and project management costs are now estimated to contribute \$70,000 in revenue for the administrative budget in ROPS 17-18 period. The administrative budget is attached as Exhibit A.

Recognized Obligation Payment Schedule 17-18

Beginning in Fiscal Year 2013-14, the Department of Finance ("DOF") implemented a new naming convention for ROPS prepared for each six-month spending period. The ROPS for the January 1, 2016 to June 30, 2016 time period is the ninth ROPS prepared by the Successor Agency and is named "ROPS 15-16B" according to the DOF naming convention. This naming convention helps the DOF determine which six-month period of the fiscal year is covered by the ROPS. ROPS 15-16A covered the first half of Fiscal Year 15-16 and ROPS 15-16B covers the second half. Beginning with the fiscal year 16-17 period, the ROPS was prepared annually, due February 1, prior to the beginning of

the fiscal year. The distributions for 17-18 will continue to be made semi-annually.

Resolution No. 2017/22 adopts ROPS 17-18, which is included as Exhibit B to this report. After adoption by the Successor Agency, ROPS 17-18 will be submitted to the Oversight Board for approval. The Oversight Board is scheduled to meet on January 24, 2017. As required under Health and Safety Code Section 34179.6, ROPS 17-18 will be submitted to the State Controller's Office, DOF and the County Auditor-Controller, and will be posted on the Successor Agency's website. The DOF must receive ROPS 16-17 no later than February 1, 2017.

Assembly Bill 1484, the Dissolution Act "clean-up" legislation, became law on June 27, 2012. It provides a 45-day review period for the DOF once the Oversight Board has approved the ROPS. Within five days of the DOF decision on a ROPS, a Successor Agency may request a meet and confer with the DOF to discuss any disputed items.

It is noted that ROPS item 63, and associated items 82, 83, and 91, are obligations related to a settlement agreement for ground water contamination from parcels previously owned by the Union Pacific Railroad and later purchased by the Redevelopment Agency for the Iron Horse Trail. Despite a Meet and Confer with the Department of Finance, the obligation was denied. These items are added back onto ROPS 17-18 for another attempt for approval. If the Department of Finance denies these obligations, the obligations would then be the responsibility of the County, unless court action is initiated and ultimately successful.

Environmental Review

The actions set forth in Resolution No. 2017/22 as summarized above, are exempt under Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (the "CEQA") because it can be seen with a certainty that the actions will not have a significant adverse impact on the environment. The actions are required to continue a governmental funding mechanism for financial obligations of the former Redevelopment Agency and to perform the statutorily mandated unwinding of the assets, liabilities, and functions of the Dissolved RDA pursuant to the Dissolution Act. A Notice of Exemption will be filed with the County Clerk in accordance with the CEQA guidelines.

CONSEQUENCE OF NEGATIVE ACTION:

Failure to adopt the resolution would require the Board to consider other options for providing and funding staff support for the Successor Agency. Without approving the Recognized Obligation Payment Schedule for the period July 1, 2017 through June 30, 2018, the County Auditor-Controller would not be able to allocate funds to the Successor Agency for staffing services and payment of recognized obligations during this twelve-month period, and the Successor Agency would risk defaulting on enforceable obligations.

ATTACHMENTS

Resolution No. 2017/22

Administrative Budget FY17-18
ROPS 17-18