

OVERSIGHT BOARD CITY OF BRISBANE

OVERSIGHT BOARD MEETING DATE: January 27, 2016

ITEM TITLE: July 2016 – June 2017 ROPS (16-17)

Recommendation:

Review and approve Resolution OB 2016-03 approving the repayment of the deferred set-aside owed to the former Low and Moderate Income Housing Fund.

Review and approve the Recognized Obligation Payment Schedule (ROPS) for July 2016 through June 2017 and approve Resolution OB 2016-04.

Fiscal Implications:

Based on past tax increment, there is enough funds generated within the Successor Agency to make all payments requested on the ROPS.

Background:

The State of California adopted AB X1 26 on June 28, 2011 and the California Supreme Court upheld that law on December 28, 2011, effectively dissolving all Redevelopment Agencies in the state as of January 31, 2012. This law requires that recognized obligations be approved by the Successor Agency and by the Oversight Board bi-annually. The ROPS for January through June 2016 is due by October 6, 2015.

The Successor Agency adopted its first ROPS for the period January through June 2012, on February 21, 2012 and had lines for the loans between the RDA and the City and the loans between the Low Mod Housing and the Project Areas. At that time the law was unclear that these loans should be repaid. The Oversight Board concluded the obligations in fact did exist between these entities and the RDA but current law did not provide for their repayment. The Oversight Board decided to leave the obligations on the ROPS but to not provide for repayment until such time as the law changed. The State Legislature passed AB1484, Redevelopment Dissolution/Unwind Trailer Bill, on June 27, 2012. It changed some of the reporting requirements, added back in some affordable housing provisions and instituted a timeline with penalties if the requirements were not met. Additionally, AB1484 allowed consideration of the loans between the City and the Agency once the new requirements have been met and the Certificate of Completion is issued by the Department of Finance.

We have received our Certificate of Completion and approval of the Long Range Property Management Plan from the Department of Finance.

This ROPS is introducing the repayment of SERAF Deferred 20% Set-aside from Project Area #1. The Successor Agency's requested amount is \$200,000 for this year.

Discussion:

Since this ROPS has changed from a six-month semi-annual report to an annual plan and process, the debt service payments reflected are for all principal and interest payments due over the next year for a portion of the 2005 Lease Revenue bonds that refinanced the 1995 COPs and the 2013 Tax Allocation Bonds.

Oversight Board Resolution OB 2016-03 formalizes the repayment of the Deferred 20% set-aside from Project Area #1. If the Oversight Board approves this resolution, then a payment of \$200,000 can remain on the ROPS.

By law, we are allowed a minimum of \$250,000 for Administration of the Successor Agency. We requested \$50,000 on the 16-17 ROPS.

Attachments:

Resolution OB 2016-03 approving repayment of the Deferred 20% Set-aside to the LMIH Fund.

Recognized Obligation Payment Schedule for July 2016 - June 2017 (16-17) Resolution OB 2016-04.



Carolina Yuen
Financial Services Manager

BRISBANE SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NUMBER OB 2016-03

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF BRISBANE APPROVING THE SUCCESSOR AGENCY'S REPAYMENT OF A LOAN OWED TO THE FORMER AGENCY'S LOW AND MODERATE INCOME HOUSING FUND IN ACCORD WITH HEALTH AND SAFETY CODE SECTION 34171 (d)(1)(G)

WHEREAS, in accord with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, et seq. ("CRL") the City Council of the City of Brisbane ("Brisbane") previously established the Redevelopment Agency of the City of Brisbane ("Agency") to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess. Ch. 5) ("AB 26") and its rights, powers, duties and obligations were transferred to a "successor agency" (as defined by CRL Section 34171(j) and Section 34173); and

WHEREAS, the City Council elected to act as the Agency's successor agency ("Successor Agency") under CRL Section 34173, and, as such, is charged with administering the retirement of the former Agency's debts and other obligations; and

WHEREAS, prior to its dissolution, the Agency became obligated under the CRL to make specified payments into the Low-Moderate Income Housing Fund ("LMIH"); and

WHEREAS, the CRL permitted the Agency to set aside the 20% obligations; and

WHEREAS, on June 30, 2000, the outstanding balance of deferred 20% set aside was Four Million Ninety-nine Thousand Two Hundred Seventy-eight Dollars (\$4,099,278); and

WHEREAS, the CRL obligated the Agency to repay the deferred set-aside, but this obligation was not satisfied at the time of the Agency's dissolution, and accordingly, the Successor Agency must arrange for the repayment of the deferred set-aside; and

WHEREAS, CRL Section 34176(e)(6) provides that the Agency's SERAF Loan repayment obligation is a housing asset belonging to the entity ("Housing Successor") which assumed the former Agency's housing assets and functions under CRL Section 34176; and

WHEREAS, the City elected to act as the Housing Successor for the former Agency; and

WHEREAS, CRL Section 34176 (e)(6)(B) provides that, commencing in fiscal year 2013/14, the Successor Agency may start repaying the Housing Loan with funds from the Redevelopment Property Tax Trust Fund ("RPTTF") administered by the San Mateo County Auditor-Controller ("Auditor-Controller") subject to prior approval by the Oversight Board in accord with CRL Section 34171 (d); and

WHEREAS, under CRL Section 34171(d)(1)(G), the Agency's LMIH Loan repayment obligation is an enforceable obligation and, as such, it may be included on the Recognized Obligation Payment Schedules ("ROPS") prepared by the successor Agency under CRL Section 34177; and

WHEREAS, the amount of each LMIH Loan payment which may be included on a ROPS is limited to an amount ("LMIH Loan Payment Installment") equal to: one-half of the increase between the amount distributed by the Auditor-Controller to taxing entities pursuant to paragraph (4) of CRL Section 34183(a) in the then-current fiscal year ("Current Year Residual Distribution") and the amount distributed to taxing entities pursuant to that same paragraph in the 2012-13 base fiscal year ("Base Year Residual Distribution"); and

WHEREAS, Successor Agency staff prepared a proposed LMIH Loan repayment schedule ("LMIH Loan Repayment Schedule") (copy attached as Exhibit A) for the Oversight Board's approval in accord with CRL Sections 34171 (d)(1)(G) and 34191.4(b); and

WHEREAS, the LMIH Loan Repayment Schedule represents the Successor Agency's good faith estimation of the LMIH Loan Repayment Installment for each upcoming six-month fiscal period commencing on or after July 1, 2016, based on currently estimated Base Year Residual distribution and Current Year Residual Distribution for each upcoming fiscal year period; and

WHEREAS, at the time of preparation of the applicable ROPS, Successor Agency staff will adjust the amount of each LMIH Loan Repayment Installment estimate shown on the LMIH Loan Repayment Schedule to an amount ("Adjusted LMIH Loan Repayment Installment") equal to the greatest amount permissible under the CRL, based on the then-current property tax information; and

WHEREAS, CRL Section 34176(e)(6)(A) requires that all LMIH Loan Repayment Installments be paid to the Housing Successor and used for purposes consistent with the CRL's affordable housing requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF BRISBANE AS FOLLOWS:

Section 1. In accord with CRL Section 34171(d)(1)(G) and Section 34191.4(b)(2)(A), the Oversight Board approves the LMIH Loan Repayment Installment Schedule in the form attached as Exhibit A, subject to the Oversight Board's direction to the Successor Agency staff to determine the Adjusted LMIH Loan Repayment Installment based on the updated property tax information available at the time of preparation of the applicable ROPS.

Section 2. The Successor Agency is authorized to include the amount of each Adjusted SERAF Loan Repayment Installment on each annual ROPS prepared by the Successor Agency commencing on or after July 1, 2016.

Section 3. Once received from the Auditor-Controller, every LMIH Loan Repayment Installment will be paid by the Successor Agency to the City (as the Housing Successor), and the outstanding balance of the LMIH Loan will be reduced by a corresponding amount, and the Housing Successor will use the funds only for purposes consistent with the CRL's affordable housing requirements.

Section 4. The Oversight Board directs Successor Agency staff to transmit this Resolution to the State Department of finance as required by CRL Section 34179(h). This Resolution will become effective in accord with CRL Section 34179(h).

Paul Scannell, Chairman

The foregoing resolution was introduced at a regular meeting of the Oversight Board of Successor Agency to the City of Brisbane Redevelopment Agency, held on the 27th day of January, 2016, and was adopted by the following vote:

AYES:

NOES:

ABSENT:

Sheri Marie Spediacci, Board Clerk

Exhibit A

LMIH Debt Repayment Schedule

1) Original LMIH amount owed to the Housing Fund	\$4,099,278
2) Total Outstanding Debt or Obligation	\$4,099,278
3) Repayment based on State requirements related to the waterfall concept in accordance with Code Section 34191.4(2)(B)	

BRISBANE SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. OB 2016-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE BRISBANE SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE JULY 2016 – JUNE 2017 TWELVE-MONTH FISCAL PERIOD (ROPS 16-17), AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to AB x1 26 (as amended by AB 1484, the "Dissolution Act"), the separate legal entity known as the Brisbane Successor Agency (the "Successor Agency") must prepare "Recognized Obligation Payment Schedules" ("ROPS") that enumerate the enforceable obligations and expenses of the Successor Agency for each successive six-month fiscal period until the wind down and disposition of assets of the dissolved Redevelopment Agency of the City of Brisbane (the "Dissolved RDA") has been completed; and

WHEREAS, the Successor Agency staff has prepared a ROPS for the twelve-month fiscal period commencing on July 1, 2016 and continuing through June 30, 2017 (the ROPS 16-17); and

WHEREAS, under the Dissolution Act, the ROPS 16-17 must be approved by the Successor Agency's oversight board (the "Oversight Board") to enable the Successor Agency to continue to make payments on enforceable obligations; and

WHEREAS, pursuant to the Dissolution Act, the duly constituted Oversight Board for the Successor Agency met at a duly noticed public meeting on January 21, 2016 to consider specific obligations listed on the ROPS 16-17 and to consider approval of the ROPS 16-17, among other approvals; and

WHEREAS, after reviewing the ROPS 16-17 presented to and recommended for approval to the Oversight Board by Successor Agency staff, and after reviewing written and oral comments from the public relating thereto, the Oversight Board desires to approve the ROPS 16-17 and to make the following accompanying findings, resolutions and determinations.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency hereby finds, resolves, and determines as follows:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Under Health and Safety Code Section 34180(g), the Oversight Board must approve establishment of a ROPS for the Successor Agency.

SECTION 3. The Oversight Board hereby approves the ROPS 16-17 in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in the ROPS 16-17, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act. In connection with such approval, the Oversight Board makes the specific findings set forth below.

SECTION 4. The Oversight Board has examined the items contained on the ROPS 16-17 and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition and liquidation, the continued administration of the ongoing agreements herein approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.

SECTION 5. The Successor Agency is authorized and directed to enter into any agreements and amendments to agreements consistent with the Dissolution Act and necessary to memorialize and implement the agreements and obligations in the ROPS 16-17 as herein approved by the Oversight Board.

SECTION 6. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the ROPS 16-17 on the Successor Agency website, transmit the ROPS 16-17 to the Auditor-Controller of the County of San Mateo and to the State Controller and the State Department of Finance (the "DOF"), and to take any other actions necessary to ensure the validity of the ROPS 16-17 and the validity of any enforceable obligation approved by the Oversight Board in this Resolution. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the ROPS 16-17 as may be necessary to submit the ROPS 16-17 in any modified form required by the DOF, and the ROPS 16-17 as so modified shall thereupon constitute the ROPS 16-17 as approved by the Oversight Board pursuant to this Resolution.

SECTION 7. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

Paul Scannell, Chair

ADOPTED on January 27, 2016 by the Members of the Oversight Board of the
Successor Agency with the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sheri Marie Spediacci, Board Secretary

Exhibit A

ROPS 16-17

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency:

Brisbane

County:

San Mateo

		16-17A Total	16-17B Total	ROPS 16-17 Total
Current Period Requested Funding for Enforceable Obligations (ROPS Detail)				
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				
A	Sources (B+C+D):	\$ -	\$ -	\$ -
B	Bond Proceeds Funding			
C	Reserve Balance Funding			
D	Other Funding			
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,520,585	\$ 1,223,193	\$ 2,743,778
F	Non-Administrative Costs	1,495,585	1,198,193	2,693,778
G	Administrative Costs	25,000	25,000	50,000
H	Current Period Enforceable Obligations (A+E):	\$ 1,520,585	\$ 1,223,193	\$ 2,743,778

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named successor
agency.

Title

/s/

Signature

Date

