

**SUCCESSOR AGENCY
OVERSIGHT BOARD REPORT 2016-01**

5B

DATE: JANUARY 27, 2016

TO: PINOLE OVERSIGHT BOARD

**FROM: MICHELLE FITZER, CITY MANAGER
ANDREA MILLER, FINANCE DIRECTOR**

**SUBJECT: RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17)
FOR JULY 1, 2016 – JUNE 30, 2017 (\$3,636,311)**

RECOMMENDATION

Adopt a Resolution approving the Recognized Obligation Payment Schedule (ROPS), pursuant to Part (m) of Section 34177 of the Health and Safety Code (HSC), for the time period July 1, 2016 through June 30, 2017, in the amount of \$3,636,311.

BACKGROUND

On June 28, 2012, the Governor signed into law AB-1484 which accelerated the filing date for the January to June (2013) Recognized Payment Obligation Schedule (“ROPS”).

The provisions of AB-1484 require that the disbursement schedule for Enforceable Obligations for the next accounting period required to close-out the business affairs of the previous redevelopment agency be reviewed by the local Oversight Board and submitted to County and State Administrative authorities. Pursuant to HSC section 34179.7 (o) (1), commencing with the ROPS covering the period from July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an oversight board approved annual ROPS to Finance and the County Auditor-Controller by **February 1, 2016** and each February 1 thereafter. The *Enforceable Obligations* scheduled for payment in the twelve month period (July 1, 2016 – June 30, 2017) total the sum of \$3,636,311, as listed on Attachment C, and described (in brief) on Attachment B.

While redevelopment agency **Successor Agencies** may not initiate any *new* activities nor incur *new* indebtedness, they are nevertheless required under legislative statute and court order to continue making those payments necessary for day to day operations pursuant to contractual commitments (enforceable obligations), regulatory authorities, and indebtedness entered into prior to the enactment of ABx1-26 (Statutes of 2011). The legislation requires that only

payments listed on approved Recognized Obligations Payment Schedules may be processed.

REVIEW & ANALYSIS

The enclosed *ROPS* document is a listing of the minimum amounts that are required (scheduled) to be paid by the Pinole Redevelopment Successor Agency during the twelve month period of July 1, 2016 through June 30, 2017, and includes the identification of a proposed funding source for payment of the existing enforceable obligations. This schedule must be reviewed and approved by the Oversight Board prior to submission to the State Department of Finance for final confirmation.

Department of Finance requires that residual/surplus funding from prior ROPS available within the Successor Agency's RPTTF Accounts, must be applied as an offset for additional distributions from the County Auditor-Controller. The amount estimated as the residual/surplus cash that will be available on June 30, 2016 is \$5,196,354 (reference "Report of Cash Balances").

FISCAL IMPACT

Staff has determined that there will be sufficient funding available in the Redevelopment Property Tax Trust Fund (RPTTF) Account held by the Contra Costa County Auditor-Controller to fully fund all *Enforceable Obligations* identified for the ROPS 16-17 authorization period.

ATTACHMENTS

Attachment A – Draft Resolution

Attachment B – Annotated Descriptions of Enforceable Obligations Scheduled for Payment (listed on Attachment C)

Attachment C – Recognized Obligation Payment Schedule "16-17" July 1, 2016 - June 30, 2017, Pinole Successor Agency

RESOLUTION NO. 2016-01

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF PINOLE , COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2016 THROUGH JUNE 30, 2017.

WHEREAS, Assembly Bill x1 26 ("ABx1 26") was passed by the California State Legislature, signed by the Governor, and has been codified as part 1.8 of Division 24 of the California Health and Safety Code, commencing with Section 34161; and

WHEREAS, AB 26 requires successor agencies to continue to make all scheduled payments for enforceable obligations of their predecessor redevelopment agencies; and

WHEREAS, pursuant to HSC section 34179.7 (o) (1), commencing with the ROPS covering the period from July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an oversight board approved annual ROPS to Finance and the County Auditor-Controller by February 1, 2016 and each February 1 thereafter; and

WHEREAS, the annual ROPS listing of obligations must include information for each obligation including:

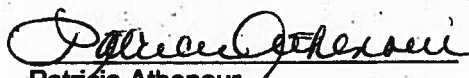
- A. The payee,
- B. Project description and scope of work, product, or service for which payment is to be made,
- C. Total outstanding debt or obligation,
- D. Payment amount obligated to be made for the next 12 month accounting period,
- E. The funding source for payment of each listed enforceable obligation; and

AND WHEREAS, the City Finance Director has prepared the required ROPS, for review by the Pinole Successor Agency Oversight Board.

NOW THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency of the former City of Pinole Redevelopment Agency does hereby resolve that the *Recognized Obligation Payment Schedule* for the period July 1, 2016 through June 30, 2017, herein enclosed as Attachment C, is hereby approved.

PASSED AND ADOPTED at a regular meeting of the Oversight Board of the Successor Agency of the City of Pinole held on the 27th day of January 2016 by the following vote:

AYES:	BOARDMEMBERS:	Drazba, Long, Martinez Rubin, Toms
NOES:	BOARDMEMBERS:	None
ABSENT:	BOARDMEMBERS:	Dotson, Marquez, Murray
ABSTAIN:	BOARDMEMBERS:	None



Patricia Athenour
Secretary, Oversight Board of the Successor Agency
To the Former Redevelopment Agency of the City of Pinole

ATTACHMENT B

**ENFORCEABLE OBLIGATIONS
ANNOTATED LIABILITY DESCRIPTIONS**

<u>Item #'s</u>	<u>Liability Description</u>
7	Trustee Fees for "Paying & Dissemination Agent" activities are billed and paid annually.
12	These mortgage payments are for land located at 613-635 Tennent Avenue. They are now incorporated into the Pinole Youth Center Building, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.
13	These mortgage payments are for land and buildings located at 612 Tennent Avenue, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.
14	These mortgage payments are for land and buildings located at 648 Tennent Avenue, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.
20	This agreement provides for loan servicing for both commercial real estate and business assistance promissory notes related to property rehabilitation and business retention remitted on a monthly basis.
21	The tax exempt status of the Tax Allocation Bonds requires routine reporting of interest earnings on the reserve account investments to the federal Internal Revenue Service. The individual reports (and if necessary Tax Filings) are scheduled for preparation approximately every other month throughout the fiscal year.
24	This agreement provides for the administration of a Reciprocal Easement Agreement used for common area maintenance and capital improvement reimbursements related to the Restaurant Phase of the Pinole Vista Crossings Shopping Center. The cost of this agreement is funded by the property owners and does not require funding through RPTTF "pledged revenues"

generated within the boundaries of the former Redevelopment Project Areas.

26 Specific provisions of the Indentures for the outstanding Tax Allocation Bonds require continuous disclosure of financial information (property taxation assessment values, tax collection amounts and analysis of the potential tax loss exposures from Assessment Appeals by property owners) related to the pledged revenue tax base annually, as long as there are unpaid bonds outstanding. This tax consultant prepares a comprehensive report annually, with one subsequent assessment modification Addendum and two Assessment Appeals Status Report updates.

27 Both a Financial Statement Audit of the Successor Agency and certifications of financial Continuing Disclosure Information (required by Bond Indentures) will be completed annually (each December) by the City's External Auditor, as was the former Redevelopment Agency's past practice.

30 Community Access Video Broadcast Services support charges have been included in the Annual Administrative Cost Budget at the revised standard billing rate of \$1,000/meeting for Public Agency meetings.

31 Payroll cost allocations for City Staff assigned to complete the close-out/dissolution activities of the Oversight Board, are as follows:

1. Michelle Fitzer (Meeting Preparation and General Administration)
2. Hector De La Rosa (Real Property and Infrastructure Asset disposal)
3. Andrea Miller (Financial Reporting and Disbursement of Funds for settlement/liquidation of Enforceable Obligations)
4. Patricia Athenour (Meeting Agenda Preparation, Recordation of Oversight Committee actions, Document Retention)

Annual Administrative Budgets will be submitted for review and approval at the May meetings of the Oversight Board, in advance of each new fiscal year.

- 32 This reciprocal easement agreement provides for the payment of land rent (annually) for a Refuse Collection Enclosure adjacent to a business located at 2340 San Pablo Avenue (The Bear Claw Bakery), and terminates upon closure or ownership transfer of this business entity.
- 33 Legal/Attorney Support Services will continue to be provided to guide and assist the Successor Agency Staff and Oversight Board in completing the dissolution duties. Support activities related to the general administrative functions of the Oversight Board will be included in the Administrative Cost Budget; however, legal support duties related to the disposal of specific assets will be recouped through escrow settlements and taken from the sale proceeds of real and tangible personal property.
- 37 The State Department of Finance (*DOF*) has recognized **but deferred** funding for repayment of short-term borrowing of funds from the Housing Set-Aside Accounts of the former Redevelopment Agency to comply with mandatory statutory property tax increment transfers to the Supplemental Educational Revenue Augmentation Fund (*SERAF*) in fiscal years 2009-10 and 2010-11. Repayment for these loans is authorized for funding by *DOF* beginning in the 2014-15 fiscal year; however, an initial repayment of this *EO* is **not recommended** by Successor Agency Staff, at this time.
- 45-46 Semi-annual Tax Allocation Bond principle and interest payable August 1, 2016 and February 1, 2017. Outstanding principal will be fully amortized to the following schedule:
- a. 2015A Tax Allocation Refunding Bond (Tax-Exempt) through August 2023
 - b. 2015B Tax Allocation Refunding Bond (Taxable) through August 2020

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

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

Successor Agency:

Pinole

County:

Contra Costa

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				
A	Sources (B+C+D):	\$ 16,200	\$ 16,800	\$ 33,000
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	-	-	-
D	Other Funding	16,200	16,800	33,000
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 3,072,991	\$ 530,320	\$ 3,603,311
F	Non-Administrative Costs	2,947,991	405,320	3,353,311
G	Administrative Costs	125,000	125,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 3,089,191	\$ 547,120	\$ 3,636,311

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.

Name Title

/s/ _____
Signature Date

Pinole Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	16-17A				16-17B				W												
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)				RPTTF					Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)				RPTTF							
											Bond Proceeds		Reserve Balance		Other Funds		Non-Admin			Admin		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin		Admin	
											-		-		16,200		2,947,991			125,000		-		-		16,800		405,320		125,000	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	16-17A Total	16-17B Total	16-17B Total	16-17B Total	16-17B Total	16-17B Total	16-17B Total	16-17B Total	16-17B Total	16-17B Total											
7	Bond Indenture Agreements	Fees	9/1/2004	8/1/2023	US Bank, National Trust	Trustee, Paying Agent & Dissemination Agent Fees for Bond Indentures	Pinole Vista	83,563	N	\$ 7,273					\$ 7,273							\$ 547,120									
12	613-635 Tennent Avenue Mortgage Note	Third-Party Loans	9/27/2002	9/27/2017	John & Nancy Donkonics	Real Estate Property Mortgage secured by land incorporated into Public Infrastructure Project (Youth Center)	Pinole Vista	101,920	N	\$ 67,946				33,973	\$ 33,973							\$ 33,973									
13	612 Tennent Avenue Mortgage Note	Third-Party Loans	11/6/2007	12/1/2017	John Collins, Trustee of the Collins Survivor's Trust	Real Estate Property Mortgage secured by land held for development of an Affordable Housing Project	Pinole Vista	102,354	N	\$ 72,250				36,125	\$ 36,125							\$ 36,125									
14	648 Tennent Avenue Mortgage Note	Third-Party Loans	11/6/2007	12/1/2017	John Collins, Trustee of the Collins Survivor's Trust	Real Estate Property Mortgage secured by land used for Public Infrastructure (Public Parking Lot)	Pinole Vista	33,869	N	\$ 23,908				11,954	\$ 11,954							\$ 11,954									
17	2300 San Pablo Avenue Property Lease	Business Incentive Agreements	11/1/2005	10/31/2015	Main Street Management	Commercial Building Space Lease for Downtown Restaurant Project (Tina's Place)	Pinole Vista	346,103	Y	\$ -					\$ -							\$ -									
18	636 San Pablo Avenue Land Lease	Miscellaneous	6/16/1982	6/16/2017	AT&T / SBC Communications	Public Parking Lot Land Lease	Pinole Vista		N																						
20	Housing & Non-housing Professional Services Agreement	Fees	4/3/2007	6/30/2016	AmeriNation Community Services	Monthly loan processing service for outstanding redevelopment loans to both individuals and business entities	Pinole Vista	32,685	N	\$ 2,898				1,449	\$ 1,449							\$ 1,449									
21	Bond Indenture Professional Service Agreement	Fees	9/1/2004	8/1/2023	BLX Group, LLC Inc.	Income Tax Arbitrage Analysis and IRS Tax Filing for Indenture Reserve Investment Accounts	Pinole Vista	45,000	N	\$ 7,000				3,500	\$ 3,500							\$ 3,500									
24	Pinole Vista Restaurant Phase Consulting Services Agreement	Professional Services	12/19/2008	12/18/2018	Shelter Bay Retail Group	Consulting Services for Financial Management for Restaurant Development Project	Pinole Vista	84,600	N	\$ 33,000			16,200		\$ 16,200		16,800					\$ 16,800									
26	Financial Reporting Services Bond Indentures	Fees	9/27/1999	8/1/2023	HdL Coren & Cone	Property Tax consulting/advisory services related to pledged revenue property assessments	Pinole Vista	69,375	N	\$ 8,500				4,250	\$ 4,250							\$ 4,250									
27	Financial Reporting Services Bond Indentures	Fees	5/27/2005	2/1/2016	Mann, Urrutia, Nelson CPA's	Auditing services for Continuing Financial Disclosure required by Bond Indentures	Pinole Vista	21,500	N	\$ 3,500				3,500	\$ 3,500							\$ -									
30	Successor Agency Administrative Cost Allowance	Admin Costs	7/1/2016	6/30/2017	City of Pinole	Pinole Community Television recording and broadcasting of Oversight Board Meetings	Pinole Vista	6,000	N	\$ 6,000					3,000	\$ 3,000					3,000	\$ 3,000									
31	Successor Agency Administrative Cost Allowance	Admin Costs	7/1/2016	6/30/2017	City of Pinole	Payroll Cost Allocations for Administrative Staff Support of the Pinole Successor Agency	Pinole Vista	229,600	N	\$ 229,600					114,800	\$ 114,800					114,800	\$ 114,800									
32	Reciprocal Easement Agreement	OPA/DDA/Construction	2/21/2007	2/21/2017	Scott & Nancy Huen	Grant for reimbursement of lease for use of refuse collection container	Pinole Vista	10,800	N	\$ 1,800					\$ -						1,800	\$ 1,800									
33	Legal/Attorney Support Services Agreement	Admin Costs	7/1/2016	6/30/2017	Meyers, Nave, Riback, Silver & Wilson	Legal/Attorney Support Services	Pinole Vista	14,400	N	\$ 14,400					7,200	\$ 7,200					7,200	\$ 7,200									
37	Short-term Borrowing Agreement	SERAF/ERAF	2/16/2010	6/30/2016	City of Pinole	Repayment of SERAF payments (2009-10 & 2010-11) to State of California funding by Housing Set-Aside Fund	Pinole Vista	4,291,572	N	\$ -					\$ -							\$ -									
39	Other Post Employment Benefits	Unfunded Liabilities	11/26/2007	8/1/2023	City of Pinole	Post Employment Health Insurance for Retirees	Pinole Vista		N																						
43	Housing Program	Housing Entity Admin Cost	1/25/2012	8/1/2023	City of Pinole	Affordable Housing Program Compliance Monitoring, Program Administration, Loan Processing	Pinole Vista		N																						
45	Pinole Vista Redevelopment Project 2015A Tax Allocation Refunding Bond (Tax Exempt)	Refunding Bonds Issued After 6/27/12	8/6/2015	8/1/2023	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	22,257,965	N	\$ 2,174,882				1,969,844	\$ 1,969,844						205,038	\$ 205,038									
46	Pinole Vista Redevelopment Project 2015B Tax Allocation Refunding Bond (Taxable)	Refunding Bonds Issued After 6/27/12	8/6/2015	8/1/2020	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	10,635,942	N	\$ 983,354				876,123	\$ 876,123						107,231	\$ 107,231									
47									N	\$ -					\$ -							\$ -									
48									N	\$ -					\$ -							\$ -									
49									N	\$ -					\$ -							\$ -									
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72									N	\$ -					\$ -							\$ -									
73									N	\$ -					\$ -							\$ -									

**Pinole Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see CASH BALANCE TIPS SHEET									
A	B	C	D	E	F	G	H	I	
	Cash Balance Information by ROPS Period	Fund Sources						Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin		
ROPS 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)	3,142,134				23,136	4,854,929		
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					53,454	5,158,035		
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)					28,269	4,803,132		
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 15-16A RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 3,142,134	\$ -	\$ -	\$ -	\$ 48,321	\$ 5,209,832		
ROPS 15-16B Estimate (01/01/16 - 06/30/16)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 3,142,134	\$ -	\$ -	\$ -	\$ 48,321	\$ 5,209,832		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					16,200	558,197		
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)					16,200	571,275		
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 3,142,134	\$ -	\$ -	\$ -	\$ 48,321	\$ 5,196,754		