

# OVERSIGHT BOARD CITY OF BRISBANE

OVERSIGHT BOARD MEETING DATE: February 13, 2014

ITEM TITLE: July-December 2014 ROPS (14-15A)

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## **Recommendation:**

Review and approve the Recognized Obligation Payment Schedule (ROPS) for July 2014 through December 2014 and approve Resolution OB 2014-04.

## **Fiscal Implications:**

This is how we can access property tax (formerly tax increment) to pay for the bonds issued for redevelopment. Without an approved ROPS, the Successor Agency will not receive any funding.

## **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 July through December 2014 is due by March 3, 2014.

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 from the Department of Finance. We submitted the Long Range Property Management Plan and it is being reviewed by the Department of Finance. We assume that it will be finalized. So we have added a payment to the Low Moderate Income Housing Fund for a portion of the SERAF loan from the former Project Area #1.

**Discussion:**

We closed on the 2013 Successor Agency Refinancing of the 1998 Housing Bonds and the 2001 Tax Allocation bonds on December 26, 2013. The first payment on the new bonds was due February 1, 2014 and was paid using what would have been the payment for the other bonds approved on the 13-14B ROPS. The new bonds have principal and interest due every six months, so it has another payment due on the 14-15A ROPS.

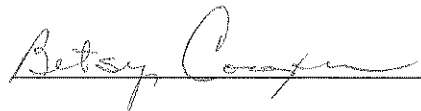
This ROPS also has the debt service payment for a portion of the 2005 Lease Revenue bonds that refinanced the 1995 COPs.

The SERAF loan is being repaid without interest. In order to calculate the amount that can be repaid at this time, we took the 2013-14 residual amount, \$661,284 and subtracted the 2012-13 base year residual amount, \$456,688. We are allowed to use 50% of that amount ( $204,596/2 = 102,298$ ) for repayment. We rounded to whole numbers for the ROPS.

By law, we are allowed a minimum of \$250,000 for Administration of the Successor Agency. Staff continues to spend a higher than expected time on Successor Agency issues due to continuing audit issues, Long-range property management plan, and refinancing of debt. Until all issues with the State Department of Finance and Controller's Office are resolved we anticipate to using the full allotment of Administration costs. However, we will continue to monitor this and if we find the first half of 2014/15 resolves these issues we may reduce the amount of reimbursement requested in the ROPS due in December.

**Attachments:**

Recognized Obligation Payment Schedule for July-December 2014 (14-15A)  
Resolution OB 2014-04.



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Betsy Cooper  
Deputy Finance Director

**BRISBANE SUCCESSOR AGENCY OVERSIGHT BOARD**

**RESOLUTION NO. OB 2014-04**

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**A RESOLUTION OF THE OVERSIGHT BOARD OF THE BRISBANE SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE JULY 1 – DECEMBER 31, 2014 SIX-MONTH FISCAL PERIOD(ROPS 14-15A), AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH.**

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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 six-month fiscal period commencing on July 1, 2014 and continuing through December 31, 2014 (the ROPS 14-15A); and

WHEREAS, under the Dissolution Act, the ROPS 14-15A 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 February 13, 2014 to consider specific obligations listed on the ROPS 14-15A and to consider approval of the ROPS 14-15A, among other approvals; and

WHEREAS, after reviewing the ROPS 14-15A 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 14-15A 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 14-15A in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in the ROPS 14-15A, 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 14-15A 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 14-15A 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 14-15A on the Successor Agency website, transmit the ROPS 14-15A 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 14-15A 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 14-15A as may be necessary to submit the ROPS 14-15A in any modified form required by the DOF, and the ROPS 14-15A as so modified shall thereupon constitute the ROPS 14-15A 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).

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Paul Scannell, Chair

ADOPTED on February 13, 2014 by the Members of the Oversight Board of the Successor Agency with the following vote:

AYES: Blackwood, Fuentes, Holstine, Miller, Porter, & Chairman Scannell

NOES: None

ABSENT: None

ABSTAIN: None

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Sheri Marie Spediacci, Board Secretary

Exhibit A

[Insert ROPS, including cover page]

**Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary**  
 Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Brisbane  
 Name of County: San Mateo

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
<b>A</b> Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	\$ -
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
<b>E</b> Enforceable Obligations Funded with RPTTF Funding (F+G):	<b>\$ 1,134,700</b>
F Non-Administrative Costs (ROPS Detail)	1,009,700
G Administrative Costs (ROPS Detail)	125,000
<b>H</b> Current Period Enforceable Obligations (A+E):	<b>\$ 1,134,700</b>

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E)	1,134,700
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(130)
<b>K</b> Adjusted Current Period RPTTF Requested Funding (I-J)	<b>\$ 1,134,569</b>

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E)	1,134,700
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N</b> Adjusted Current Period RPTTF Requested Funding (L-M)	<b>1,134,700</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) 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 agency:

Name	Title
/s/ _____	_____
Signature	Date

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

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	Funding Source					Six-Month Total	
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	RPTTF		Admin
1	2001 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	3/1/2001	5/1/2026	Bisbane Financing Authority	Refinance of 1984 Bonds and Lease Leaseback Agreement	#1	\$ 3,745,051	Y							\$ 1,134,700
2	Completion of 2001 Mainline Financing	City/County Loans On or Before 6/27/11	3/1/2001	12/31/2099	City of Bisbane	Refinance of 1984 Lease/Leaseback Agreement	#1	2,358,471	N							\$ -
3	2001 Tax Allocation Bonds	Fees	3/1/2001	5/1/2026	Bank of New York Mellon	Annual Trustee Fee for bond issue	#1	-	Y							\$ -
4	2001 Tax Allocation Bonds	Fees	3/1/2001	5/1/2026	NBS Government Finance	Continuing Disclosure Costs & 1915 Act Administration	#1	-	Y							\$ -
5	Due to Housing Fund	Miscellaneous	5/15/2000	12/31/2098	Housing Successor Agency	Deferred Housing Set-aside	#1	4,210,520	N							\$ -
6	Due to Housing Fund	SERAF/ERAF	5/20/2010	12/31/2099	Housing Successor Agency	SERAF Payment from State Take-Away	#1	645,019	N						102,000	\$ 102,000
6	2005 Lease Revenue Bond	Bonds Issued On or Before 12/31/10	3/1/2005	4/1/2018	Bisbane Financing Authority	Refinance of 1985 Certificates of Participation	#2	1,336,660	N							\$ -
9	2005 Lease Revenue Bond	Fees	3/1/2005	4/1/2018	Bank of New York Mellon	Annual Trustee Fee for bond issue	#2	12,500	N							\$ -
10	1998 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	3/1/1998	9/1/2027	Bank of New York Mellon	Senior Housing bonds	#1&#2	-	Y						14,906	\$ 14,906
11	1998 Tax Allocation Bonds	Fees	3/1/1998	9/1/2027	Bank of New York Mellon	Annual Trustee Fee for bond issue	#1&#2	-	Y							\$ -
12	RDA 2 Revenue Shortfall	City/County Loans On or Before 6/27/11	6/1/1999	12/31/2099	City of Bisbane	1986 TABS Shortfall advanced from the city	#2	1,328,294	N							\$ -
13	Due to Housing Fund	SERAF/ERAF	5/20/2010	12/31/2099	Housing Successor Agency	SERAF Payment from State Take-Away	#2	572,509	N							\$ -
15	Annual Administrative Costs	Admin Costs	1/31/2012	12/31/2099	City of Bisbane	Administration of Successor Agency		4,843,608	N							\$ 125,000
17	2013 Tax Allocation Bond Refunding 1998 TAB & 2001 TAB	Bonds Issued After 12/31/10	12/28/2013	8/1/2027	Wesbanco Alliance Bancorporation	Refunding of 1998 Housing TAB and 2001 Series A TAB	#1 &#2	22,246,198	N						890,794	\$ 890,794
18	2013 Tax Allocation Bond Refunding 1998 TAB & 2001 TAB	Fees	12/16/2013	8/1/2027	Bank of New York Mellon	Annual Trustee Fee for bond issue	#1 &#2	26,000	N						2,000	\$ 2,000





Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
1	These bonds were refinanced with the 2013 TAB and also used the reserve that was held by the trustee
10	These bonds were refinanced with the 2013 TAB and also used the reserve that was held by the trustee
17	This is a new bond that refinanced the 1998 Tax Allocation Bonds AND the 2001 Series A Tax Allocation Bonds. Oversight Board Resolution #OB 2013-04 adopted June 19, 2013 was sent to DOF when we requested approval for the refinancing.
18	This is the annual trustee administration fee for the new bonds

**Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Prior Period Adjustments**  
 Reported for the ROPS 13-14A (July 1, 2013 through December 31, 2013) Period Pursuant to Health and Safety Code (HSC) Section 34196 (a)  
 Report Amounts in Year Dollars

ROPS 13-14A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34196 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14A (July through December 2013) period. The amount of the county auditor-controller (CAC) and the State Controller:

Item #	Project Name / Debt Obligation	Bond Proceeds			Reserve Balance			Other Funds			RPTF Expenditures										SA Comments
		Authorized	Actual	Diff	Authorized	Actual	Diff	Authorized	Actual	Diff	Non-Admin	Admin	Diff	Net Difference (R-5)							
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T		
1	2001 Tax Allocation Bonds	\$ -	\$ 17,128,278	\$ -	\$ 2,204,822	\$ -	\$ -	\$ 744,256	\$ 642,206	\$ 942,206	\$ 744,256	\$ 120	\$ 157,000	\$ 107,000	\$ 187,000	\$ 107,000	\$ -	\$ -	\$ -	Bonds Refunded by 2013 TAB using Taxable Reserve as well as bond proceeds	
2	Comptroller of 2011 Middle Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Bonds Refunded by 2013 TAB using Taxable Reserve as well as bond proceeds		
3	2001 Tax Allocation Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	2001 Tax Allocation Bonds	-	-	-	-	-	-	1,300	1,300	1,300	1,300	130	-	-	-	-	-	-	130		
5	Due to Housing Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Due to Housing Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
8	2005 Lease Revenue Bond	-	-	-	-	-	-	17,906	17,906	17,906	17,906	-	-	-	-	-	-	-	Bonds Refunded by 2013 TAB using Taxable Reserve as well as bond proceeds		
9	1995 Tax Allocation Bonds	-	1,020,548	-	120,228	-	-	83,190	83,190	83,190	83,190	-	-	-	-	-	-	-	Bonds Refunded by 2013 TAB using Taxable Reserve as well as bond proceeds		
11	1998 Tax Allocation Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	2003 Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
13	Due to Housing Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
15	Annual Administrative Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
16	2013 Refunding TAB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
17	2013 Refunding TAB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	2013 Refunding TAB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Net SA Non-Admin and Admin PPA: \$ -  
 Net SA ROPS 14-15A Requested RPTF: \$ -