

OVERSIGHT BOARD CITY OF BRISBANE

OVERSIGHT BOARD MEETING DATE: September 9, 2015

ITEM TITLE: July-December ROPS (15-16B)

Recommendation:

Review and approve Resolution OB 2015-04 correcting the effective date of OB 2015-03.

Review and approve Resolution OB 2015-05 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 January 2016 through June 2016 and approve Resolution OB 2015-06.

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 SERFAF loan from the former Project Area #2 and the repayment of the Deferred 20% Set-aside from Project Area #1. The Department of Finance has provided a Sponsoring Entity Loan Repayment Calculator for determining the maximum repayment amount. The Successor Agency's maximum amount is \$1,037,527 for this year.

Discussion:

This ROPS has the debt service payment for a portion of the 2005 Lease Revenue bonds that refinanced the 1995 COPs and a payment for the 2013 Tax Allocation Bonds.

Loans from the Low Moderate Income Housing Fund that are now owed to the Housing Authority must be repaid before consideration of any possible repayment of loans from the City. Therefore, \$200,000 is on this ROPS for SERAF for Project Area #1.

If the Oversight Board approves Oversight Board Resolution OB 2015-04, which corrects the effective date of repaying the SERAF loan for Project Area #2, then a payment of \$200,000 can remain on the ROPS.

Oversight Board Resolution OB 2015-05 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 \$25,000 on the 15-16B ROPS.

Continuing Disclosure fees for the 2005 Lease Revenue bonds that were paid by the City have been added to the 15/16B ROPS. The annual Trustee fee for the 2005 Lease Revenue bonds for 2015 has been added to the annual Trustee fee for 2016.

Attachments:

Resolution OB 2015-04 correcting effective date and rescinding OB 2015-03.
Resolution OB 2015-05 approving repayment of the Deferred 20% Set-aside to the LMIH Fund.
Recognized Obligation Payment Schedule for January - June 2016 (15-16B)
Resolution OB 2015-06.



Betsy Cooper
Deputy Finance Director

RESOLUTION NUMBER OB 2015-04

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) AND RESCINDING RESOLUTION NUMBER OB 2015-03

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 local "Supplemental Education Revenue Augmentation fund") ("SERAF"); and

WHEREAS, the CRL permitted the Agency to borrow from the Agency's "Low and Moderate income Housing Fund") ("LMIHF") if necessary to satisfy the Agency's SERAF payment obligations; and

WHEREAS, on May 10, 2010, the Agency borrowed the sum of Five Hundred Seventy-two Thousand and Five Hundred Nine Dollars (\$572,509) ("SERAF Loan") from the LMIHF in order to satisfy its SERAF payment obligation; and

WHEREAS, the CRL obligated the Agency to repay the SERAF Loan, 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 SERAF Loan; 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 SERAF 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 SERAF 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 SERAF Loan payment which may be included on a ROPS is limited to an amount ("SERAF 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 SERAF Loan repayment schedule ("SERAF Loan Repayment Schedule") (copy attached as Exhibit A) for the Oversight Board's approval on February 11, 2015 in accord with CRL Sections 34171 (d)(1)(G) and 34191.4(b); and

WHEREAS, the resolution the Oversight Board adopted on February 11, 2015 concerning the starting date for the loan repayment was inadvertently shown as July 2016 rather than July 2015; and

WHEREAS, the intent of this resolution is to correct that inadvertent error; and

WHEREAS, the SERAF Loan Repayment Schedule represents the Successor Agency's good faith estimation of the SERAF Loan Repayment Installment for each upcoming six-month fiscal period commencing on or after July 1, 2015, 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 SERAF Loan Repayment Installment estimate shown on the SERAF Loan Repayment Schedule to an amount ("Adjusted SERAF 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 SERAF 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 SERAF 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 SERAF 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 ROPS prepared by the Successor Agency for every 6-month period commencing on or after July 1, 2015.

Section 3. Once received from the Auditor-Controller, every SERAF Loan Repayment Installment will be paid by the Successor Agency to the City (as the Housing Successor), and the outstanding balance of the SERAF 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).

Section 5. Resolution Number OB 2015-03 is rescinded.

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 9th day of September, 2015, and was adopted by the following vote:

AYES:

NOES:

ABSENT:

Sheri Marie Spediacci, Board Clerk

Exhibit A

SERAF Debt Repayment Schedule

1) Original SERAF amount owed to the Housing Fund	\$572,509.33
2) Total Outstanding Debt or Obligation	\$572,509.33
3) Repayment based on State requirements related to the waterfall concept in accordance with Code Section 34191.4(2)(B)	

RESOLUTION NUMBER OB 2015-05

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 ("LMIF"); 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 \$,099,278.25; and

WHEREAS, the CRL obligated the Agency to repay the deferred set aside, 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 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 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 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 has 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, 2015, 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 ROPS prepared by the Successor Agency for every 6-month period commencing on or after July 1, 2015.

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 9th day of September, 2015, and was adopted by the following vote:

AYES:

NOES:

ABSENT:

Sheri Marie Spediacci, Board Clerk

Exhibit A

LMIH Debt Repayment Schedule

1) Original LMIH Set Aside 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)	

Repayment of Housing Fund Shortfall To Housing Fund

Year		28-Feb Interest	28-Feb Principal	Balance	Total Annual Payment
				\$ 4,099,278	
2016	2017	\$14,757.40	\$286,015.47	3,813,262.53	300,772.87
2017	2018	\$13,727.75	\$287,045.13	3,526,217.40	300,772.87
2018	2019	\$12,694.38	\$288,078.49	3,238,138.91	300,772.87
2019	2020	\$11,657.30	\$289,115.57	2,949,023.34	300,772.87
2020	2021	\$10,616.48	\$290,156.39	2,658,866.95	300,772.87
2021	2022	\$9,571.92	\$291,200.95	2,367,665.99	300,772.87
2022	2023	\$8,523.60	\$292,249.28	2,075,416.72	300,772.87
2023	2024	\$7,471.50	\$293,301.37	1,782,115.34	300,772.87
2024	2025	\$6,415.62	\$294,357.26	1,487,758.09	300,772.87
2025	2026	\$5,355.93	\$295,416.94	1,192,341.14	300,772.87
2026	2027	\$4,292.43	\$296,480.45	895,860.70	300,772.87
2027	2028	\$3,225.10	\$297,547.77	598,312.92	300,772.87
2028	2029	\$2,153.93	\$298,618.95	299,693.98	300,772.87
2029	2030	\$1,078.90	\$299,693.98	(0.00)	300,772.87
		\$111,542.23	\$4,099,278.00		4,210,820.23
Loan Amount		4,099,278.00			
Period		14 year			
Interest Rate Percentage		0.36%	2nd Quarter 2012 LAIF		

BRISBANE SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. OB 2015-06

A RESOLUTION OF THE OVERSIGHT BOARD OF THE BRISBANE SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE JAN 1 – JUN 30, 2016 SIX-MONTH FISCAL PERIOD(ROPS 15-16B), 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 six-month fiscal period commencing on Jan 1, 2016 and continuing through June 30, 2016 (the ROPS 15-16B); and

WHEREAS, under the Dissolution Act, the ROPS 15-16B 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 September 9, 2015 to consider specific obligations listed on the ROPS 15-16B and to consider approval of the ROPS 15-16B, among other approvals; and

WHEREAS, after reviewing the ROPS 15-16B 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 15-16B 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 15-16B in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in the ROPS 15-16B, 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 15-16B 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 15-16B 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 15-16B on the Successor Agency website, transmit the ROPS 15-16B 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 15-16B 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 15-16B as may be necessary to submit the ROPS 15-16B in any modified form required by the DOF, and the ROPS 15-16B as so modified shall thereupon constitute the ROPS 15-16B 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 September 9, 2015 by the Members of the Oversight Board of the
Successor Agency with the following vote:

AYES:

NOES: None

ABSENT: None

ABSTAIN: None

Sheri Marie Spediacci, Board Secretary

Exhibit A

[Insert ROPS, including cover page]

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

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

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	
A Bond Proceeds Funding (ROPS Detail)	\$ -
B Reserve Balance Funding (ROPS Detail)	-
C Other Funding (ROPS Detail)	-
D Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,524,161
F Non-Administrative Costs (ROPS Detail)	1,499,161
G Administrative Costs (ROPS Detail)	25,000
H Total Current Period Enforceable Obligations (A+E):	\$ 1,524,161

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I Enforceable Obligations funded with RPTTF (E):	1,524,161
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(275)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 1,523,886

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L Enforceable Obligations funded with RPTTF (E):	1,524,161
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	1,524,161

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