Oversight Board for Former Brisbane Redevelopment Agency Agenda Report

To: Oversight Board

From: Administrative Serivces Director

Subject: Recognized Obligation Payment Schedule for July 2017 - June 2018 (ROPS 17-18)

Date: January 18, 2017

Purpose:

To ensure the Successor Agency receives enough funds to make its required payments including bond payments and administrative costs.

Recommendation:

Adopt Resolution OB 207-01 approving the July 2017 through June 2018 (17-18A and 17-18B) ROPS (Recognized Obligation Payment Schedule)

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 each year. The ROPS for July 2017 through June 2018 is due to the Department of Finance by February 1, 2017 for approval.

Discussion:

Our ROPS is primarily the debt service payments due on the following:

- 2013 Tax Allocation Bonds that refinanced the 2001 Series A bonds
- 2005 Lease Revenue bonds that refinance the 1995 COPs (portion)
- SERAF loans to the Low and Moderate Income Housing Fund for Project #1
- SERAF loans to the Low and Moderate Income Housing Fund for Project #2

Last period we requested a payment for the Deferred Setaside owed to the Low and Moderate Income Housing Fund for Project Area #1 due to the Housing Authority with a total outstanding obligation of $4,693,936. Deferred payments by the former City of Brisbane Redevelopment Agency (RDA) were required to adopt a statement of existing obligations and include in a resolution and passed prior to September 1, 1986. The former RDA adopted a statement in July 1987, after the 1986 cutoff date. Therefore the request for repayment was not approved and there are no dollars associated with this line item (Line item #5).

Administrative Costs were increased from $50,000 to $54,000 to correlate with the City of Brisbane 2017/2018 Adopted Budget (Line item #15).

Repayment of SERAF and City Loans per HSC section 34176(e)(6)(B) are limited to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the prior ROPS period and the residual pass-through distributed in the 2012-13 base year. Therefore the amounts listed for repayments to the Housing Authority for SERAF #1 and SERAF #2 are adjusted each year up to the combined limit. This year we have enough to cover and pay off the remaining balances of these loans (Line items #6 and #13). We also have enough to begin paying down the 1986 TABS shortfall advanced from the City.

Fiscal Impact:

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

Attachments:

- Recognized Obligation Payment Schedule for July 2017 - June 2018 (ROPS 17-18)
- Letter from DOF dated April 11, 2016 denying request to repay the Deferred Setaside

Stuart Schillinger
Administrati ve Services Director

BRISBANE SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. OB 2017-01

A RESOLUTION OF THE OVERSIGHT BOARD OF THE BRISBANE SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE JULY 2017 – JUNE 2018 TWELVE-MONTH FISCAL PERIOD (ROPS 17-18), 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, 2017 and continuing through June 30, 2018 (the ROPS 17-18); and

WHEREAS, under the Dissolution Act, the ROPS 17-18 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 18, 2017 to consider specific obligations listed on the ROPS 17-18 and to consider approval of the ROPS 17-18, among other approvals; and

WHEREAS, after reviewing the ROPS 17-18 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 17-18 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 17-18 in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in the ROPS 17-18, 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 17-18 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 17-18 on the Successor Agency website, transmit the ROPS 17-18 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 17-18 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 17-18 as may be necessary to submit the ROPS 17-18 in any modified form required by the DOF, and the ROPS 17-18 as so modified shall thereupon constitute the ROPS 17-18 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 18, 2017 by the Members of the Oversight Board of the Successor Agency with the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Ingrid Padilla, Interim Board Secretary

Exhibit A

ROPS 17-18

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Brisbane

County: San Mateo

	Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A	**Enforceable Obligations Funded as Follows (B+C+D):**	$ -	$ -	$ -
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
E	**Redevelopment Property Tax Trust Fund (RPTTF) (F+G):**	$ 1,497,252	$ 1,123,851	$ 2,621,103
F	RPTTF	1,470,252	1,096,851	2,567,103
G	Administrative RPTTF	27,000	27,000	54,000
H	**Current Period Enforceable Obligations (A+E):**	$ 1,497,252	$ 1,123,851	$ 2,621,103

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

P7

Brisbane Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), 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
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	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	Comments
ROPS 15-16B Actuals (01/01/16 - 06/30/16)								
1	**Beginning Available Cash Balance (Actual 01/01/16)**						6,160	
2	**Revenue/Income (Actual 06/30/16)** RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016						1,513,864	
3	**Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)**						1,420,644	
4	**Retention of Available Cash Balance (Actual 06/30/16)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
5	**ROPS 15-16B 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)**	$ -	$ -	$ -	$ -	$ -	$ 99,380	

Brisbane Recognized Obligation Payment Schedule (ROPS 17

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K
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 17-18 Total
								$ 26,012,799		$ 2,621,103
2	Completion of 2001 Marina	City/County Loans On or	3/1/2001	12/31/2099	City of Brisbane	Refinance of 1984 Lease/Leaseback	#1	2,629,062	N	
5	Due to Housing Fund	SERAF/ERAF	5/15/2000	12/31/2099	Housing Successor Agency	Deferred Housing Set-a-side		4,693,936	N	denied
6	Due to Housing Fund	SERAF/ERAF	5/20/2010	12/31/2099	Housing Successor Agency	SERAF Payment from State Take-Away		143,019	N	$ 143,019
8	2005 Lease Revenue Bond	Revenue Bonds Issued On or Before 12/31/10	2/1/2005	4/1/2018	Brisbane Financing Authority	Refinance of 1995 Certificates of Participation		214,912	N	$ 214,912
9	2005 Lease Revenue Bond	Fees	2/1/2005	4/1/2018	Bank of New York Mellon	Annual Trustee Fee for bond issue		2,850	N	$ 2,850
12	RDA 2 Revenue Shortfall	City/County Loans On or Before 6/27/11	6/1/1999	12/31/2099	City of Brisbane	1986 TABS shortfall advanced from the city		1,964,634	N	200,000
13	Due to Housing Fund	SERAF/ERAF	5/20/2010	12/31/2099	Housing Successor Agency	SERAF Payment from State Take-Away		230,048	N	$ 230,048
15	Annual Administrative Costs	Admin Costs	7/1/2015	7/1/2015	City of Brisbane	Administration of Successor Agency			N	$ 54,000
17	2013 Tax Allocation Bond Refunding 1998 TAB & 2001 TAB	Bonds Issued After 12/31/10	12/26/2013	8/1/2027	Western Alliance Bancorporation	Refinancing of 1998 Housing TAB and 2001 Series A TAB		16,110,161	N	$ 1,773,097
18	2013 Tax Allocation Bond Refunding 1998 TAB & 2001TAB	Fees	12/16/2013	8/1/2027	Bank of New York Mellon	Annual Trustee Fee for bond issue		23,100	N	$ 2,100
20	2005 Lease Revenue Bond	Fees	2/1/2005	4/1/2018	NBS	Continuing Disclosure		1,077	N	$ 1,077
22									N	$ -
23									N	$ -
24									N	$ -
25									N	$ -
26									N	$ -
27									N	$ -
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47									N	$ -

7-18) - ROPS Detail

L	M	N	O	P	Q	R	S	T	U	V	W
17-18A (July - December)						17-18B (January - June)					
Fund Sources						Fund Sources					
Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total
$ -	$ -	$ -	$ 1,470,252	$ 27,000	$1,497,252	$ -	$ -	$ -	$ 1,096,851	$ 27,000	$ 1,123,851
			143,019		$ 143,019						$ -
			4,133		$ 4,133				210,779		$ 210,779
					$ -				2,850		$ 2,850
			200,000		200,000						
			230,048		$ 230,048						$ -
				27,000	$ 27,000					27,000	$ 27,000
			890,414		$ 890,414				882,683		$ 882,683
			2,100		$ 2,100						$ -
			538		$ 538				539		$ 539
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ATTACHMENT 2

DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. ▪ GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 11, 2016

Mr. Stuart Schillinger, Administrative Services Director
City of Brisbane
50 Park Place
Brisbane, CA 94005

Dear Mr. Schillinger:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Brisbane Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on February 1, 2016. Finance has completed its review of the ROPS 16-17.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 5 – Low and Moderate Income Housing Fund (LMIHF) Deferral requested from Redevelopment Property Tax Trust Fund (RPTTF) in the amount of $200,000 and with a total outstanding obligation of $4,693,936 is not approved.

  The former City of Brisbane Redevelopment Agency (RDA) deferred payments to their LMIHF totaling $4,099,278 pursuant to HSC section 33334.6 (d).
  HSC section 33334.6 (f) required any former RDA deferring funds from their LMIHF pursuant to HSC section 33334.6 (d) or (e) to pass a resolution prior to September 1, 1986 adopting a statement of existing obligations. The former RDA adopted a statement of existing obligations via Resolution No. RA-5-87. Resolution No. RA-5-87 was adopted on July 13, 1987, after the September 1, 1986 cutoff date noted in HSC section 33334.6 (f). Therefore, Item No. 5 is not an enforceable obligation and not eligible for funding on ROPS.

- Item No. 8 – 2005 Lease Revenue Bonds from RPTTF in the requested amount of $320,333 is partially allowed for $216,276. Although the Agency requests RPTTF in the amount of $320,333, only $216,276 is needed to satisfy the Agency's obligation in the ROPS 16-17 period. Therefore, the excess request of $104,057 ($320,333 - $216,276) is not approved.

- Item No. 13 – Due to the Housing Fund for the Supplemental Educational Revenue Augmentation Fund (SERAF) payment from RPTTF in the requested amount of $200,000 is partially approved for $142,461. HSC section 34176 (e) (6) (B) limits repayment to the Low and Moderate Income Housing Asset Fund to one-half of the

increase between the ROPS residual pass-through distributed to the taxing entities in 2015-16 fiscal year and the ROPS residual pass-through distributed to the taxing entities in the 2012-13 base year.

Pursuant to the repayment formula, the Agency's maximum repayment allowed for the ROPS 16-17 period is $342,461. The Agency's request for Item No. 6 – SERAF repayment is approved for $200,000. Therefore, the Agency's maximum repayment for Item No. 13 is limited to $142,461 ($342,461 - $200,000). As such, the excess request of $57,539 ($200,000 - $142,461) is not approved.

Except for the items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, except for those items which are the subject of litigation disputing Finance's previous or related determinations, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is $2,382,182 as summarized in the Approved RPTTF Distribution Table on Page 4 (see Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Finance performs a review of the Agency's self-reported cash balances on an ongoing basis. Be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved enforceable obligations, HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

http://www.dof.ca.gov/redevelopment/ROPS

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's

determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Wendy Griffe, Supervisor, or Jonathan Cox, Lead Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Carolina Yuen, Financial Services Manager, City of Brisbane
Mr. Juan Raigoza, Auditor-Controller, San Mateo County

Attachment

Approved RPTTF Distribution For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	$ 1,495,585	$ 1,198,193	$ 2,693,778
Requested Administrative RPTTF	25,000	25,000	$ 50,000
Total RPTTF requested for obligations on ROPS 16-17	**$ 1,520,585**	**$ 1,223,193**	**$ 2,743,778**
RPTTF requested	1,495,585	1,198,193	2,693,778
Denied Items			
Item No. 5	(200,000)	0	(200,000)
Item No. 8	0	(104,057)	(104,057)
Item No. 13	(57,539)	0	(57,539)
RPTTF authorized	**1,238,046**	**1,094,136**	**$ 2,332,182**
Administrative RPTTF authorized	**25,000**	**25,000**	**$ 50,000**
Total RPTTF approved for distribution	**1,263,046**	**1,119,136**	**$ 2,382,182**