



Legislation Details (With Text)

File #: 16-469 **Version:** 1 **Name:** SR RDA Excess Bond Proceeds Transfer

Type: Staff Report **Status:** Filed

On agenda: 9/19/2016 **In control:** City Council

Enactment date: **Final action:** 9/19/2016

Enactment date: **Enactment #:**

Title: Staff Report for Resolutions Approving an Agreement Regarding Expenditure of Excess Bond Proceeds and Authorizing the Acceptance of the Transfer of Excess Bond Proceeds Between the Successor Agency to the Redevelopment Agency of the City of San Leandro to the City of San Leandro

Sponsors: Cynthia Battenberg

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
9/19/2016	1	City Council	Received and Filed	Pass

Staff Report for Resolutions Approving an Agreement Regarding Expenditure of Excess Bond Proceeds and Authorizing the Acceptance of the Transfer of Excess Bond Proceeds Between the Successor Agency to the Redevelopment Agency of the City of San Leandro to the City of San Leandro

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council, serving in its capacity as the Board of Directors of the Successor Agency to the Redevelopment Agency of the City of San Leandro (Successor Agency) adopt a Resolution approving an Agreement with the City of San Leandro regarding the expenditure of excess bond proceeds and authorizing the transfer of such proceeds to the City of San Leandro.

Staff also recommends that the City Council adopt a Resolution approving an Agreement with the Successor Agency regarding the expenditure of excess bond proceeds and authorizing the acceptance of the transfer of such proceeds from the Successor Agency.

A total of \$600,000 in bond proceeds from the Alameda County-City of San Leandro Redevelopment Project Tax Allocation Bonds, Series 2008, (2008 Bonds) are proposed for transfer and spending for purposes consistent with the bond covenants, specifically to complete improvements to the San Leandro Downtown Parking Garage.

BACKGROUND

On October 28, 2015, the Successor Agency to the Redevelopment Agency of the City of San Leandro received its Finding of Completion, certifying that the Successor Agency deposited all funds with the Alameda County Auditor-Controller as required by the California Department of Finance

(DOF) per California Health and Safety Code (HSC) Sections 34179.6 and 34183.5.

Pursuant to the Finding of Completion, the Successor Agency is authorized to use the proceeds of Redevelopment Agency bonds issued on or before December 31, 2010 for the purposes for which the bonds were sold. In addition to expending proceeds to satisfy previously approved enforceable obligations, the Successor Agency may expend bond proceeds in excess of these amounts (excess bond proceeds) in a manner consistent with the original bond covenants.

In order to be expended, excess bond proceeds must be must listed separately on the Successor Agency Recognized Obligation Payment Schedule (ROPS). With the approval of the Oversight Board to the Successor Agency (Oversight Board), the expenditure of excess bond proceeds may be established as an enforceable obligation and transferred to the entity that created the redevelopment agency, namely the City of San Leandro.

On September 1, 2008, the Redevelopment Agency of the City of San Leandro issued the Alameda County-City of San Leandro Redevelopment Project Tax Allocation Bonds, Series 2008, in the original principal amount of \$27,530,000 (2008 Bonds) to finance redevelopment projects in the Alameda County-City of San Leandro Redevelopment Project Area (Joint Project Area). Such projects included the design and construction of a Senior Center, a downtown parking garage, and infrastructure improvements on East 14th Street. A new 400 space parking garage was constructed utilizing bond funds to replace the City's 215 space parking garage to meet downtown business parking needs and to comply with seismic safety requirements.

ANALYSIS

At this time, the 2008 Bonds have approximately \$2.3 million in excess bond proceeds that are not committed to previously approved enforceable obligations. An Agreement between the City of San Leandro and the Successor Agency was developed to authorize an initial transfer of \$600,000 in 2008 Bonds to the City for projects consistent with the original bond covenants.

In keeping with bond covenants, staff recommends that the \$600,000 in excess bond proceeds be expended on improvements to the downtown parking garage, which was constructed utilizing the 2008 Bonds. These improvements conform to recommendations from the City's Draft Downtown Parking Management Plan, initially presented to the City Council on May 23, 2016 and scheduled for adoption later in 2016. Work will include, but will not be limited to, replacement of nonfunctional equipment, installation of new parking management technology and payment systems, and implementation of parking enforcement technology.

Most work will be done to improve the parking payment systems in the downtown parking garage, which were affected by the 2015 bankruptcy of the company that provided the original payment systems and equipment. Payment and permitting systems currently function at a limited and inefficient level, well short of what was originally intended for the new garage. The proposed expenditures will enable the City to bring the level of technology in the garage to updated standards that will be implemented to ensure consistency with the recommendations of the Downtown Parking Management Plan.

If approved by the City Council and Successor Agency, these items will be presented to the Oversight Board on September 21, 2016 for approval as an enforceable obligation and subsequent placement

on the amended 2016-17 ROPS (Recognized Obligation Payment Schedule). The amended ROPS will be considered at the same Oversight Board meeting and subsequently sent to the DOF for approval.

Staff requests that:

- 1) The City Council serving in its capacity as the Board of Directors of the Successor Agency to the Redevelopment Agency of the City of San Leandro (Successor Agency) adopt a Resolution approving an Agreement with the City of San Leandro regarding the expenditure of excess bond proceeds and authorizing the transfer of such proceeds to the City of San Leandro.
- 2) The City Council adopt a Resolution approving an Agreement with the Successor Agency regarding the expenditure of excess bond proceeds and authorizing the acceptance of the transfer of such proceeds from the Successor Agency.

Previous Actions

- On October 28, 2015, the Successor Agency to the Redevelopment Agency of the City of San Leandro received its Finding of Completion, authorizing the Successor Agency to utilize proceeds derived from bonds issued prior to December 31, 2010 in a manner consistent with the original bond covenants.

Legal Analysis

This report and the proposed agreement were reviewed by the City Attorney and approved as to form.

Fiscal Impacts

The \$600,000 in excess bond proceeds will be transferred to the City at no cost and will be utilized in a manner consistent with the bond covenants.

ATTACHMENT(S)

Attachment to Resolutions

- Agreement Regarding Expenditure of Excess Bond Proceeds and Authorizing the Acceptance of the Transfer of Excess Bond Proceeds from the Successor Agency to the Redevelopment Agency of the City of San Leandro to the City of San Leandro

PREPARED BY: Katie Bowman, Business Development Specialist, Community Development Department