



Legislation Details (With Text)

File #: 17-003 **Version:** 1 **Name:** SR Excess Bond Proceeds Transfer #2
Type: Staff Report **Status:** Filed
In control: City Council
On agenda: 1/17/2017 **Final action:** 1/17/2017
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 from 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
1/17/2017	1	City Council	Received and Filed	

Staff Report for Resolutions Approving an 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

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 \$1,764,526 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 expenditure for purposes consistent with the bond covenants, specifically to construct capital improvements in the Joint Project Area, including improvements to the "Triangle" project at E. 14th St./Hesperian Blvd./150th St., as well as streetscape, utility undergrounding, pedestrian, and lighting improvements along north and south portions of East 14th Street.

BACKGROUND

On September 1, 2008, the Redevelopment Agency issued Tax Allocation Bonds, 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.

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 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 order to be expended, excess bond proceeds must be 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.

ANALYSIS

The 2008 Bonds have approximately \$2.3 million in excess bond proceeds that are not committed to previously approved enforceable obligations at the time of dissolution of the Redevelopment Agency in 2012. On September 19, 2016, an Agreement was developed to authorize an initial transfer of \$600,000 in 2008 Bonds from the Successor Agency to the City of San Leandro for improvements to the downtown parking garage. An additional \$1.7 million in excess bond proceeds remains to be allocated to projects.

In keeping with bond covenants, staff recommends that the remaining \$1.7 million in excess bond proceeds be expended on capital improvements in the Joint Project Area, including improvements to the Triangle at E. 14th St./Hesperian Blvd./150th St., as well as streetscape, utility undergrounding, pedestrian, and lighting improvements along north and south portions of East 14th Street.

Based upon direction from the City Council at its January 3, 2017 meeting, the following capital improvements are recommended:

\$750,000 E. 14th St/Hesperian/150th Triangle Gateway Beautification Project - Conversion of an underutilized parcel at the intersection of East 14th St, Hesperian Blvd, and 150th Ave. into a public open space, including landscaping, art, and walkways on the gravel lot. The recommended funding would complement existing appropriations for a traffic safety project to add the beautification component.

\$750,000 E. 14th St. North Area Pedestrian Lighting/Streetscape Improvements (Davis to Durant) - Design and construct new pedestrian lighting and streetscape improvements, which may include new light poles, lights on existing poles, paving, landscaping, and street trees.

\$264,526 E. 14th St. South Area Utility Undergrounding - Placement underground of utility lines along E. 14th Street

These projects are recommended because they are in the Joint Project Area, fall under the umbrella of projects identified in the 2008 Bonds, and can be constructed within the next budget cycle. These projects also represent the culmination of the City's forward planning and policy goals, including recommendations from the City's East 14th Street South Area Development Strategy, the North Area Specific Plan & Revitalization Manual, and the Bicycle and Pedestrian Master Plan. Additionally, the funding will implement specific projects identified in the City's Capital Improvement Plan (CIP), freeing up future capital improvement funding for other projects.

An agreement between the City of San Leandro and the Successor Agency was developed to authorize transfer of the remaining \$1,764,526 in 2008 Bonds to the City for projects consistent with the original bond covenants and outlined above.

If approved by the City Council and Successor Agency, these items will be presented to the Oversight Board on January 18, 2017 for approval as an enforceable obligation and subsequent placement on the 2017-18 ROPS (Recognized Obligation Payment Schedule). The 2017-18 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.
- On September 19, 2016, the Successor Agency to the Redevelopment Agency of the City of San Leandro approved an Agreement with the City of San Leandro regarding the expenditure of \$600,000 of excess bond proceeds and authorizing the transfer of such proceeds to the City of San Leandro.

Legal Analysis

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

Fiscal Impacts

The \$1,764,526 in excess bond proceeds will be transferred to the City at no cost and will be utilized in a manner consistent with the bond proceeds.

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, Economic Development Manager, Community Development Department