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Title:	Staff Report for a City of San Leandro City Council Resolution of the Successor Agency to the Redevelopment Agency of the City of San Leandro Adopting a Recognized Obligations Payment Schedule (ROPS) and Administrative Budget for the Period July 1, 2022 - June 30, 2023, Pursuant to Health and Safety Code Section 34177(I).				
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Staff Report for a City of San Leandro City Council Resolution of the Successor Agency to the Redevelopment Agency of the City of San Leandro Adopting a Recognized Obligations Payment Schedule (ROPS) and Administrative Budget for the Period July 1, 2022 - June 30, 2023, Pursuant to Health and Safety Code Section 34177(I).

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council, acting as governing board of the Successor Agency to the Redevelopment Agency of the City of San Leandro, adopt a Resolution approving a Recognized Obligations Payment Schedule and Administrative Budget for the period from July 1, 2022 through June 30, 2023.

BACKGROUND

Pursuant to Assembly Billx1 26, on January 9, 2012, the San Leandro City Council affirmed its decision to have the City serve as the Successor Agency to the former Redevelopment Agency of the City of San Leandro (Successor Agency). Under Senate Bill 107, introduced and passed by the State Legislature on September 11, 2015, the Successor Agency is obligated to prepare a Recognized Obligations Payment Schedule (ROPS) every fiscal year that lists all enforceable obligations payable during that twelve-month period. The Successor Agency can only pay obligations that are listed on the ROPS and approved by the California Department of Finance (DOF).

Approval of the ROPS by the Successor Agency Oversight Board is also required prior to submission to the DOF. Under Health and Safety Code Section 34179(j), a single Countywide Oversight Board (Oversight Board) commenced on July 1, 2018. If approved by the Successor Agency, the San Leandro ROPS will be brought before the Alameda Countywide Oversight Board at its January 19,

2022 meeting. Approvals from both the Successor Agency and Oversight Board are required in order to submit the ROPS to the DOF by February 1, 2022.

Analysis

A primary responsibility of the Successor Agency is to oversee the payment of Enforceable Obligations. Enforceable Obligations are defined as:

- Bonds, including debt service reserve set-asides and other required payments;
- Loans borrowed by the Agency;
- Payments required by the federal or state governments;
- Pension and unemployment payments for Agency employees;
- Judgments, settlements or binding arbitration decisions; and
- Any legally binding and enforceable contract that does not violate the debt limit or public policy.

Funding is requested for the following Enforceable Obligations on the 2022-2023 ROPS:

- Urban Analytics - \$6,500
 - Consultant performing continuing disclosure requirements for bonds and fiscal analysis of tax enforcement.
- Bond Compliance - \$7,500
 - Covering trustee fees and consultant to serve as dissemination agent.
- Casa Verde Operating Agreement - \$170,744
 - 30 Year Annual Operating Subsidy to Mercy Housing for development of affordable housing at the former Islander Motel at 2398 E. 14th Street. Payments are made per the schedule established in the 2006 Disposition and Development Agreement.
- Successor Agency Administration - \$250,000
 - Based on ABx1 26, the amount permitted to fund staff and legal costs and expenses for Successor Agency Administration is the greater of 3% of funds received from the Redevelopment Property Tax Trust Fund (RPTTF) or \$250,000 annually. For the 2022-23 ROPS period, the \$250,000 minimum will apply.
- Doolittle Dr. Streetscape - \$400,000
 - Per reinstated agreement between the City and Redevelopment Agency, funds for design work for completion of third phase of Doolittle Drive Streetscaping (between Davis St and Fairway Dr). Note that these funds were previously requested on the 2019-2020 ROPS. However, the project was not ready to proceed and the funds were not utilized and as such returned to the State. Design work for the project is now planned to begin in FY2022-2023 and as such, the funds are again requested on the ROPS.
- San Leandro Improvement Association - \$5,000
 - Assessment payments for Successor Agency-owned properties in the downtown business improvement district. The Actual amount is based on annual assessment charges.
- 2001 Certificates of Participation/2013 Lease Revenue Bonds - \$553,665
 - Annual debt service payment is made per the payment schedule.

- 2014 Tax Allocation Bonds - \$2,113,364
 - Annual debt service payment is made per the payment schedule. The 2014 bonds replaced the 2002 Plaza Area and the 2004 West San Leandro Area Bonds.
- 2018 Tax Allocation Bonds - \$2,465,305
 - Annual debt service payment is made per the payment schedule. The 2018 bonds replaced the 2008 Tax Allocation Bonds, which were refinanced under better terms and 'retired' on the 2019-2020 ROPS.

The consolidated Alameda County Oversight Board is scheduled to review this ROPS and Administrative Budget on January 19, 2022. If approved, it will be forwarded to the California Department of Finance, the State Controller's Office and the Alameda County Auditor Controller after that action is finalized.

Previous Actions

- On January 9, 2012, the City Council affirmed its decision to have the City serve as the Successor Agency to the former Redevelopment Agency and to retain the Agency's housing assets and functions.
- On January 19, 2016, the Successor Agency to the Redevelopment Agency of the City of San Leandro approved a reinstated Loan Agreement between the City and the Successor Agency and authorized execution of the amended and restated promissory note for the Plaza Project Loan.
- 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.
- On January 17, 2017, 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 \$1,764,526 of excess bond proceeds and authorizing the transfer of such proceeds to the City of San Leandro.
- On December 18, 2017, the Successor Agency to the Redevelopment Agency of the City of San Leandro approved the issuance of the 2018 Tax Allocation Bonds in order to refund the outstanding 2008 Tax Allocation Bonds.
- In accordance with Health and Safety Code Section 34179(j), the ten oversight boards then in place in the County of Alameda consolidated into one Oversight Board commencing on and after June 1, 2018.

Fiscal Impacts

As noted above, the Enforceable Obligations listed on the ROPS are paid using funds disbursed by the County Auditor-Controller through property tax revenue deposited into the Redevelopment Tax Trust Fund (RPTTF). The General Fund (or any other City fund) does not bear any responsibility for the payment of approved enforceable obligations of the former Redevelopment Agency.

ATTACHMENT(S)

Attachment(s) to Related Legislative Files

1 Attached to Resolution:

- 2022-23 ROPS and Administrative Budget

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