AGENDA ITEM

TO:	SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY
SUBJECT:	REDEVELOPMENT DISSOLUTION CONSULTING SERVICES
DATE:	JANUARY 17, 2018
SUBJECT:	RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR JULY 1, 2018 THROUGH JUNE 30, 2019

RECOMMENDATIONS

1. To adopt a resolution of the Successor Agency to the Firebaugh Redevelopment Agency approving the Recognized Obligation Payment Schedule ("ROPS") 2018-19 and Administrative Budget for the July 1, 2018 through June 30, 2019 period.

BACKGROUND

On December 29, 2011, the California Supreme Court issued its decision in CRA v. Matosantos, upholding AB 1X 26, which dissolves all redevelopment agencies in California, and overturning AB 1X 27, the "voluntary alternative redevelopment program." After the redevelopment program provided in AB 1X 27 was ruled unconstitutional by the Court, all California redevelopment agencies were required to dissolve. On February 1, 2012, redevelopment agencies throughout the State were eliminated and successor agencies assumed the responsibility of winding down the activities of their respective redevelopment agencies. The City of Firebaugh ("City") serves as the Successor Agency of the former Firebaugh Redevelopment Agency.

As Successor Agency, the City is responsible for all of the assets, properties, contracts, leases, obligations, and records of the former Redevelopment Agency. For the Successor Agency to continue paying obligations of the former Redevelopment Agency, ABx1 26 requires the Successor Agency to prepare an annual Recognized Payment Obligation Schedule ("ROPS") setting forth the Successor Agency's payment obligations for two six-month periods. The ROPS shall include any bonds, loans, payments required by the federal government, contracts, costs associated with Disposition and Development Agreements, and other similar obligations to third parties.

On September 22, 2015, Governor Brown signed Senate Bill ("SB") 107, which went into effect immediately. SB 107 made several key changes to the Health and Safety Code ("HSC") sections that establish the ROPS process. Since this time no other legislative changes have been made.

ANALYSIS

Recognized Obligation Payment Schedule

HSC Section 34177(l) requires the Successor Agency to prepare a ROPS showing all the obligations of the former Redevelopment Agency and the sources of funds for repaying obligations. The 12th ROPS, covering the period July 1, 2018 through June 30, 2019 ("18-19 period"), must be approved by the Oversight Board and sent to the California State Department of Finance ("DOF") and the County Auditor-Controller no later than February 1, 2018. The Successor Agency may face a fine of $10,000 per day for ROPS submitted after this deadline. The Successor Agency anticipates that the Oversight Board will approve the ROPS during their meeting on January 18, 2018. Distribution of redevelopment property tax revenue will occur on June 1, 2018 and January 2, 2019.

DOF provided the Successor Agency with a partially completed ROPS form to standardize the form and make it consistent with the automated tracking system. DOF continues to make minor annual changes to the ROPS forms and process for submitting the ROPS. The ROPS no longer contains a Prior Period Adjustment tab. Commencing October 1, 2018 and annually thereafter, the differences between actual payments and past estimated and approved obligations on the ROPS shall be submitted by the Successor Agency to the Fresno County Auditor-Controller for review and adjustment to future distributions.

The items on the ROPS are substantially the same as those included on ROPS 17-18. The Successor Agency is requesting a total of $753,068 in Redevelopment Property Tax Trust Fund money to fund ROPS obligations, $487,878 for the first half of the fiscal year and $265,190 for the second half of the fiscal year. The obligations listed on the ROPS include:

- 2014 Refunding Bond Debt Service
- Bond Disclosure Fees
- Successor Agency Employee Costs

Last and Final ROPS

Pursuant to HSC section 34191.6 (a), beginning January 1, 2016, agencies that have received a Finding of Completion may submit a Last and Final ROPS if all the following conditions are met:

1) The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts.

2) All remaining obligations have been previously listed on the ROPS and approved for payment by Finance pursuant to HSC section 34177 (m) or (o).

3) The agency is not a party to outstanding/unresolved litigation, except as specified in HSC section 34191.6 (a) (3).

A Last and Final ROPS will reduce the administrative burden on the Successor Agency and eliminate the need for Oversight Board meetings to approve the ROPS (the Oversight Board will still have to convene to approve property sales). The Successor Agency may consider submitting a Last and Final ROPS, however, the Successor Agency can only amend the Last and Final ROPS twice. RSG suggests that the Successor Agency consider this option once all Property Management Plan properties are sold and the Oversight Board will only meet to approve the ROPS. The last Property Management Plan property was sold in December 2017. Another consideration is that the Successor Agency's administrative allowance may be significantly reduced if a Last and Final ROPS is approved. Although not defined in the law, DOF has in some cases taken the position that each ROPS line item will be allocated a $5,000 administrative allowance. However, there have been other instances wherein they only allowed $5,000 total for multiple obligations listed. A Last and Final ROPS can be approved at any time throughout the year.

Administrative Budget

HSC Section 34177(j) requires the Successor Agency to prepare an Administrative Budget and submit it to the Oversight Board for approval. The Administrative Budget includes the proposed administrative expenditures, including the reclassified items per DOF, for the 2018-19 Fiscal Year. The maximum administrative cost allowance a successor agency can receive is 50 percent of the RPTTF distributed in the prior fiscal year for non-administrative obligations. The ROPS 17-18 had $502,748 in non-administrative obligations. The ROPS 18-19 requests an administrative allowance of $250,000.

Oversight Board Consolidation

As a matter background, oversight boards have broad authority to set administrative budgets, approve the transfer of properties pursuant to a long range property management plan, approve enforceable obligations, and otherwise direct the successor agency to perform activities to wind down the former redevelopment agencies.

The Dissolution Act (specifically Health and Safety Code Section 34179(j-q)), provides that local oversight boards are succeeded by a single Countywide oversight board (with the exception of Los Angeles County, where 5 oversight boards would be created) on July 1, 2018. The Auditor-Controller's office is responsible for coordinating the creation of these new succeeding oversight boards. The next annual ROPS and Administrative Budget prepared by the Successor Agency will be approved by this new Fresno County Oversight Board.

FISCAL IMPACT

Adoption and transmittal of the ROPS is necessary to receive revenue from the Redevelopment Property Tax Trust Fund to fund the Successor Agency's financial obligations from July 1, 2018 through June 30, 2019.

ATTACHMENTS

Attachment 1:

Resolution approving the Recognized Obligation Payment Schedule 2018-19 and Administrative Budget for July 1, 2018 through June 30, 2019.

RESOLUTION NO. 18-04

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2018 THROUGH JUNE 30, 2019 AND THE ADMINISTRATIVE BUDGET FOR JULY 1, 2018 THROUGH JUNE 30, 2019

WHEREAS, the City of Firebaugh has elected to serve as the Successor Agency to the former Firebaugh Redevelopment Agency ("Successor Agency") pursuant to Assembly Bill x1 26 ("AB x1 26" or the "Dissolution Act") as codified in the California Health & Safety Code ("H&SC"); and

WHEREAS, among the duties of successor agencies under the Dissolution Act is the preparation of a recognized obligation payment schedule ("ROPS") for the ensuing twelve-month period for consideration by a local oversight board and California State Department of Finance ("DOF") for purposes of administering the wind-down of financial obligations of the former Redevelopment Agency; and

WHEREAS, as amended by Assembly Bill 1484 ("AB 1484"), the Dissolution Act requires that the proposed ROPS be transmitted to the local oversight board, county auditor-controller, county executive officer, and DOF, after which time the oversight board may approve and transmit the adopted ROPS to DOF and the county auditor-controller for their consideration; and

WHEREAS, the proposed ROPS for the twelve-month period from July 1, 2018 through June 30, 2019 attached hereto as Exhibit "A" has been prepared by staff and consultants consistent with the provisions of the Dissolution Act and in the format made available by DOF; and

WHEREAS, Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare a proposed administrative budget and submit it to the Oversight Board for approval; and

WHEREAS, pursuant to Section 34177(j), the Successor Agency's "Administrative Budget" is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the up-coming twelve-month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and

WHEREAS, the Successor Agency desires to approve ROPS 2018-19 along with the administrative budget for the July 1, 2018 to June 30, 2019, and transmit it to various parties as required by the Dissolution Act and AB 1484.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. **Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. **Approval of ROPS and Administrative Budget.** The Successor Agency hereby approves and adopts the ROPS and Administrative Budget covering the period July 1, 2018 through June 30, 2019, in substantially the form attached hereto as Exhibit A, as required by the Dissolution Act and AB 1484.

Section 3. **Posting; Transmittal to Appropriate Agencies.** The City Manager is hereby authorized and directed to post of copy of the ROPS and Administrative Budget on the City's website and transmit a copy of the ROPS and Administrative Budget to the Oversight Board for their approval and to the offices of the Fresno County Auditor-Controller, the Fresno County Executive Officer, and the State Controller's Office.

PASSED, APPROVED AND ADOPTED at a special meeting of the Successor Agency, on the 17th day of January, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

APPROVED: **ATTEST:**

Felipe Perez, Mayor **Rita Lozano, Deputy City Clerk**

APPROVED AS TO FORM:

JENELL VAN BINDSBERGEN, SUCCESSOR AGENCY COUNSEL

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FIREBAUGH)

I, RITA LOZANO, hereby certify that I am the duly appointed City Clerk of the City of Firebaugh and that the foregoing resolution was duly adopted at a regular meeting of the Successor Agency held on the 17th day of January, 2018.

Rita Lozano
Deputy City Clerk

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE 18-19

AND

ADMINISTRATIVE BUDGET

July 1, 2018 through June 30, 2019

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: Firebaugh

County: Fresno

	Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 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):**	$ 487,878	$ 265,190	$ 753,068
F	RPTTF	362,878	140,190	503,068
G	Administrative RPTTF	125,000	125,000	250,000
H	**Current Period Enforceable Obligations (A+E):**	$ 487,878	$ 265,190	$ 753,068

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

Firebaugh Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
											18-19A (July - December) Fund Sources						18-19B (January - June) Fund Sources					
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 18-19 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19B Total
								$ 12,918,433		$ 753,098	$ -	$ -	$ -	$ 352,878	$ 125,000	$ 477,878	$ -	$ -	$ -	$ 140,190	$ 125,000	$ 265,190
1	Successor Agency Administrative	Admin Costs	7/1/2017	6/1/2018	Employees of Successor	Debtors of Successor Agency	Firebaugh Project	4,325,000	N	$ 250,000					$ 125,000	$ 125,000					$ 125,000	$ 125,000
22	2014 Refunding Bonds Series A	Refunding Bonds Issued After 6/27/12	5/30/2014	12/1/2035	Western Alliance Bank	Refunding of 2005 TABs	Firebaugh Project Area, Firebaugh 86 Annex, Storey Avenue Project, Del Rio	5,604,711	N	$ 156,804				78,402		$ 78,402				78,402		$ 78,402
23	2014 Refunding Bonds Series B	Refunding Bonds Issued After 6/27/12	5/30/2014	12/1/2035	Western Alliance Bank	Refunding of 2005 TABs	Firebaugh Project Area, Firebaugh 86 Annex, Storey Avenue Project, Del Rio	2,877,222	N	$ 342,764				280,976		$ 280,976				61,788		$ 61,788
24	Continuing Disclosure Services	Professional Services	6/16/2014	12/1/2035	A.M. Peche & Associates LLC	Continuing disclosure services associated with the 2014 refunding bonds	Firebaugh Project Area, Firebaugh 86 Annex, Storey Avenue Project, Del Rio	59,500	N	$ 3,500				3,500		$ 3,500						$
25									N	$ -						$ -						$ -
26									N	$ -						$ -						$ -
27									N	$ -						$ -						$ -
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Firebaugh Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances
July 1, 2015 through June 30, 2016
(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 for ROPS 15-16 Actuals (07/01/15 - 06/30/16)	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**
1	**Beginning Available Cash Balance (Actual 07/01/15)**	484,151					237,573	
2	**Revenue/Income (Actual 06/30/16)** RPTTF amounts should tie to the **ROPS 15-16** total distribution from the County Auditor-Controller during June 2015 and January 2016					7,200	403,876	
3	**Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)**	484,151				7,200	516,643	
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 15-16 RPTTF Balances Remaining**	No entry required					-	
6	**Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 + 5)**	$ -	$ -	$ -	$ -	$ -	$ 124,806	

Firebaugh Recognized Obligation Payment Schedule (ROPS 18-19) - Notes July 1, 2018 through June 30, 2019

Item #	Notes/Comments

Firebaugh Recognized Obligation Payment Schedule (ROPS 18-19) - Notes July 1, 2018 through June 30, 2019

Item #	Notes/Comments

FIREBAUGH SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (FISCAL YEAR 2018-19)

External Consultants		
Attorney Costs	$	20,000
Annual Audit	$	6,000
Consultant Costs	$	50,000
	$	76,000
Successor Agency Expenses		
Successor Agency rent and utilities	$	7,500
Successor Agency supplies	$	500
Successor Agency equipment	$	500
Successor Agency publications	$	500
Salaries and Benefits	$	140,000
Internet hosting	$	500
IT support	$	1,000
Travel expenses/seminars	$	500
Risk management/Insurance	$	7,000
	$	158,000
Oversight Board Expenses		
Legal Costs	$	15,000
Materials	$	1,000
	$	16,000
Estimated Grand Total	**$**	**250,000**

FY 2016-7 Administrative Activities	
County correspondence/coordination	Successor Agency Staff, RSG, Legal Counsel
State correspondence/coordination	Successor Agency Staff, RSG, Legal Counsel
Prepare ROPS	Successor Agency Staff, RSG, Legal Counsel
Prepare admin budget	Successor Agency Staff, RSG, Legal Counsel
Oversight Board staff support	Successor Agency Staff, RSG, Legal Counsel
Management of dissolution activities	Successor Agency Staff, RSG, Legal Counsel
Disclosure Services	A.M. Peche
Annual Audit	Bryant Jolley
Manage/monitor finances	Successor Agency Staff,RSG
Agendas/minutes/Brown Act records assistance	Successor Agency Staff