



DATE: January 21, 2020

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Adopt a Resolution Approving the Annual Recognized Obligation Payment Schedule for the Period July 1, 2020 to June 30, 2021 and the Successor Agency Administrative Budget for the Period July 1, 2020 to June 30, 2021

RECOMMENDATION

That the City Council, in its capacity as governing board of the Hayward Successor Agency, adopts a resolution (Attachment II) approving the Recognized Obligation Payment Schedule (ROPS 20-21) for the period July 1, 2020 through June 30, 2021 and the Successor Agency Administrative Budget for the period July 1, 2020 through June 30, 2021.

SUMMARY

All California redevelopment agencies were dissolved on February 1, 2012 by the State of California. As part of the Redevelopment Dissolution Statutes (Assembly Bill x1 26 and AB 1484), the State requires successor agencies to complete various administrative tasks to unwind the affairs of the former redevelopment agencies. One of the requirements is that each Successor Agency prepare, and the Alameda County Oversight Board approves, an annual Recognized Obligation Payment Schedule (ROPS) that establishes the Enforceable Obligations the Agency has for that twelve-month period. The State Department of Finance uses the ROPS to determine the amount of revenue that the Successor Agency will receive. The attached resolution is for the approval of the Hayward Successor Agency's ROPS 2020-2021 and Administrative Budget for Fiscal Year 2020-2021.

BACKGROUND AND DISCUSSION

The intent of this report is to secure approval of the Recognized Obligation Payment Schedule for the period July 1, 2020 through June 30, 2021 (ROPS 2020-2021) and the Fiscal Year 2021 Administrative Budget (Attachments III and IV). Each year, the Successor Agency is required to prepare and submit an Annual ROPS and Administrative Budget and submit them to the Alameda Countywide Oversight Board. Once the Oversight Board approves these items, staff will submit them to the Department of Finance by the February 1, 2020 deadline.

The Hayward Successor Agency ROPS 2020-21 contains the following payments required during July 1, 2020 through June 30, 2021:

- \$3,224,450: The annual repayment for the 2016 Tax Allocation Refunding Bonds and administrative fee. This obligation terminates 3/1/2036.
- \$800,000: The annual payment for the Reentered Repayment Agreement with the City of Hayward. This obligation terminates 1/1/2050.
- \$135,000: The annual legal, staff, and property management costs associated with the property disposition of former Agency-held properties
- \$23,080: The annual property maintenance costs of Cinema Place
- \$250,000: The annual Successor Agency administrative allowance
- \$150,000: The annual Housing Authority administrative cost allowance, per AB 471

Implementation Actions: The accompanying resolution authorizes and directs staff to take all administrative steps on behalf of the Successor Agency to implement upcoming requirements under the Dissolution Act and AB 1484, including providing necessary notices, transmittals, and postings regarding the ROPS and Successor Agency administrative budget.

Environmental Review: The actions set forth in the recommended accompanying resolution, as summarized above, are exempt under Guideline 15378(b)(4) of the California Environmental Quality Act (CEQA) in that the actions do not constitute a “project,” but instead are required to continue a governmental funding mechanism for enforceable obligations of the former Redevelopment Agency and to perform the statutorily mandated unwinding of the assets, liabilities, and functions of the former Redevelopment Agency pursuant to the Dissolution Act.

FISCAL IMPACT

The Successor Agency has ongoing enforceable obligations to pay. Approval of ROPS 2020-2021 facilitates the ability of the Successor Agency to continue to pay for these obligations. In addition, the Successor Agency’s administrative budget facilitates the Agency’s receipt of the funds to which it is entitled under the Dissolution Act and AB 1484 to implement its administrative responsibilities.

NEXT STEPS

Following the Alameda Countywide Oversight Board’s approval, staff will submit the ROPS and Administrative Budget to the Department of Finance (DOF) by the February 1 deadline for approval. The DOF then has an opportunity to review and object to any items on the ROPS or request additional documentation. If any items on the ROPS 2020-2021 are challenged, the Successor Agency will have an opportunity to request a meet and confer session with the DOF. All DOF meet and confer determinations must be made fifteen days prior to June 1, 2020,

which is when the Successor Agency will receive the first disbursement of tax increment funds approved pursuant to the ROPS 2020-2021.

Prepared and Recommended by: Mary Thomas, Management Analyst

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager