



## **CITY COUNCIL/SUCCESSOR AGENCY REPORT**

**7E**

**DATE: JANUARY 21, 2020**

**TO: MAYOR AND COUNCIL MEMBERS/SUCCESSOR AGENCY  
GOVERNING BOARD**

**FROM: ANDREA MILLER, FINANCE DIRECTOR**

**SUBJECT: ADOPT A RESOLUTION APPROVING THE RECOGNIZED  
OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2020 – JUNE 30,  
2021 (ROPS 20-21) FOR THE PINOLE SUCCESSOR AGENCY IN  
THE AMOUNT OF \$3,603,904**

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### **RECOMMENDATION**

Adopt a resolution approving the Recognized Obligation Payment Schedule for the period July 1, 2020 through June 30, 2021 (ROPS 20-21) for the Pinole Successor Agency in the amount of \$3,603,904.

### **BACKGROUND**

The City of Pinole became the Successor Agency to the former Pinole Redevelopment Agency (Agency) following the dissolution of redevelopment in California on February 1, 2012 through ABX1 26. The Successor Agency is responsible for winding down and paying off the debts of the former Agency.

The Pinole Successor Agency is required to prepare a Recognized Obligation Payment Schedule (ROPS) for each twelve-month fiscal period. The documents must be approved by the Countywide Oversight Board of Contra Costa County and submitted to the California Department of Finance in order for the Pinole Successor Agency to receive property tax increment revenue to pay down approved enforceable obligations and administrative costs.

The Pinole Successor Agency requests the City Council's adoption of the attached resolution approving the ROPS for the period of July 1, 2020 through June 30, 2021. The Countywide Oversight Board will approve the ROPS by resolution on January 27, 2020.

### **REVIEW & ANALYSIS**

The enclosed ROPS document is a listing of the minimum amounts that are required (scheduled) to be paid by the Pinole Successor Agency during the twelve-month period of July 1, 2020 through June 30, 2021 and includes the identification of a

proposed funding source for payment of the existing enforceable obligations. This schedule must be reviewed and approved by the County Oversight Board prior to submission to the State Department of Finance (DOF) for final confirmation.

The DOF requires that residual/surplus funding from prior ROPS available within the Successor Agency's RPTTF Accounts, must be applied as an offset for additional distributions from the County Auditor-Controller. There is not a residual surplus at June 30, 2018 from the ROPS 17-18 funding period to apply to the ROPS 20-21 (refer to "Report of Cash Balances"), as a result, staff is requesting the full amount of \$3,603,904 for the ROPS 20-21 funding period.

### **ANNOTATED DESCRIPTIONS OF ROPS ENFORCEABLE OBLIGATIONS**

<b>Item #</b>	<b>Liability Description</b>
7	Trustee Fees for "Paying & Dissemination Agent" activities are billed and paid annually.
20	This agreement provides for loan servicing for both commercial real estate and business assistance promissory notes related to property rehabilitation and business retention remitted on a monthly basis.
21	The tax-exempt status of the Tax Allocation Bonds requires routine reporting of interest earnings on the reserve account investments to the federal Internal Revenue Service. The individual reports (and if necessary Tax Filings) are scheduled for preparation approximately every other month throughout the fiscal year.
24	This agreement provides for the administration of a Reciprocal Easement Agreement used for common area maintenance and capital improvement reimbursements related to the Restaurant Phase of the Pinole Vista Crossings Shopping Center. The cost of this agreement is funded by the property owners and does not require funding through RPTTF "pledged revenues" generated within the boundaries of the former Redevelopment Project Areas.
26	Specific provisions of the Indentures for the outstanding Tax Allocation Bonds require continuous disclosure of financial information (property taxation assessment values, tax collection amounts and analysis of the potential tax loss exposures from Assessment Appeals by property owners) related to the pledged revenue tax base annually, as long as there are unpaid bonds outstanding. This tax consultant prepares a comprehensive report annually, with one subsequent assessment modification Addendum and two Assessment Appeals Status Report updates.
27	Both a Financial Statement Audit of the Successor Agency and certifications of financial Continuing Disclosure Information (required by Bond Indentures) will be completed annually (each December) by the City's External Auditor, as was the former Redevelopment Agency's past practice.

31	<p>Payroll cost allocations for City Staff assigned to complete the close-out/dissolution activities of the Successor Agency, are as follows:</p> <ol style="list-style-type: none"><li>1. City Manager (Meeting Preparation and General Administration)</li><li>2. Asst. City Manager (Real Property and Infrastructure Asset disposal)</li><li>3. Finance Director (Financial Reporting and Disbursement of Funds for settlement/liquidation of Enforceable Obligations)</li><li>4. City Clerk (Meeting Agenda Preparation, Recordation of Successor Agency actions, Document Retention)</li></ol>
33	<p>Legal/Attorney Support Services will continue to be provided to guide and assist the Successor Agency Staff and Oversight Board in completing the dissolution duties. Support activities related to the general administrative functions of the Oversight Board will be included in the Administrative Cost Budget; however, legal support duties related to the disposal of specific assets will be recouped through escrow settlements and taken from the sale proceeds of real and tangible personal property.</p>
37	<p>The State Department of Finance (DOF) has recognized but deferred funding for repayment of short-term borrowing of funds from the Housing Set-Aside Accounts of the former Redevelopment Agency to comply with mandatory statutory property tax increment transfers to the Supplemental Educational Revenue Augmentation Fund (SERAF) in fiscal years 2009-10 and 2010-11. Repayment for these loans is authorized for funding by DOF beginning in the 2014-15 fiscal year; however, an initial repayment of this EO is not recommended by Successor Agency Staff, at this time.</p>
45-46	<p>Semi-annual Tax Allocation Bond principle and interest payable August 1, 2019 and February 1, 2020. Outstanding principal will be fully amortized to the following schedule:</p> <ol style="list-style-type: none"><li>a. 2015A Tax Allocation Refunding Bond (Tax-Exempt) through August 2023</li><li>b. 2015B Tax Allocation Refunding Bond (Taxable) through August 2020</li></ol>

### **FISCAL IMPACT**

Staff anticipates there will be sufficient funding available in the Redevelopment Property Tax Trust Fund (RPTTF) Account held by the Contra Costa County Auditor-Controller to fully fund all Enforceable Obligations identified for the ROPS 20-21 authorization period.

**ATTACHMENTS**

A – Resolution

B – Recognized Obligation Payment Schedule “20-21” July 1, 2020 –  
June 30, 2021, Pinole Successor Agency

**RESOLUTION NO. 2020-xx**

**RESOLUTION OF THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF PINOLE, APPROVING  
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)  
FOR JULY 1, 2020 THROUGH JUNE 30, 2021**

**WHEREAS**, Assembly Bill x1 26 ("ABx1 26") was passed by the California State Legislature, signed by the Governor, and has been codified as part 1.8 of Division 24 of the California Health and Safety Code, commencing with Section 34161; and

**WHEREAS**, AB 26 requires successor agencies to continue to make all scheduled payments for enforceable obligations of their predecessor redevelopment agencies; and

**WHEREAS**, pursuant to HSC section 34179.7(o)(1), commencing with the ROPS covering the period from July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an Oversight Board approved annual ROPS to the State Department of Finance and the County Auditor-Controller by February 1, 2016 and each February 1 thereafter; and

**WHEREAS**, the annual ROPS listing of obligations must include information for each obligation including:

- A. The payee,
- B. Project description and scope of work, product, or service for which payment is to be made,
- C. Total outstanding debt or obligation,
- D. Payment amount obligated to be made for the next 12-month accounting period,
- E. The funding source for payment of listed enforceable obligation; and

**WHEREAS**, the City Finance Director has prepared the required ROPS, for review by the Pinole Successor Agency prior to submitting to the County Oversight Board.

**NOW THEREFORE, BE IT RESOLVED** that the Governing Board of the Successor Agency of the Redevelopment Agency of the City of Pinole does hereby resolve that the Recognized Obligation Payment Schedule for the period July 1, 2020 through June 30, 2021, herein provided as Attachment B, is hereby approved.

**PASSED AND ADOPTED** at a regular meeting of the Governing Board of the Successor Agency to the Redevelopment Agency of the City of Pinole held on the 21<sup>st</sup> day of January 2020 by the following vote:

AYES:	BOARDMEMBERS:
NOES:	BOARDMEMBERS:
ABSENT:	BOARDMEMBERS:
ABSTAIN:	BOARDMEMBERS:

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Heather Iopu, CMC  
City Clerk

**Recognized Obligation Payment Schedule (ROPS 20-21) - Summary**  
**Filed for the July 1, 2020 through June 30, 2021 Period**

**Successor Agency:** Pinole

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>20-21A Total (July - December)</b>	<b>20-21B Total (January - June)</b>	<b>ROPS 20-21 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 3,337,554</b>	<b>\$ 266,350</b>	<b>\$ 3,603,904</b>
F RPTTF	3,211,714	142,190	3,353,904
G Administrative RPTTF	125,840	124,160	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 3,337,554</b>	<b>\$ 266,350</b>	<b>\$ 3,603,904</b>

**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

Pinole  
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail  
July 1, 2020 through June 30, 2021

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$20,280,014		\$3,603,904	\$-	\$-	\$-	\$3,211,714	\$125,840	\$3,337,554	\$-	\$-	\$-	\$142,190	\$124,160	\$266,350
7	Bond Indenture Agreements	Fees	09/01/2004	08/01/2023	US Bank, National Trust	Trustee, Paying Agent & Dissemination Agent Fees for Bond Indentures	Pinole Vista	11,610	N	\$4,455	-	-	-	2,200	-	\$2,200	-	-	-	2,255	-	\$2,255
20	Housing & Non-housing Professional Services Agreement	Fees	04/03/2007	06/30/2021	AmeriNation Community Services	Monthly loan processing service for outstanding redvelopment loans to both individuals and business entities	Pinole Vista	13,255	N	\$900	-	-	-	450	-	\$450	-	-	-	450	-	\$450
21	Bond Indenture Professional Service Agreement	Fees	09/01/2004	08/01/2023	BLX Group, LLC Inc.	Income Tax Arbitrage Analysis and IRS Tax Filing for Indenture Reserve Investment Accounts	Pinole Vista	28,000	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
24	Pinole Vista Restaurant Phase Consulting Services Agreement	Professional Services	12/19/2008	12/13/2025	Shelter Bay Retail Group	Consulting Services for Financial Management for Restaurant Development Project	Pinole Vista	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
26	Financial Reporting Services Bond Indentures	Fees	09/27/1999	08/01/2023	HdL Coren & Cone	Property Tax consulting/ advisory services related to pledged revenue property assessments	Pinole Vista	37,417	N	\$8,500	-	-	-	4,250	-	\$4,250	-	-	-	4,250	-	\$4,250

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
27	Financial Reporting Services Bond Indentures	Admin Costs	05/16/2018	06/30/2022	Badawi Associates, CPA's	Auditing services for Continuing Financial Disclosure required by Bond Indentures	Pinole Vista	1,680	N	\$1,680	-	-	-	-	1,680	\$1,680	-	-	-	-	-	\$-
31	Successor Agency Administrative Cost Allowance	Admin Costs	07/01/2018	06/30/2021	City of Pinole	Payroll Cost Allocations for Administrative Staff Support of the Pinole Successor Agency	Pinole Vista	238,320	N	\$238,320	-	-	-	-	119,160	\$119,160	-	-	-	-	119,160	\$119,160
33	Legal/Attorney Support Services Agreement	Admin Costs	07/01/2018	06/30/2021	Meyers, Nave, Riback, Silver & Wilson	Legal/ Attorney Support Services	Pinole Vista	10,000	N	\$10,000	-	-	-	-	5,000	\$5,000	-	-	-	-	5,000	\$5,000
37	Short-term Borrowing Agreement	SERAF/ ERAF	02/16/2010	06/30/2021	City of Pinole	Repayment of SERAF payments (2009-10 & 2010-11) to State of California funding by Housing Set-Aside Fund	Pinole Vista	4,291,575	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
45	Pinole Vista Redevelopment Project 2015A Tax Allocation Refunding Bond (Tax Exempt)	Refunding Bonds Issued After 6/27/12	08/06/2015	08/01/2023	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	15,268,769	N	\$2,960,661	-	-	-	2,825,426	-	\$2,825,426	-	-	-	135,235	-	\$135,235
46	Pinole Vista Redevelopment Project 2015B Tax Allocation Refunding Bond (Taxable)	Refunding Bonds Issued After 6/27/12	08/06/2015	08/01/2020	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	379,388	N	\$379,388	-	-	-	379,388	-	\$379,388	-	-	-	-	-	\$-



**Pinole**  
**Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances**  
**July 1, 2017 through June 30, 2018**  
 (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.							
A	B	C	D	E	F	G	H
	ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount.					1,585,895	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller				102,174	3,047,053	Other Funds=Loan repayments and interest earned.
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)				2,244	4,480,652	Other Funds=Loan payment administrative fees
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$99,930	\$152,296	

**Pinole**  
**Recognized Obligation Payment Schedule (ROPS 20-21) - Notes**  
**July 1, 2020 through June 30, 2021**

Item #	Notes/Comments
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20	This continues to be an ongoing obligation of the former Redevelopment Agency that was previously approved and later denied.
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