

SUPPLEMENTAL INFORMATION

AGENDA ITEM XIII.1

Revised Staff Report, Resolution and ROPS Schedule

01/14/20

**THE CITY OF HERCULES AS SUCCESSOR AGENCY TO THE HERCULES
REDEVELOPMENT AGENCY**

DATE: January 14, 2020

TO: The City of Hercules as Successor Agency to the Hercules
Redevelopment Agency

SUBMITTED BY: David Biggs, City Manager/Executive Director
Edwin Gato, Director of Finance

SUBJECT: Recognized Obligation Payment Schedule for the period of July 1, 2020
through June 30, 2021 (ROPS 20-21A and ROPS 20-21B)

RECOMMENDED ACTION:

Adopt a resolution approving the Recognized Obligation Payment Schedule for the period July 1, 2020 through June 30, 2021 (ROPS 20-21A and ROPS 20-21B).

DISCUSSION:

Health and Safety Code Section 34177 requires that Successor Agencies must, amongst other things, prepare a Recognized Obligation Payment Schedules (ROPS) for each upcoming **fiscal year**. A ROPS is the document that sets forth the **maximum** payment amounts and due dates of payments required by enforceable obligations. Enforceable obligations are defined in **Health and Safety Code** Section 34171(d) and include the payment of bonds and loans, payments required by the federal government, judgments or settlements, any legally binding agreement or contract, and contracts or agreements necessary for the administration or operation of the successor agency.

Health & Safety Code section 34177(1) requires successor agencies to submit the ROPS **to a Countywide Oversight Board and** State of California Department of Finance (**DOF**) for approval. Successor Agencies submit the **ROPS to DOF through DOF's website**.

The ROPS template used for the ROPS 20-21 includes the following worksheets:

1. **Recognized Obligation Payment Schedule Summary**
2. **Recognized Obligation Payment Schedule – ROPS Detail** - This worksheet includes a section for ROPS 20-21 A (July 1, 2020 through December 31, 2020) and a section for ROPS 20-21 B (January 1, 2021 through June 30, 2021).
3. **Recognized Obligation Payment Schedule – Report of Cash Balances**
4. **Recognized Obligation Payment Schedule – Notes**

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Highlights for ROPS 20-21

Hercules ROPS 20-21 requests \$62,012,226 in obligations from Redevelopment Property Tax Trust Funds (RPTTF). The bulk of the request is a \$50,496,029 loan repayment owed under a Cooperation Agreement between the City and former Redevelopment Agency. The City advanced funds to the Redevelopment Agency between fiscal years 1984-85 to 2010-11 for various redevelopment projects including but not limited to library, park and wastewater improvements. The loan repayment was previously denied by DOF and is pending litigation. Hercules has requested the \$50 million loan repayment on the ROPS 20-21 to preserve its rights under the litigation.

The remaining \$11,516,197 in obligations are enforceable obligations previously approved by DOF. They consist of bond debt service (\$8.23 million), payments owed to third parties pursuant to various agreements entered into prior to dissolution (\$3.01 million), and an administrative cost allowance (\$250,000).

The ROPS 20-21 Report of Cash Balance worksheet shows the Redevelopment Property Tax Trust Fund (RPTTF) money received for ROPS 17-18 (July 1, 2017 through June 30, 2018), which totals \$10,167,964 and was fully expended.

The Recognized Obligation Payment Schedule (ROPS) are posted on the City of Hercules website (www.ci.hercules.ca.us).

ATTACHMENTS:

1. Resolution approving the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2020 through June 30, 2021
2. ROPS **20-21**

Deleted: Included on the ROPS 19-20 is the Summary worksheet which includes ROPS 20-21A and ROPS 20-21B. Enforceable Obligations for ROPS 20-21A is \$57,646,589. Details of the amounts for ROPS 20-21A are on the ROPS Detail worksheet. The bulk of the request is a \$50,496,029 loan repayment owed under a Cooperation Agreement between the City and former Redevelopment Agency. The advances were made between fiscal years 1984-85 and 2010-11 for various redevelopment projects including but not limited to library, park and wastewater improvements. Its repayment is subject to review and approval by the Department of Finance. ¶

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Also, included on the ROPS 20-21 Summary worksheet is ROPS 20-21B. Enforceable Obligations for ROPS 20-21B is \$4,495,637. Details of the amounts for ROPS 20-21B are on the ROPS Detail worksheet. ¶

RESOLUTION NO.

THE CITY OF HERCULES AS SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021 (INCLUDES ROPS 20-21A AND ROPS 20-21B)

WHEREAS, on December 29, 2011, the California Supreme Court issued its final decision in the litigation of *California Redevelopment Association v. Matosantos*, upholding Assembly Bill x1 26 (codified as Health and Safety Code 34161-34191) (“ABx1 26”) and invalidating Assembly Bill x1 27 (the legislation that would have permitted redevelopment agencies to continue operation if their sponsoring jurisdiction agreed to make certain payments for the benefit of schools and special districts); and as a result, all California redevelopment agencies were dissolved, effective February 1, 2012; and

WHEREAS, pursuant to Health and Safety code 34173(d), on January 10, 2012 by Resolution No 12-005, the Council of the City of Hercules elected to become the Successor Agency to the Hercules Redevelopment Agency (“Agency”) (Non housing); and

WHEREAS, California Health and Safety Code section 34179 requires that each Successor Agency have an Oversight Board; and

WHEREAS, Section 34177 requires each Successor Agency to prepare a draft Recognized Obligation Payment Schedule (ROPS) and section 34180 requires the Oversight Board to approve same; and

WHEREAS, Section 34177 provides that each ROPS shall be forward looking to the next **fiscal year**; and

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WHEREAS, on June 27, 2012 AB 1484 was approved by the Governor of California and AB 1484 (Section 34177) (m) states that the Recognized Obligation Payment Schedule shall be submitted by the successor agency, after approval by the oversight board to the State of California Department of Finance.

NOW, THEREFORE, BE IT RESOLVED that the City of Hercules as Successor Agency to the Hercules Redevelopment Agency, hereby finds and determines:

- (1) Approval of the ROPS for the period July 1, 2020 through June 30, 2021 (ROPS 20-21) attached hereto as Exhibit A.
- (2) Successor Agency staff is directed to provide a copy of this Resolution along with the approved draft ROPS to the Contra Costa County County-Wide Oversight Board, County Auditor Controller, the State Controller’s Office and the State Department of Finance.

The foregoing Resolution was duly and regularly adopted by the City of Hercules as Successor Agency to the Hercules Redevelopment Agency at its meeting held on the fourteenth day of January, 2020 by the following:

AYES:

NOES:

ABSENT:

ABSTAIN:

Roland Esquivias, Chair

ATTEST:

Lori Martin, City Clerk / Administrative Services Director

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

Successor Agency: Hercules

County: Contra Costa

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 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)	\$ 57,646,589	\$ 4,365,637	\$ 62,012,226
F RPTTF	57,521,589	4,240,637	61,762,226
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 57,646,589	\$ 4,365,637	\$ 62,012,226

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

Hercules
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	
								\$325,765,029		\$62,012,226	\$-	\$-	\$-	\$57,521,589	\$125,000	\$57,646,589	\$-	\$-	\$-	\$4,240,637	\$125,000	\$4,365,637
1	2005 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	08/05/2005	08/05/2036	Bank of New York	Bonds issued to fund non-housing projects	All	45,368,024	N	\$3,146,074	-	-	-	2,383,336	-	\$2,383,336	-	-	-	762,738	-	\$762,738
2	2007 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/20/2007	12/20/2044	Bank of New York	Bonds issued to fund non-housing projects	All	81,356,895	N	\$3,358,950	-	-	-	2,235,716	-	\$2,235,716	-	-	-	1,123,234	-	\$1,123,234
3	2007 Tax Allocation Bonds Housing(A)	Bonds Issued On or Before 12/31/10	07/26/2007	07/26/2034	Bank of New York	Affordable Housing Bonds	All	13,928,566	N	\$1,003,794	-	-	-	731,072	-	\$731,072	-	-	-	272,722	-	\$272,722
4	2007 Tax Allocation Bonds Housing(B)	Bonds Issued On or Before 12/31/10	07/26/2007	07/26/2034	Bank of New York	Affordable Housing Bonds	All	10,323,040	N	\$739,988	-	-	-	566,825	-	\$566,825	-	-	-	173,163	-	\$173,163
5	Catellus/ Hercules LLC	OPA/DDA/ Construction	01/01/2009	02/15/2044	Catellus	Settlement Agreement	All	61,112,190	N	\$2,157,611	-	-	-	1,037,611	-	\$1,037,611	-	-	-	1,120,000	-	\$1,120,000
6	AMBAC Settlement	Litigation	03/23/2012	12/31/2099	AMBAC	Settlement Obligation	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
10	OPA (Owner Participation Agreement)	OPA/DDA/ Construction	11/15/1996	11/15/2041	Hercules Senior Housing/ Bridge	OPA for Senior Housing	All	2,730,000	N	\$130,000	-	-	-	65,000	-	\$65,000	-	-	-	65,000	-	\$65,000
12	Lease of Commercial Space	Business Incentive Agreements	04/05/2002	07/01/2017	Emmerich	Rent for commercial space	All	710,604	N	\$710,604	-	-	-	-	-	\$-	-	-	-	710,604	-	\$710,604
13	Lease of Commercial Space	Business Incentive Agreements	10/01/2007	09/20/2012	Montoya	Rent for commercial space	All	13,176	N	\$13,176	-	-	-	-	-	\$-	-	-	-	13,176	-	\$13,176
16	Co-operation Agreement: Loan Repayment Agreement for Cash Advances	Miscellaneous	02/09/1983	12/31/2099	City of Hercules	Hercules Resolution 83-18 dated 02/09/1983	All	50,496,029	N	\$50,496,029	-	-	-	50,496,029	-	\$50,496,029	-	-	-	-	-	\$-
20	Bank and Trustee Fees	Fees	08/01/2005	12/31/2044	Various	Bank and trustee fees for Redevelopment	All	21,500	N	\$6,000	-	-	-	6,000	-	\$6,000	-	-	-	-	-	\$-

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	
						bond and bank accounts																
21	SERAF	SERAF/ERAF	07/01/2009	06/30/2011	State of California	NONE	All	6,020,951	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
22	Administrative Costs	Admin Costs	07/01/2010	06/30/2099	Various	NONE	All	6,000,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
25	2005 Tax Allocation Bonds	Reserves	08/05/2005	08/05/2036	AMBAC Surety Bond	Bonds issued to fund non-housing projects	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
26	2007 Tax Allocation Bonds	Reserves	12/20/2007	12/20/2044	AMBAC Surety Bond	Bonds issued to fund non-housing projects	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
27	2007 Tax Allocation Bonds Housing (A)	Reserves	07/26/2007	07/26/2034	Assured Guaranty	Affordable Housing Bonds	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
28	2007 Tax Allocation Bonds Housing (B)	Reserves	07/26/2007	07/26/2034	Assured Guaranty	Affordable Housing Bonds	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
29	Review of RDA performed by State Controllers Office	Miscellaneous	08/01/2011	08/01/2099	State Controllers Office	Review of RDA Gov. Code Sec 12464(a)	All	56,198	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
30	WestCat-Hercules Transit Center	Property Maintenance	10/10/2017	10/10/2017	BART	Maintenance Reimbursement Transit Center	All	307,813	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
31	Debt Service Reserve	Reserves	08/05/2005	08/05/2036	Bank of New York	Retain reserve for anticipated shortfall for bond debt service in the next six-month ROPS period		47,320,043	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

Hercules
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.	1,487,547				-	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller	114,167				10,167,964	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)					10,167,964	
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)	1,601,714					
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)	\$-	\$-	\$-	\$-	\$-	

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

Item #	Notes/Comments
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