

# COUNTY-WIDE SUCCESSOR AGENCY OVERSIGHT BOARD OF THE COUNTY OF YOLO

## Staff Report – Item 6

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**TO:** County-Wide Successor Agency Oversight Board of the County of Yolo

**FROM:** Paul Blumberg, Public Finance Manager, West Sacramento Redevelopment Successor Agency

**SUBJECT:** Consideration of Oversight Board Resolution 2019-02 Approving the Recognized Obligation Payment Schedule (ROPS) for the West Sacramento Redevelopment Successor Agency for Fiscal Year 2019-20

**DATE:** January 29, 2019

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### **OBJECTIVE:**

Approve West Sacramento Redevelopment Successor Agency Fiscal Year 2019-20 Recognized Obligation Payment Schedule (2019-20 ROPS) for the period of July 1, 2019 through June 30, 2020

### **RECOMMENDATIONS:**

It is respectfully recommended that the County-Wide Oversight Board adopt OB Resolution 2019-02, approving the Fiscal Year 2019-20 Recognized Obligation Payment Schedule (ROPS) covering the period of July 1, 2019 through June 30, 2020, and direct staff to transmit the Fiscal Year 2019-20 ROPS to the Yolo County Auditor-Controller (part of the County Chief Financial Officer role), the State Department of Finance (DOF), and the State Controller's Office

### **BACKGROUND & DISCUSSION:**

The ROPS serves as both a budget for the Successor Agency and an "invoice" between the Successor Agency and the Yolo County Auditor-Controller, which determines how much property tax will be released by the County to the Successor Agency. Beginning July 1, 2016, the ROPS was established to budget on a full fiscal year basis, consistent with the City's fiscal year process. The Successor Agency will prepare an annual fiscal year ROPS payment schedule until debts and obligations of the Redevelopment Agency are retired, which is currently until March 2037.

The proposed ROPS 2019-20 referenced in OB Resolution 2019-02 includes payments that will be funded by the June 2019 and January 2020 disbursement of property tax revenue by the County from the Redevelopment Property Tax Trust Fund (RPTTF). As required by the State DOF ROPS procedures, the 2019-20 ROPS must be approved by the Oversight Board and submitted to the State and County

Auditor-Controller no later than February 1, 2019. After that date, the DOF has until April 15, 2019 to review and approve the payment schedule; however, staff is reasonably confident that these payments have been vetted with the DOF and should be approved without undue delay and/or modifications.

The sources of funding for the ROPS continues to include three categories: 1) the RPTTF funding sources; 2) non-RPTTF sources including bond proceeds and reserve balances; and 3) other funds (e.g., proceeds from the sale of property). The 2019-20 ROPS continues to include an administrative allowance to compensate successor agencies for the costs associated with dissolving the Redevelopment Agency. This allowance is based on the total amount of enforceable obligations that were paid from the RPTTF in the previous fiscal year, but not more than \$250,000.

It should be noted that “Other Funding Sources” includes a settlement payment made to the Successor Agency by River City Baseball, associated with settlement of an appeal of the Raley Field ballpark assessed valuation. The settlement of the appeal resulted in a reimbursement for past payments made to River City Baseball under the Local Baseball Agreement.

The ROPS numbering system includes gaps due to the deletion of past enforceable obligations that were either denied or retired. The remaining obligations have not been renumbered so the original item number is shown with non-consecutive numbering. Twenty-four (24) past ROPS items have been removed from the template or remain shown but are inactive, leaving a total of thirteen (12) active enforceable obligations.

The following table summarizes the proposed 2019-20 ROPS attached to OB Resolution 2019-02 that staff is recommending for approval at the Oversight Board meeting.

Total enforceable obligations for 2019-20 period	\$ 9,067,375.39
<u>Administrative Allowance</u>	<u>\$ 250,000.00</u>
Total obligations (for twelve-month period)	\$ 9,317,375.39

**ANALYSIS**

The following summarizes active enforceable obligations:

Item	Payee	Description	End date
3	Union Bank	Series 2004 (B) Tax Allocation Bonds	9-1-2019
6	Various	Post-bond issuance compliance	2037
7	Raley’s Corp	Raley’s Landing Owner Participation Agreement	2037
9	River City Baseball	Local Baseball Agreement – Raley Field	2037
10	RMC Pacific	Cemex rail relocation agreement	11-20-2027
12	River City Baseball	CFD 12 special tax reimbursements	9-1-2029
15	WSAFCA	Flood assessments Successor Agency property	N/A

24	City of West Sacramento	City administrative expenses	N/A
29	Union Bank	Series 2014 Refunding Bonds	9-1-2029
33	Union Bank	Series 2014 Subordinate Refunding Bonds	9-1-2035
36	Union Bank	Series 2016 Subordinate Tax Refunding Bonds	9-1-2036

Legislative changes enacted as of January 1, 2016 establish specific timelines for the adoption and submittal of the annual ROPS well in advance of the next fiscal year in order to allow the DOF substantial time to complete their reviews and to authorize the respective county auditors-controllers to make specific RPTTF distribution amounts to the Successor Agencies. Pursuant to Health and Safety (H&S) Code Section 34177(o)(1), commencing with the ROPS covering the period from July 1, 2019 to June 30, 2020 and thereafter, agencies shall submit an Oversight Board approved annual ROPS to the State by February 1st. The ROPS must identify the source of payment for each such obligation from among various sources, including the RPTTF, bond proceeds, reserve balances, the administrative cost allowance, and other sources. As noted above, the RPTTF, established by the County Auditor-Controller, is the primary source of funding for the 2019-20 ROPS.

The ROPS must be submitted concurrently to the County Auditor-Controller, the State DOF, and the State Controller's Office. The draft ROPS must also be submitted to these same entities at the time the document is transmitted to the Oversight Board, but in draft form. In addition, DOF requires that the draft ROPS be submitted electronically to check for errors prior to approval by the Oversight Board. Once the error free ROPS is approved by the Oversight Board, the approved ROPS must be posted on the Successor Agency's website and transmitted to the County Auditor-Controller, the State Controller and the State DOF.

Attachments:

- A. Resolution 2019-02
- B. West Sacramento ROPS 19-20