



MEMORANDUM

TO: BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE DISSOLVED ARROYO GRANDE REDEVELOPMENT AGENCY

BY: NICOLE VALENTINE, ACCOUNTING MANAGER

SUBJECT: CONSIDERATION OF ADOPTION OF A RESOLUTION APPROVING THE ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2020-21 AND ADOPTION OF A RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (“ROPS”) FOR FISCAL YEAR 2020-21

DATE: JANUARY 14, 2020

SUMMARY OF ACTION:

Adoption of the Resolutions will allow the Administrative Budget and Recognized Obligation Payment Schedule (ROPS) for Fiscal Year 2020-21 to be forwarded to the County Oversight Board for approval.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Approval of the Administrative Budget allows the Successor Agency to receive reimbursement for its administrative costs in the amount of \$30,000. The preparation and submittal of ROPS 2020-21 is for the purpose of allowing the Successor Agency to pay its enforceable payment obligations for the period from July 1, 2020 through June 30, 2021.

RECOMMENDATION:

It is recommended that the Board of Directors of the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency: 1) adopt a Resolution approving the Administrative Budget for the period July 1, 2020 through June 30, 2021; and 2) adopt a Resolution approving an Annual Recognized Obligation Payment Schedule (“ROPS”) for the fiscal period from July 1, 2020 through June 30, 2021, pursuant to Health and Safety Code Section 34177 and taking certain related actions.

BACKGROUND:

The Department of Finance requires that by February 1, 2020, Successor Agencies must provide the Department of Finance with Recognized Obligation Payment Schedules (“ROPS”) covering the period of July 1, 2020 through June 30, 2021. The ROPS must first be approved by the County Oversight Board. The Department of Finance will then have forty-five days to review the ROPS, and to object to any items that do not meet the definition of an Enforceable Obligation.

**SUCCESSOR AGENCY TO THE DISSOLVED ARROYO GRANDE REDEVELOPMENT AGENCY
CONSIDERATION OF ADOPTION OF A RESOLUTION APPROVING THE ADMINISTRATIVE BUDGET FOR THE FISCAL YEAR 2019-20 AND ADOPTION OF A RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE FISCAL YEAR 2019-20
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Previously, the annual ROPS were reviewed and approved by Arroyo Grande's Oversight Board; however, pursuant to Health & Safety Code Section 34179(j), commencing July 1, 2018, all Oversight Boards in the County of San Luis Obispo have been replaced by one Countywide Oversight Board managed by the County.

ANALYSIS OF ISSUES:

At this time, the Successor Agency is being asked to approve the Administrative Budget for the period July 1, 2020 through June 30, 2021 and to approve the annual ROPS for submittal to the County Oversight Board.

Below is an explanation of each of the debt items listed on the July 1, 2020 through June 30, 2021 ROPS:

1. **2018 Tax Allocation Bonds** – The 2007 Bonds were refinanced in 2018 for a debt service savings of \$1,179,681 net of all costs of issuance. The 2018 Bonds in the amount of \$5,305,000 were issued to repay funds that had been borrowed from internal funds for start-up costs for the Redevelopment Agency and to fund new economic development and affordable housing projects. This is a 30-year debt and the last payment is due on September 1, 2037.
2. **Administrative Costs** – Per ABX1 26, the Successor Agency is eligible to receive an "administrative cost allowance" for reimbursement of the Successor Agency's administrative costs. The amount of \$30,000 is the estimated amount needed for the next fiscal year of reimbursable administrative costs. Staff has included the Administrative Budget for Oversight Board approval.
3. **2018 Tax Allocation Bond Fees** – This is the fiscal agent fee of \$2,000 per year that is charged by Wells Fargo Bank.

ALTERNATIVES:

The following alternatives are provided for the Board's consideration:

1. Proceed with the adoption of the Resolution approving the Administrative Budget and the Resolution approving the ROPS for the period July 1, 2020 through June 30, 2021 for submittal to the County Oversight Board;
2. Do not proceed with the adoption of the Resolution approving the Administrative Budget or the Resolution approving the ROPS for the period July 1, 2020 through June 30, 2021; or
3. Provide other direction to staff

**SUCCESSOR AGENCY TO THE DISSOLVED ARROYO GRANDE REDEVELOPMENT AGENCY
CONSIDERATION OF ADOPTION OF A RESOLUTION APPROVING THE ADMINISTRATIVE BUDGET FOR THE FISCAL YEAR 2019-20 AND ADOPTION OF A RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE FISCAL YEAR 2019-20
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ADVANTAGES:

Approving the Administrative Budget and the ROPS will allow the documents to be forwarded to the County Oversight Board for approval.

DISADVANTAGES:

No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

RESOLUTION NO. SA-2020-XXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE DISSOLVED ARROYO GRANDE REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2020-21

WHEREAS, Health and Safety Code Section 34177 prescribes the duties of successor agencies; and

WHEREAS, pursuant to Health and Safety Code Section 34177(j), the Successor Agency must prepare a proposed Administrative Budget and submit it to the County Oversight Board for approval; and

WHEREAS, the Administrative Budget for the period of July 1, 2020 through June 30, 2021, has been presented to the Board of Directors of the Successor Agency for its consideration at a regular meeting of the Successor Agency held on January 14, 2020.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency as follows:

1. The foregoing recitals are true, correct and incorporated herein and made a part hereof.
2. The Administrative Budget for the period from July 1, 2020 through June 30, 2021, as set forth in "Exhibit A" attached hereto and by this reference incorporated herein, is hereby approved and adopted.

On motion of Board Member _____, seconded by Board Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

The foregoing Resolution was passed and adopted this 14th day of January, 2020.

CAREN RAY RUSSOM, CHAIR

ATTEST:

KELLY WETMORE, SECRETARY

APPROVED AS TO FORM:

TIMOTHY J. CARMEL, GENERAL COUNSEL

**SUCCESSOR AGENCY to the DISSOLVED
ARROYO GRANDE REDEVELOPMENT AGENCY
ADMINISTRATIVE BUDGET
for the Period July 1, 2020 through June 30, 2021**

Salaries and Benefits	\$ 15,000
City Manager, Finance personnel, City Clerk	
Professional Services	\$ 10,000
Audit, Legal, Financial	
Overhead Costs	\$ 5,000
Successor Agency Board, Other	
Total Administrative Allocation	<u><u>\$ 30,000</u></u>

RESOLUTION NO. SA-2020-XXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE DISSOLVED ARROYO GRANDE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR FISCAL YEAR 2020-21

WHEREAS, pursuant to Health and Safety Code Section 34177(o), the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency (the “Successor Agency”) must prepare a proposed Recognized Obligation Payment Schedule (“ROPS”) before each annual fiscal period (commencing July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency for approval; and

WHEREAS, the Successor Agency shall submit the Oversight Board approved ROPS to the Department of Finance and to the County Auditor-Controller no later than February 1st of each year.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency hereby finds, determines and orders as follows:

1. The foregoing recitals are true, correct and incorporated herein and made a part hereof.
2. The Recognized Obligation Payment Schedule (“ROPS”) for the period July 1, 2020 through June 30, 2021, as set forth in “Exhibit A” attached hereto and by this reference incorporated herein, is hereby approved and adopted.
3. The Board has authorized and directs Successor Agency staff to submit a copy of the ROPS to the County Oversight Board for approval.
4. Successor Agency staff shall submit the Oversight Board approved ROPS to the Department of Finance and to the County Auditor-Controller no later than February 1, 2020.
5. Successor Agency staff is hereby authorized and directed to post a copy of the Oversight Board-approved ROPS on the Successor Agency’s internet website.
6. Successor Agency staff is hereby authorized and directed to do any and all things deemed necessary or advisable to effectuate implementation of this Resolution, including requesting additional review by the Department of Finance and an opportunity to meet and confer on any disputed items.

On motion of Board Member _____, seconded by Board Member _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:

The foregoing Resolution was passed and adopted this 14th day of January 2020.

CAREN RAY RUSSOM, CHAIR

ATTEST:

KELLY WETMORE, SECRETARY

APPROVED AS TO FORM:

TIMOTHY J. CARMEL, GENERAL COUNSEL

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

Successor Agency: Arroyo Grande

County: San Luis Obispo

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)	\$ 97,500	\$ -	\$ 97,500
B Bond Proceeds	-	-	-
C Reserve Balance	97,500	-	97,500
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 208,636	\$ 210,104	\$ 418,740
F RPTTF	193,636	195,104	388,740
G Administrative RPTTF	15,000	15,000	30,000
H Current Period Enforceable Obligations (A+E)	\$ 306,136	\$ 210,104	\$ 516,240

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

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

A	B	C	F	G	H	I	J	K	L	M	O	P	Q	R	S	U	V	W
Item #	Project Name	Obligation Type	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	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	RPTTF	Admin RPTTF	
						\$7,546,158		\$516,240	\$-	\$97,500	\$193,636	\$15,000	\$306,136	\$-	\$-	\$195,104	\$15,000	\$210,104
8	Administrative costs	Admin Costs	Various (City of Arroyo Grande, Rutan and Tucker, Moss, Levy & Hartzheim CPA's, Carmel and Nacassha, etc..)	Legal, operating, audit, insurance, and staffing costs	1	540,000	N	\$30,000	-	-	-	15,000	\$15,000	-	-	-	15,000	\$15,000
11	2018 Tax Allocation Bonds	Refunding Bonds Issued After 6/27/12	Wells Fargo Bank	Bonds issued to refund the 2007 Bonds		6,870,158	N	\$384,240	-	97,500	193,636	-	\$291,136	-	-	93,104	-	\$93,104
12	2018 Tax Allocation Bonds	Fees	Wells Fargo Bank	Annual Trustee Fees		36,000	N	\$2,000	-	-	-	-	\$-	-	-	2,000	-	\$2,000
13	2018 Tax Allocation Bonds	Reserves	Wells Fargo Bank	Reserve request to satisfy Indenture		100,000	N	\$100,000	-	-	-	-	\$-	-	-	100,000	-	\$100,000

Arroyo Grande
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.	458,101					- C-1 was the debt service reserve fund held by the 2007 Bonds Trustee bank
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller					764,041	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)	458,101				764,041	Old bond reserve fund was used as a deposit to the 2007 Bonds Escrow Fund of 2018 Refunding Bonds
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)	\$-	\$-	\$-	\$-	\$-	

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

Item #	Notes/Comments
13	Reserve request for 1/2 of bond principal payment due 9/2/2021, pursuant to Section 5.01(h) of the Trust Indenture for the 2018 Bonds.