

SPECIAL MEETING

Oversight Board Successor Agency to the Daly City Redevelopment Agency

Wednesday, April 18, 2018 at 1:00 p.m.

**City of Daly City – City Hall
Administrative Conference Room
333-90th Street, 3rd Floor, Daly City, CA 94015**

For those wishing to address the Board on any Item on the Agenda or under Public Appearances/Oral Communications, please complete a Speaker Card located at the entrance to the meeting and submit to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City clerk at (650) 991-8078 as soon as possible.

AGENDA

1. Approval of Minutes for January 8, 2018 Special Meeting
2. Resolution Approving the Successor's Agency's Last and Final Recognized Obligation Payment Schedule (ROPS) (Rose Zimmerman)
3. Public Comments
NOTE: Speakers are limited to two minutes, unless modified by the Chairperson.
The Board cannot take action on any matter raised under this item.
4. Future Business
5. Board Comments
6. Adjourn

Oversight Board
Successor Agency to the
Daly City Redevelopment Agency
Minutes-Special Meeting
January 8, 2018

The meeting was called to order in the City of Daly City Administrative Conference Room by Chairperson Jensen at 11:15 A.M.

Oversight Boardmembers Present:

Kathy Blackwood, Executive Vice-Chancellor, San Mateo County Community College District
Judith Christensen, Councilmember, City of Daly City
Michael Crilly, Appointee, San Mateo County
Iris Gallagher, President, Bayshore Sanitation District
Peggy Jensen, Deputy County Manager
Patricia E. Martel, City Manager, City of Daly City

Counsel to the Oversight Board:
Joan Cassman, Esq. (by telephone)

Staff Present:

Lawrence Chiu, Director of Finance and Administrative Services
Casey Clar, Accountant
K. Annette Hipona, City Clerk
Tatum Mothershead, Director, Economic and Community Development
Kelly Schott, Assistant City Attorney
Rose Zimmerman, City Attorney

MINUTES:

It was moved by Boardmember Martel, seconded by Boardmember Blackwood and carried to approve the special meeting minutes of March 1, 2017 and May 18, 2017.

RESOLUTIONS:

Approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2018 – June 30, 2019

Casey Clar, Accountant, reviewed the agenda report with the board.

It was moved by Boardmember Crilly, seconded by Boardmember Christensen and carried by unanimous roll call vote to adopt the following resolution:

OB18-1, Approving the 18-19 Recognized Obligation Payment Schedule

Oversight Board
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ADJOURNMENT:

The meeting adjourned at 11:31 A.M.

City Clerk

Approved this 18th day
of April, 2018.

Chairperson

Oversight Board Agenda Report
Successor Agency to the
Daly City Redevelopment Agency

Item # _____

Meeting Date: April 18, 2018

Subject: Resolution of the Governing Board of the Oversight Board to the Successor Agency to the Daly City Redevelopment Agency Approving and Adopting the Last and Final Recognized Obligation Payment Schedule for the Successor Agency

RECOMMENDATION

It is recommended that the Governing Board of the Oversight Board to the Successor Agency to the Daly City Redevelopment Agency ("Oversight Board") adopt the attached resolution approving and adopting the Last and Final Recognized Obligation Payment Schedule ("ROPS") for the Successor Agency.

EXECUTIVE SUMMARY

Under statutes governing the dissolution of redevelopment agencies, the Successor Agency is required to annually prepare a ROPS and corresponding administrative budgets to be implemented in yearly increments. The attached resolution approves and adopts a Last and Final ROPS. Once approved by the Oversight Board and California Department of Finance, the Successor Agency will no longer be obligated to file a yearly ROPS.

BACKGROUND AND ANALYSIS

Pursuant to Health and Safety Code Section 34191.6(a), successor agencies that have received a Finding of Completion may submit a Last and Final ROPS if all the following conditions are met:

- The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts.
- All remaining obligations have been previously listed on the ROPS and approved for payment by the California Department of Finance pursuant to HSC section 34177 (m) or (o).
- The Successor Agency is not a party to outstanding/unresolved litigation, except as specified in HSC section 34191.6 (a) (3).
-

Under the dissolution statutes, successor agencies which meet the above requirements may submit a Last and Final ROPS to the California Department of Finance. The Department has 100 days to review the filing and propose amendments or changes to the Last and Final ROPS schedule. If a Last and Final ROPS is approved less than 15 days before the property tax distribution, the Last and Final ROPS will not be effective until the subsequent Redevelopment Property Tax Trust Fund (RPTTF) distribution period.

The Successor Agency meets the requirements for submittal of a Last and Final ROPS because (i) the Successor Agency's only outstanding obligation is the repayment of the consolidated City loans to the former Redevelopment Agency and the City of Daly City and (ii) all outstanding litigation has been resolved.

In consultation with the County Auditor-Controller's office, staff has prepared a proposed Last and Final ROPS that lists projected repayment of the consolidated City loan, a proposed administrative allowance consistent with the administrative allowance approved by the Department of Finance on

Oversight Board Agenda Report

Subject: Resolution of the Governing Board of the Oversight Board to the Successor Agency to the Daly City Redevelopment Agency Approving and Adopting the Last and Final Recognized Obligation Payment Schedule for the Successor Agency

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the last annual ROPS, and repayment of the balance of litigation expenses advanced by the City \$25,500.

Under Health and Safety Code section 34171(d), the administrative cost allowance for the Successor Agency cannot exceed fifty percent of the total RPTTF distributed in the preceding fiscal year to pay for enforceable obligations, and so long as this is not exceeded, the administrative cost allowance is normally the greater of three percent of the RPTTF in the preceding fiscal year or two-hundred fifty thousand dollars. However, the Department typically does not approve the entire allowance in connection with a Last and Final ROPS because administrative expenses are typically minimal by the time an agency qualifies for submission of a Last and Final ROPS. For the annual ROPS for the period July 1, 2018 through June 30, 2019, DOF approved an administrative allowance of \$48,357. The proposed Last and Final ROPS includes this same amount as the annual administrative allowance.

Adopting a Last and Final ROPS provides certain key benefits. Health and Safety Code section 34191.6 allows agencies filing a Last and Final ROPS to apply a four percent (4%) interest rate on outstanding loan amounts made by sponsoring entities calculated on an annual basis until fully paid. This is an increase over the three percent (3%) rate otherwise allowed. The loan repayment schedule included in the proposed Last and Final ROPS uses the four percent (4%) interest rate.

Furthermore, successor agencies may elect to repay sponsoring entity loans in an amount equal to the greater of: (a) 15 percent of the entire moneys remaining in the RPTTF after allocation of taxing entity passthrough payments and certain other specified expenses, or (b) one-half of the incremental increase in residual RPTTF funds over the base year 2012 - 2013. Once the Successor Agency makes this election, the selected methodology will remain in effect for the duration of the repayment period for the consolidated City loan. Successor Agency staff have analyzed projected RPTTF growth over the anticipated loan repayment period, and have determined that the 15 percent of the entire moneys remaining in the RPTTF method would result in a more rapid repayment of the City loans. The proposed Last and Final ROPS reflects this methodology.

Respectfully submitted,



Rose Zimmerman
Agency Counsel/City Attorney

Attachments:

- Exhibit A — Resolution Approving Last and Final ROPS
- Exhibit B — Last and Final ROPS

Exhibit "A"

Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary
Filed for the July 1, 2018 through June 30, 2046 Period

Successor Agency:	<u>Daly City</u>
County:	<u>San Mateo</u>
Initial ROPS Period	<u>ROPS 18-19A</u>
Final ROPS Period	<u>ROPS 45-46B</u>

Requested Funding for Enforceable Obligations	Total Outstanding Obligation
A Enforceable Obligations Funded as Follows (B+C):	\$ -
B Bond Proceeds	-
C Other Funds	-
D Redevelopment Property Tax Trust Fund (RPTTF) (E+F):	\$ 445,158,074
E RPTTF	443,852,408
F Administrative RPTTF	1,305,666
G Total Outstanding Enforceable Obligations (A+D):	\$ 445,158,074

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 agency.

	Name	Title
/s/		
	Signature	Date

Daly City Last and Final Recognized Obligation Payment Schedule (ROPS) - ROPS Detail
July 1, 2018 through June 30, 2046

A Period					
July - December					
ROPS Period	Fund Sources				Six-Month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	
	\$	\$	\$	\$	\$
ROPS 18-19A	-	-	4,713,389	24,179	4,737,568
ROPS 19-20A	-	-	4,901,924	24,179	4,926,103
ROPS 20-21A	-	-	5,098,001	24,179	5,122,180
ROPS 21-22A	-	-	5,301,921	24,179	5,326,100
ROPS 22-23A	-	-	5,513,998	24,179	5,538,177
ROPS 23-24A	-	-	5,734,558	24,179	5,758,737
ROPS 24-25A	-	-	5,963,940	24,179	5,988,119
ROPS 25-26A	-	-	6,202,498	24,179	6,226,677
ROPS 26-27A	-	-	6,450,598	24,179	6,474,777
ROPS 27-28A	-	-	6,708,622	24,179	6,732,801
ROPS 28-29A	-	-	6,976,967	24,179	7,001,146
ROPS 29-30A	-	-	7,256,045	24,179	7,280,224
ROPS 30-31A	-	-	7,546,287	24,179	7,570,466
ROPS 31-32A	-	-	7,848,139	24,179	7,872,318
ROPS 32-33A	-	-	8,162,064	24,179	8,186,243
ROPS 33-34A	-	-	8,488,547	24,179	8,512,726
ROPS 34-35A	-	-	8,828,089	24,179	8,852,268
ROPS 35-36A	-	-	9,181,212	24,179	9,205,391
ROPS 36-37A	-	-	9,548,461	24,179	9,572,640
ROPS 37-38A	-	-	9,930,399	24,179	9,954,578
ROPS 38-39A	-	-	10,327,615	24,179	10,351,794
ROPS 39-40A	-	-	10,740,720	24,179	10,764,899
ROPS 40-41A	-	-	11,170,348	24,179	11,194,527
ROPS 41-42A	-	-	11,617,162	24,179	11,641,341
ROPS 42-43A	-	-	12,081,849	24,179	12,106,028
ROPS 43-44A	-	-	12,565,123	24,179	12,589,302
ROPS 44-45A	-	-	13,067,728	24,179	13,091,907
ROPS 45-46A	-	-	-	-	-

B Period							
January - June							
ROPS Period	Fund Sources					Six-Month Total	Twelve-Month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF			
	\$	\$	\$	\$	\$	\$	
ROPS 18-19B	-	-	4,713,389	24,179	4,737,568	445,158,074	
ROPS 19-20B	-	-	4,901,924	24,179	4,926,103	9,475,136	
ROPS 20-21B	-	-	5,098,001	24,179	5,122,180	9,852,206	
ROPS 21-22B	-	-	5,301,921	24,179	5,326,100	10,244,360	
ROPS 22-23B	-	-	5,513,998	24,179	5,538,177	10,652,200	
ROPS 23-24B	-	-	5,734,558	24,179	5,758,737	11,076,354	
ROPS 24-25B	-	-	5,963,940	24,179	5,988,119	11,517,474	
ROPS 25-26B	-	-	6,202,498	24,179	6,226,677	11,970,238	
ROPS 26-27B	-	-	6,450,598	24,179	6,474,777	12,453,354	
ROPS 27-28B	-	-	6,708,622	24,179	6,732,801	12,949,554	
ROPS 28-29B	-	-	6,976,967	24,179	7,001,146	13,465,602	
ROPS 29-30B	-	-	7,256,045	24,179	7,280,224	14,002,292	
ROPS 30-31B	-	-	7,546,287	24,179	7,570,466	14,560,448	
ROPS 31-32B	-	-	7,848,139	24,179	7,872,318	15,140,932	
ROPS 32-33B	-	-	8,162,064	24,179	8,186,243	15,744,636	
ROPS 33-34B	-	-	8,488,547	24,179	8,512,726	16,372,486	
ROPS 34-35B	-	-	8,828,089	24,179	8,852,268	17,025,452	
ROPS 35-36B	-	-	9,181,212	24,179	9,205,391	17,704,536	
ROPS 36-37B	-	-	9,548,461	24,179	9,572,640	18,410,782	
ROPS 37-38B	-	-	9,930,399	24,179	9,954,578	19,145,280	
ROPS 38-39B	-	-	10,327,615	24,179	10,351,794	19,909,156	
ROPS 39-40B	-	-	10,740,720	24,179	10,764,899	20,703,588	
ROPS 40-41B	-	-	11,170,348	24,179	11,194,527	21,529,798	
ROPS 41-42B	-	-	11,617,162	24,179	11,641,341	22,389,054	
ROPS 42-43B	-	-	12,081,849	24,179	12,106,028	23,282,682	
ROPS 43-44B	-	-	12,565,123	24,179	12,589,302	24,212,056	
ROPS 44-45B	-	-	13,067,728	24,179	13,091,907	25,178,604	
ROPS 45-46B	-	-	-	-	-	26,183,814	

Last and Final Recognized Obligation Payment Schedule (ROPS) Estimated Backup for July 1, 2018 to June 30, 2046 Period

	Total (1) RPTTF	Future Growth	Property Tax Admin Fees	Pass Through Payments	City Loan / Other	Admin Costs	Net Revenue	City Loan Repayment At 15%
<i>Actual</i>								
2014 - 2015	7,730,169		86,766	1,142,967	8,081	250,000	6,242,356	936,353
2015 - 2016	8,218,811		72,642	1,301,510	25,000	241,920	6,577,739	986,661
2016 - 2017	8,599,678		81,462	1,374,422	1,485,325	12,500	5,645,969	846,895
2017 - 2018	9,064,209		81,355	1,495,677	295,927	250,000	6,941,250	1,041,188
Average Growth	5.45%	4.00%	1%	17%				
<i>Projection</i>								
2018 - 2019	9,426,777	4.00%	84,609	1,555,504	842,811	48,357	6,895,496	1,034,324
2019 - 2020	9,803,848	4.00%	87,994	1,617,724	1,034,324	48,357	7,015,449	1,052,317
2020 - 2021	10,196,002	4.00%	91,513	1,682,433	1,052,317	48,357	7,321,381	1,098,207
2021 - 2022	10,603,842	4.00%	95,174	1,749,731	1,098,207	48,357	7,612,374	1,141,856
2022 - 2023	11,027,996	4.00%	98,981	1,819,720	1,141,856	48,357	7,919,083	1,187,862
2023 - 2024	11,469,116	4.00%	102,940	1,892,509	1,187,862	48,357	8,237,448	1,235,617
2024 - 2025	11,927,881	4.00%	107,058	1,968,209	1,235,617	48,357	8,568,640	1,285,296
2025 - 2026	12,404,996	4.00%	111,340	2,046,937	1,285,296	48,357	8,913,066	1,336,960
2026 - 2027	12,901,196	4.00%	115,794	2,128,815	1,336,960	48,357	9,271,271	1,390,691
2027 - 2028	13,417,244	4.00%	120,425	2,213,967	1,390,691	48,357	9,643,803	1,446,571
2028 - 2029	13,953,933	4.00%	125,242	2,302,526	1,446,571	48,357	10,031,237	1,504,686
2029 - 2030	14,512,091	4.00%	130,252	2,394,627	1,504,686	48,357	10,434,169	1,565,125
2030 - 2031	15,092,574	4.00%	135,462	2,490,412	1,565,125	48,357	10,853,218	1,627,983
2031 - 2032	15,696,277	4.00%	140,881	2,590,029	1,627,983	48,357	11,289,028	1,693,354
2032 - 2033	16,324,128	4.00%	146,516	2,693,630	1,693,354	48,357	11,742,272	1,761,341
2033 - 2034	16,977,093	4.00%	152,376	2,801,375	1,761,341	48,357	12,213,644	1,832,047
2034 - 2035	17,656,177	4.00%	158,471	2,913,430	1,832,047	48,357	12,703,872	1,905,581
2035 - 2036	18,362,424	4.00%	164,810	3,029,967	1,905,581	48,357	13,213,709	1,982,056
2036 - 2037	19,096,921	4.00%	171,403	3,151,166	1,982,056	48,357	13,743,939	2,061,591
2037 - 2038	19,860,798	4.00%	178,259	3,277,212	2,061,591	48,357	14,295,379	2,144,307
2038 - 2039	20,655,230	4.00%	185,389	3,408,301	2,144,307	48,357	14,868,876	2,230,331
2039 - 2040	21,481,439	4.00%	192,805	3,544,633	2,230,331	48,357	15,465,313	2,319,797
2040 - 2041	22,340,697	4.00%	200,517	3,686,418	2,319,797	48,357	16,085,608	2,412,841
2041 - 2042	23,234,325	4.00%	208,538	3,833,875	2,412,841	48,357	16,730,714	2,509,607
2042 - 2043	24,163,698	4.00%	216,879	3,987,230	2,509,607	48,357	17,401,624	2,610,244
2043 - 2044	25,130,246	4.00%	225,554	4,146,719	2,610,244	48,357	18,099,371	2,714,906
2044 - 2045	26,135,455	4.00%	234,576	4,312,588	2,714,906	48,357	18,825,028	2,823,754
Projected Total	443,852,406		3,983,758	73,239,688	45,928,309	1,305,639	319,395,013	47,909,252

Exhibit "B"

RESOLUTION NO. OB 18-__

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY OF THE CITY OF DALY CITY APPROVING A
LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE
SUCCESSOR AGENCY**

WHEREAS, pursuant to Resolution No. 12-11, adopted by the City Council of the City of Daly City on January 23, 2012, the City of Daly City agreed to serve as the successor agency to the Daly City Redevelopment Agency ("Successor Agency") commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill xl 26; and

WHEREAS, Health and Safety Code section 34191.6(a), allows successor agencies that have received a Finding of Completion to submit a Last and Final ROPS if all of the required conditions are met:

- The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts; and
- All remaining obligations have been previously listed on the ROPS and approved for payment by the California Department of Finance pursuant to HSC section 34177 (m) or (o); and
- The Successor Agency is not a party to outstanding/unresolved litigation, except as specified in HSC section 34191.6 (a)(3); and

WHEREAS, Successor Agency staff prepared a Last and Final ROPS and submitted it to the Oversight Board for review and approval as required by Health and Safety Code; and

WHEREAS, the Oversight Board met at a duly-noticed public meeting on April 18, 2018 to consider the obligations listed on the Last and Final ROPS; and

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Daly City, as follows:

1. The Oversight Board hereby approves the Last and Final ROPS for the Successor Agency, including the Successor Agency Administrative Budget, in the form presented to the Oversight Board and attached hereto as Exhibit A.
2. The staff of the Successor Agency is hereby directed to submit the Last and Final ROPS to Department of Finance in the manner provided for by the Department, the County Auditor-Controller and the County administrative officer, and post the Last and Final ROPS on the Successor Agency's website in accordance with Health and Safety Code Section 34191.6(a), and to cooperate with DOF to the extent necessary to obtain DOF's acceptance of the Last and Final ROPS.
3. The Executive Director and her designees are authorized to take such further actions as

may be necessary to carry out the intent of this Resolution, including without limitation, modifying the Last and Final ROPS to reflect adjustments required by the Department of Finance or the County Auditor-Controller.

* * * * *

I hereby certify the foregoing to be a true copy of a Resolution adopted by the Oversight Board of the Successor Agency to the former Daly City Redevelopment Agency, Daly City, California at a special meeting thereof held on the ____ day of April, 2018, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

SECRETARY

APPROVED:

CHAIRPERSON