



REPORT TO THE CITY COUNCIL AS THE SUCCESSOR AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

Approved by:


Arnaldo Rodriguez, City Manager

Council Meeting of: January 15, 2020

Agenda Number: D-2

SUBJECT:

Actions Related to Successor Agency Annual Budget Reporting to the Department of Finance:

- 1) Consideration of a Resolution Adopting the Recognized Obligation Payment Schedule (ROPS) Representing Period of July 1, 2020 to June 30, 2021, for the City of Madera as the Successor Agency of the Former Madera Redevelopment Agency of the City of Madera, and
- 2) Consideration of a Resolution Approving the Administrative Budget for the City of Madera as the Successor Agency of the Former Madera Redevelopment Agency of the City of Madera for the Period of July 1, 2020 – June 30, 2021

RECOMMENDATION:

Staff recommends that the City Council as the Successor Agency adopt resolutions approving the Recognized Obligation Payment Schedule and Administrative Budget for the period of July 1, 2020 to June 30, 2021 and authorize the City Manager to present the ROPS to the Countywide Oversight Board for its consideration and approval.

SUMMARY:

The ROPS sets forth the enforceable obligations of the Successor Agency. The Successor Agency can only make payments on those enforceable obligations listed on a ROPS approved by both the Countywide Oversight Board and the Department of Finance (DOF). The Successor Agency is not authorized to make any payments for obligations not listed on an approved ROPS.

Once the City Council as the Successor Agency approves the ROPS, it is submitted to the Countywide Oversight Board for approval, and it is transmitted by the Successor Agency to the Department of Finance for its review and approval.

Successor agencies shall submit an approved annual ROPS to the Department Finance and the Madera County Auditor Controller (CAC) by February 1, 2020 for the upcoming fiscal year. The Department of Finance will make its determination by April 15, 2020.

The Dissolution Act also requires successor agencies to prepare an administrative budget to be submitted to the Countywide Oversight Board for approval.

DOF is responsible for implementation of the RDA dissolution statutes, (AB)x1 26, AB 1484, AB 471, and SB 107, and oversees the winding-down of the successor agencies.

DISCUSSION:

Recognized Obligation Payment Schedule

The deadline established pursuant to AB 1484 to submit the July 1, 2020 to June 30, 2021 ROPS to the CAC and the DOF is February 1, 2020. The City of Madera Successor Agency's Annual ROPS and Administrative Budget is scheduled for adoption at a Special Meeting of the Oversight Board to be held later this month. Upon approval, the ROPS will be forwarded to the Department of Finance and Madera County Auditor.

Per Health and Safety Code Section 34177(m), a penalty of \$10,000 per day may be issued if the ROPS is not received by the DOF by February 1, 2020.

Administrative Budget

ABx126 and AB1484 provide for an administrative cost allowance funded from property tax to pay for certain costs incurred for winding down the affairs of redevelopment agencies. We are limited to \$250,000.00 per year. Administrative costs are allocated to both the property tax administrative allowance and project bond funds. Administrative costs are those necessary to carry out enforceable obligations. Per 34179(h)(B), the Successor Agency is not required to submit the Administrative Budget for Department of Finance's approval.

FINANCIAL IMPACT:

Adoption and transmittal of the ROPS is required to receive money from the Redevelopment Property Tax Trust Fund (RPTTF) to pay ongoing bond payments and other enforceable obligations of the former Redevelopment Agency.

ALTERNATIVES:

1. Do not adopt the resolutions approving the ROPS and Administrative Budget and provide alternate direction to staff. Due to time constraints, this may result in penalty of \$10,000 per day.

ATTACHMENTS:

1. Resolution Approving Successor Agency ROPS
Exhibit A - Madera Recognized Obligation Payment Schedule– ROPS Detail
2. Resolution Approving the Successor Agency Administrative Budget
Exhibit A – Administrative Budget Detail

ATTACHMENT 1

RESOLUTION NO. SA 20-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA, ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 20-21 PURSUANT TO SECTION 34177 OF THE CALIFORNIA HEALTH AND SAFETY CODE FOR FISCAL YEAR 2020-2021 FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021

WHEREAS, in connection with the approval and adoption of the State Budget for Fiscal Year 2011-2012, the California Legislature adopted, and the Governor signed, ABx1 26 (the "Dissolution Act"), which, after the California Supreme Court's ruling on December 29, 2011, has had the effect of dissolving all redevelopment agencies in the State of California; and

WHEREAS, the City of Madera has accepted the designation as the Successor Agency ("Agency") as that term is defined in the Dissolution Act, which has been authorized to wind down the business of the former Madera Redevelopment Agency; and

WHEREAS, Section 34177 (a)(1) of the California Health and Safety Code (added by the Dissolution Act) required that each redevelopment agency adopt a Recognized Obligation Payment Schedule (ROPS) for payments the redevelopment agency was obligated to make; and

WHEREAS, Section 34177(o) (1) of the California Health and Safety Code requires the Agency to prepare the Recognized Obligation Payment Schedule (ROPS) in a format provided for by the Department of Finance for the approval of the Oversight Board and Department of Finance; and

WHEREAS, the Agency reserves the right pursuant to HSC section 34177 (o) (1) (E) to amend the Recognized Obligation Payment Schedule (ROPS) for approved enforceable obligations as needed and is due to Finance no later than October 1.

NOW, THEREFORE the City Council of the City of Madera as the Successor Agency to the former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. The recitals listed above are true and correct.
2. The Agency hereby approves and adopts the Recognized Obligation Payment Schedule 20-21 for the period July 1, 2020 through June 30, 2021 attached hereto as Exhibit A.
3. The Agency authorizes and directs the City Manager to:
 - (a) Present a copy of the adopted Recognized Obligation Payment Schedule 20-21 for the period July 1, 2020 through June 30, 2021 to the Countywide Oversight Board for approval.
 - (b) Transmit a copy of the adopted Recognized Obligation Payment Schedule 20-21 for the period July 1, 2020 through June 30, 2021 by mail or electronic means to the State Department of Finance, the State Controller, Madera County Administrator and Madera County Auditor-Controller.
 - (c) Post the Recognized Obligation Payment Schedule 20-21 for the period July 1, 2020 through June 30, 2021 on the City's website.
4. The Agency designates the City Manager as the individual to whom the Department of Finance may make requests for information and who shall provide the department with his telephone number and email address for purposes of communication.
5. This resolution is effective immediately upon adoption.

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Exhibit A - Madera Recognized Obligation Payment Schedule– ROPS Detail

Description	Total Outstanding Obligation	Total Requested Funding	Notes
Facility and Lot maintenance	\$ 105,000	\$ 5,000	
Final phase subdivision improvements	\$ 120,000	\$ 30,000	
Administrative Costs	\$ 5,000,000	\$ 250,000	
Engineering and survey, truck dirt, grading, alley paving	\$ 350,000	\$ 100,000	
Property Acquisition	-	-	
Contract Services	\$ 75,000	\$ 40,000	
PG&E, application, Consultants	\$ 60,000	\$ 6,000	
Consultants, Professionals	\$ 20,000	\$ 6,000	
Other Materials, Supplies	\$ 38,000	\$ 12,000	
Project Management	\$ 300,000	\$ 40,000	
Property Maintenance 428 Yosemite	-	-	
Property Maintenance 128 N E St	-	-	
Property Maintenance 5 E Yosemite	-	-	
Debt Service	\$ 522,744	\$ 522,744	
Engineering and design services	\$ 85,000	\$ 19,371	
Construction of infrastructure	\$ 1,290,755	\$ 1,290,755	
Street Improvements	-	-	
Street and offsite improvements as required	\$ 1,249,313	-	
Offsite Improvements, abandon and install new sewer and water connections	\$ 100,000	\$ 30,000	
Haul in dirt to grade	\$ 189,810	\$ 189,810	
Offsite improvements	\$ 585,021	\$ 585,021	
Project Area Improvements per the Agency Implementation Plan, Redevelopment Plan & Pre 2011 Bond Covenants	\$ 2,000,000	\$ 2,000,000	
Refunding bonds issue to fund RDA projects	\$ 46,396,338	\$ 2,084,526	
Refunding bonds issue to fund RDA projects	\$ 3,754,771	\$ 756,784	
Trustee Fees, Disclosure Rpt, Bond Council	\$ 145,000	\$ 20,000	
Continuing Disclsoure per Bond Requirements	\$ 70,000	\$ 5,000	
Totals	\$ 62,456,752	\$ 7,993,011	

ATTACHMENT 2

RESOLUTION NO. SA 20-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA, APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR JULY 1, 2020 THROUGH JUNE 30, 2021

WHEREAS, in connection with the approval and adoption of the State Budget for Fiscal Year 2011-2012, the California Legislature adopted, and the Governor signed, ABx1 26 (the "Dissolution Act"), which, after the California Supreme Court's ruling on December 29, 2011, has had the effect of dissolving all redevelopment agencies in the State of California; and

WHEREAS, the City of Madera has accepted the designation as the Successor Agency ("Agency") as that term is defined in the Dissolution Act, which has been authorized to wind down the business of the former Madera Redevelopment Agency; and

WHEREAS, Section 34177(j) of the California Health and Safety Code (added by the Dissolution Act) requires the Agency to prepare and approve an Administrative Budget for administrative costs of the Agency for the upcoming fiscal year as provided in Section 34177 and submit to the Oversight Board for its approval.

NOW, THEREFORE the City Council of the City of Madera as the Successor Agency to the former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. The recitals listed above are true and correct.
2. The Agency hereby approves the Administrative Budget for administrative costs for the period July 1, 2020 through June 30, 2021 attached hereto as Exhibit A.
3. The Agency authorizes and directs the City Manager to:
 - (a) Present a copy of the Administrative Budget for administrative costs for the period July 1, 2020 through June 30, 2021 to the Madera Countywide Oversight

Board for approval.

- (b) Upon approval of the Countywide Oversight Board, transmit a copy of the Administrative Budget for administrative costs for the period July 1, 2020 through June 30, 2021 by mail or electronic means to the Madera County Auditor-Controller.

- 4. This resolution is effective immediately upon adoption.

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EXHIBIT A

SUCCESSOR AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY
Administrative Budget FY 2020-21
July 1, 2020 to June 30, 2021

	<u>RPTTF</u>	<u>Bond</u>	<u>TOTAL</u>
Salaries & Benefits	\$ 200,000	\$ 40,000	\$ 240,000
M&O	<u>50,000</u>	<u>64,000</u>	<u>114,000</u>
TOTAL	<u>\$ 250,000</u>	<u>\$ 104,000</u>	<u>\$ 354,000</u>